



Consortium of Ohio County Law Libraries

COUNTY AUDITOR PERSPECTIVE

DAWN HALL, DELAWARE COUNTY ACCOUNTANT

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Agenda:

Expenditures

Receipts

Policy

Generally Accepted Accounting Principals

Ethics

Expenditures

Proper Public Purpose

Purchase Order – ORC 5705

- PO dated prior to incurring the obligation
- Appropriations

Sufficient Supporting Documentation

- Contract
- Original Receipt
- Itemized Receipt

Self Review

Proper Public Purpose – Unsupported Expenditures – Noncompliance Finding - Finding for Recovery Repaid Under Audit

Ohio Rev. Code Section 3314.03(A)(11)(d) requires that each contract entered into between a sponsor and the governing authority of a community school shall specify that the school will comply with Section 149.43 of the Ohio Rev. Code. Ohio Rev. Code Section 149.43(B) states, in part, that all public records shall be promptly prepared and made available for inspection to a person at all reasonable times during regular business hours. In order to facilitate broader access to public records, public offices shall maintain public records in a manner that they can be made available for inspection in accordance with this division.

The Academy expended public funds that did not have supporting documentation for 6.7% of the nonpayroll expenditures that were tested during the fiscal year. Additionally, the Academy expended public funds in the amount of \$492 during the fiscal year (as identified in the table below) that did not have prior Board approval, demonstrating what public purpose such expenditures served.

<u>Date</u>	<u>Check Number</u>	<u>Vendor</u>	<u>Amount</u>	<u>Authorizing Parties</u>
08/14/09	143797	US Post Office	\$99	Ed Dudley
02/10/10	143880	Staples	<u>393</u>	Ima Jackson / Ed Dudley
		Total	\$492	

Results

During the Period, the ESC maintained credit and purchasing card accounts with the following institutions: American Express, Chase Bank, Fifth Third Bank and FIA Card Services. In a Special Audit released on August 27, 2014, we reported findings resulting from our examination of expenditures totaling \$485,097 made using the FIA credit card issued to former superintendent Dr. Bart Anderson.

The following is a breakdown of the credit card transactions examined during this audit:

	No. of Transactions ⁴	Total Expenditures
American Express	217	\$95,603
Chase Bank	339	\$78,334
FIA ⁵	23	\$10,601
Fifth Third Bank	2,406	\$288,765
Total	2,985	\$473,303

We noted 834 transactions where the reason for the travel was not clearly indicated on the supporting documentation. We noted 196 transactions totaling \$51,426 that were supported by a receipt; however, the receipt was not itemized. We noted 171 transactions where the receipt or invoice indicated a guest was present, but the name, business relationship, and purpose for the guest being present was not documented.

We identified 34 transactions for the purchase of alcohol totaling \$853. Of this amount, 27 transactions totaling \$730 were reimbursed to the ESC prior to our audit. We proposed findings for recovery against Dr. Anderson for the remaining \$123.

Receipts:

Oversight/Segregation of Duties

ORC 9.38

Supporting Documentation

- If cash is accepted a form of payment, ensure duplicate receipts are issued
- Duplicate Receipts issued in sequential order

Pay-ins

FINDING FOR RECOVERY REPAYED UNDER AUDIT

Program Fees Receipts

In examining manual receipts, attendance sheets, and completed contracts and comparing fees collected to those deposited, we determined Ms. Scholl did not deposit fees totaling \$17,045. We also identified \$35 in cash deposited from an unknown source. On July 1, 2008, Ms. Scholl repaid the District \$10,000.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, we considered issuing a finding for recovery against Michelle Scholl for \$7,010 of public monies collected but unaccounted for in favor of the Fairbanks Local School District. As of January 12, 2009, Ms. Scholl had repaid the District the \$7,010. Accordingly, we consider this a finding for recovery repaid under audit.

Policy:

Policy is needed to Prevent or Detect Fraud and Misuse

Ensure Policy is Implemented and Enforced

Auditor of State Bulletin 2004-002

Auditor of State Website – Best Practices

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https://ohioauditor.gov/publications/bestpractices/Vol1Issue1_Spring%202004.pdf

Finding for Recovery
Sick Leave Incentive – Bill Bauer

Section 27.6 of the Agreement between the City of Galion and Local No. 2243, Council 8 of the American Federation of State, County and Municipal Employees (AFSCME) states employees who have accumulated the required number of hours of sick leave as designated below and whose use of sick leave hours have been limited to the following amounts in the previous year, computed December 1 to December 1, shall be eligible to receive an incentive payment as follows for 2002, 2003, and 2004:

Sick Leave Accumulation Required:	600 Hours
Hours Used in Previous Year:	
0-12 Hours	\$ 500
13-24 Hours	\$ 250

Sick leave incentive pay will be paid on the first non-pay week in December of each year based on the employee's usage over the previous twelve (12) month period computed December 1 to December 1. The sick leave incentive payment shall not affect the employee's sick leave accumulation total.

