

## East County Park and Recreation District

### ***General***

***Code:*** 64EastCounty-AC21  
***Name:*** East County Park and Recreation District  
***Group:*** LGS  
***Type:*** 64-Park and Recreation District  
***Location:*** Snohomish  
***Scope:*** Not Applicable

### ***Team***

***Lead:*** Andrew Wolf  
***Manager:*** Diana Windsor

## Procedures

### B.3.PRG - Substantive Procedures

***Procedure Step:*** Disbursements  
***Prepared By:*** AMW, 9/12/2022  
***Reviewed By:*** STE, 9/18/2022

Purpose/Conclusion.
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## East County Park and Recreation District

**Purpose:**

To further test significant disbursement activity for adequate support, validity and business purpose.

**Conclusion:**

**Based on work performed we updated an earlier control/compliance exception [E - Procurement/Capitalization/Prevailing Wages].**

Record of Work Done:

**Status:** We identified transactions for additional testing in planning; we will evaluate for adequate support, validity and business purpose.

**Procedure:** *See work at [Disbursements Review].*