On December 9, 2002, the City paid the \$500 sick leave bonus to William Bauer, former City Finance Director. His sick leave balance as of December 1, 2002, however, was only 505.09 hours, which is below the required 600 hours that must be maintained to be eligible for the bonus. As a result, Mr. Bauer was not eligible to receive a sick leave bonus in 2002.

On December 12, 2003, the City paid the \$500 sick leave bonus to William Bauer. Mr. Bauer's sick leave balance as of December 1, 2003, however, was only 483.79 hours, which is below the required 600 hours that must be maintained to be eligible for the bonus. As a result, Mr. Bauer was also not eligible to receive any sick leave bonus in 2003.

Generally Accepted Accounting Principals (GAAP):

Delaware County Law Library – Special Revenue Fund (Cash Basis)

Cash Basis

- Budget vs Actual Report

Modified Statements

- Remaining Fund Information (RFI)

Government-Wide Statements

- Governmental-Type Activities

Delaware County, Ohio
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Basis) and Actual
Law Library Resources Board Special Revenue Fund
 For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<u>Revenues</u>				
Fines and Forfeitures	\$245,250	\$245,250	\$246,621	\$1,371
Other	16,270	16,270	16,374	104
Total Revenues	261,520	261,520	262,995	1,475
<u>Expenditures</u>				
Current				
Judicial				
Personal Services	53,120	53,120	35,547	17,573
Fringe Benefits	8,743	8,743	5,848	2,895
Services and Charges	137,663	137,663	128,819	8,844
Materials and Supplies	77,994	77,994	77,802	192
Total Expenditures	277,520	277,520	248,016	29,504
Changes in Fund Balance	(16,000)	(16,000)	14,979	30,979
Fund Balance at Beginning of Year	145,497	145,497	145,497	0
Prior Year Encumbrances Appropriated	16,000	16,000	16,000	0
Fund Balance at End of Year	\$145,497	\$145,497	\$176,476	\$30,979

Delaware County, Ohio
Balance Sheet
Governmental Funds
December 31, 2014

	General	Auto and Gas	Developmental Disabilities	Special Bond Retirement	Other Governmental	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$35,492,994	\$30,131,787	\$7,615,450	\$285,979	\$26,962,487	\$100,488,697
Cash and Cash Equivalents in Segregated Accounts	1,394	0	0	0	294,540	295,934
Accounts Receivable	51,694	60,285	19,444	0	17,351	148,774
Sales Taxes Receivable	13,604,742	0	0	0	0	13,604,742
Accrued Interest Receivable	304,741	0	0	0	1,698,667	10,789,834
Due from Other Governments	2,817,731	4,213,586	2,003,536	56,314	0	1,199
Due from External Party	1,199	0	0	0	30,964	1,126,898
Interfund Receivable	1,095,934	0	0	0	38,191	2,086,213
Prepaid Items	1,427,399	0	620,623	0	7,842	1,219,851
Materials and Supplies Inventory	262,089	949,920	0	0	2,807,182	29,010,167
Property Taxes Receivable	10,423,071	0	14,911,316	868,598	842,655	5,088,363
Special Assessments Receivable	0	0	0	4,245,708	0	784,320
Payment in Lieu of Taxes Receivable	0	0	0	784,320	0	0
Restricted Assets					0	215,465
Equity in Pooled Cash and Cash Equivalents	215,465	0	0	0	0	28,268
Cash and Cash Equivalents with Escrow Agent	0	0	28,268	0	0	0
	<u>\$65,698,453</u>	<u>\$35,355,578</u>	<u>\$25,198,637</u>	<u>\$6,240,919</u>	<u>\$32,699,879</u>	<u>\$165,193,466</u>
Total Assets						
Liabilities						
Accrued Wages Payable	\$897,315	\$105,743	\$117,321	\$0	\$251,839	\$1,372,218
Accounts Payable	433,271	129,498	259,143	0	238,517	1,060,429
Matured Compensated Absences Payable	8,343	0	0	0	0	8,343
Contracts Payable	629,155	536,588	0	0	0	1,165,743
Due to Component Unit	0	0	1,729	0	0	1,729
Due to Other Governments	\$13,906	19,058	1,156,671	0	174,939	2,164,574
Due to External Party	1,125	0	0	0	80,190	81,315
Interfund Payable	0	999,211	7,076	21,139	112,501	1,139,927
Liabilities Payable from Restricted Assets						
Retainage Payable	0	0	28,268	0	0	28,268
	<u>2,783,115</u>	<u>1,790,098</u>	<u>1,570,208</u>	<u>21,139</u>	<u>857,986</u>	<u>7,022,546</u>
Total Liabilities						
Deferred Inflows of Resources						
Property Taxes	10,331,921	0	14,768,830	861,002	2,778,024	28,739,777
Payment in Lieu of Taxes	0	0	0	784,320	0	784,320
Unavailable Revenue	7,327,110	3,124,809	1,870,335	4,309,618	2,187,562	18,819,434
	<u>17,659,031</u>	<u>3,124,809</u>	<u>16,639,165</u>	<u>5,954,940</u>	<u>4,965,586</u>	<u>48,343,531</u>
Total Deferred Inflows of Resources						
Fund Balances						
Nonspendable	1,904,953	949,920	620,623	0	46,033	3,521,529
Restricted	0	29,490,751	6,368,641	264,840	21,895,522	58,019,754
Committed	21,938,000	0	0	0	4,686,470	26,624,470
Assigned	4,406,588	0	0	0	253,852	4,660,440
Unassigned (Deficit)	17,006,766	0	0	0	(5,570)	17,001,196
	<u>45,256,307</u>	<u>30,440,671</u>	<u>6,989,264</u>	<u>264,840</u>	<u>26,876,307</u>	<u>109,827,389</u>
Total Fund Balances						
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$65,698,453</u>	<u>\$35,355,578</u>	<u>\$25,198,637</u>	<u>\$6,240,919</u>	<u>\$32,699,879</u>	<u>\$165,193,466</u>

See accompanying notes to the basic financial statements

Delaware County, Ohio
Statement of Net Position
December 31, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Delaware Creative Housing
Assets				
Equity in Pooled Cash and Cash Equivalents	\$101,995,603	\$35,732,377	\$137,727,980	\$0
Cash and Cash Equivalents in Segregated Accounts	295,934	795,679	1,091,613	235,511
Cash and Cash Equivalents with Escrow Agent	28,268	0	28,268	0
Cash and Cash Equivalents with Fiscal Agent	26,001	0	26,001	0
Accounts Receivable	148,774	902,631	1,051,405	6,593
Other Receivables	0	0	0	3,443
Sales Taxes Receivable	13,604,742	0	13,604,742	0
Accrued Interest Receivable	304,741	0	304,741	0
Due from Primary Government	0	0	0	0
Due from Other Governments	10,789,834	239,806	11,029,640	0
Due from External Party	1,199	0	1,199	0
Internal Balances	(13,029)	13,029	0	0
Prepaid Items	2,159,167	0	2,159,167	19,227
Materials and Supplies Inventory	1,219,851	147,607	1,367,458	0
Property Taxes Receivable	29,010,167	0	29,010,167	0
Special Assessments Receivable	5,088,363	0	5,088,363	0
Payment in Lieu of Taxes Receivable	784,320	0	784,320	0
Nondepreciable Capital Assets	53,464,712	12,039,259	65,503,971	893,944
Depreciable Capital Assets, Net	146,238,230	204,074,622	350,312,852	4,775,446
Total Assets	365,146,877	253,945,010	619,091,887	5,934,164
Deferred Outflows of Resources				
Deferred Charge on Refunding	616,550	1,675,343	2,291,893	0
Liabilities				
Accrued Wages Payable	1,372,240	156,034	1,528,274	10,667
Accounts Payable	1,060,429	311,503	1,371,932	147,370
Matured Compensated Absences Payable	10,078	0	10,078	0
Contracts Payable	1,167,388	1,555,401	2,722,789	0
Retainage Payable	28,268	0	28,268	0
Due to Component Unit	1,729	0	1,729	0
Due to Other Governments	2,164,830	48,217	2,213,047	0
Due to External Party	81,315	0	81,315	0
Line of Credit Payable	0	0	0	11,678
Landlord Subsidy Deposits	0	0	0	40,000
Tenant Deposits	0	0	0	22,838
Claims Payable	458,626	0	458,626	0
Unearned Revenue	0	1,189,561	1,189,561	571,961
Accrued Interest Payable	89,969	116,264	206,233	0
Long-Term Liabilities				
Due Within One Year	4,401,704	2,595,055	6,996,759	52,438
Due in More Than One Year	30,811,448	33,596,552	64,408,000	649,371
Total Liabilities	41,648,024	39,568,587	81,216,611	1,506,323
Deferred Inflows of Resources				
Property Taxes	28,739,777	0	28,739,777	0
Payment in Lieu of Taxes	784,320	0	784,320	0
Total Deferred Inflows of Resources	29,524,097	0	29,524,097	0

(continued)

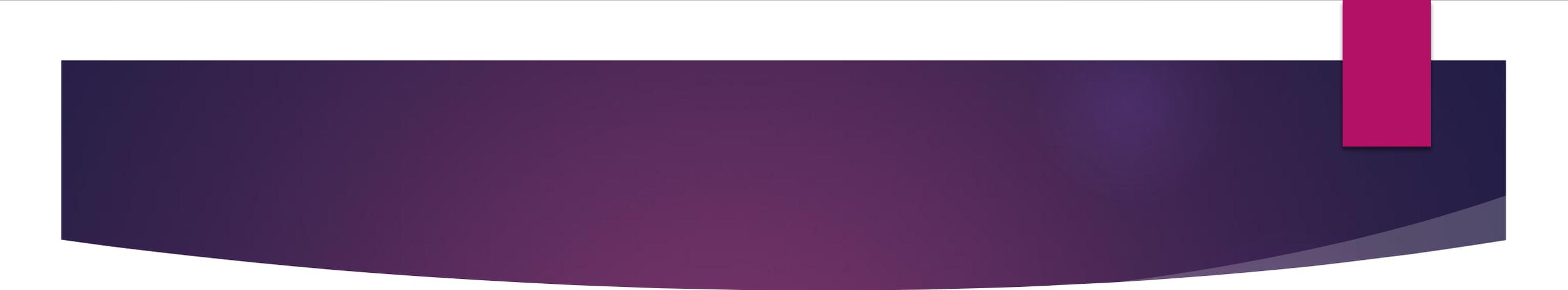
Ethics:

<http://www.ethics.ohio.gov/>

Relatives

Gifts

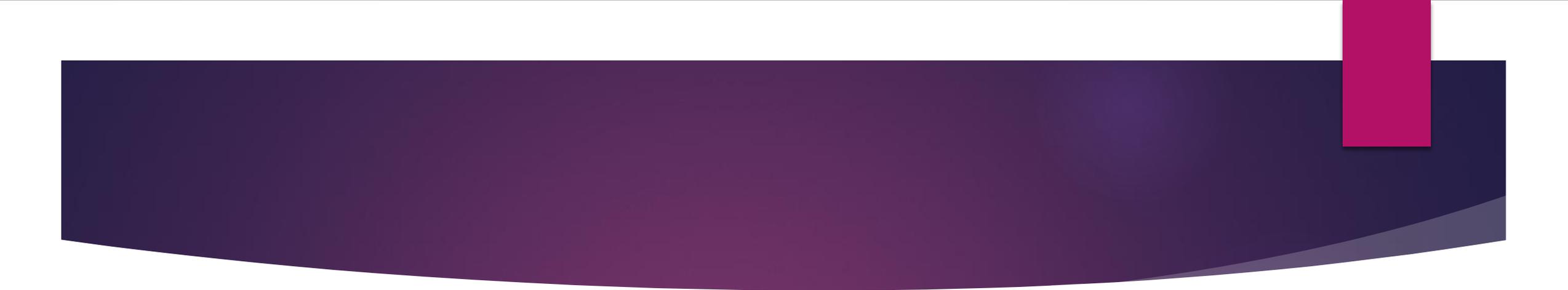
Board Members



FORMER SCHOOL DISTRICT BOARD MEMBER PLEADS GUILTY TO ETHICS CHARGES

A former Madison-Plains School Board member entered guilty pleas on Monday, November 20, 2006 to two criminal ethics charges filed in Madison County Municipal Court. As a result of an Ethics Commission investigation, Blenda James admitted that she used her authority as a public school board member to obtain a series of employment contracts with the high school for her husband, Jim James, and her daughter, Andrea James.

Judge David Picken sentenced James to pay fines and costs totaling \$1,183. He also ordered her to pay as restitution to the Madison-Plains School District the public money illegally expended by the board to pay her daughter, up to a total of \$54,000. The Ohio Auditor of State had also issued a finding for recovery against James and two other board members, which is pending with the Ohio Attorney General's Office for collection.



Questions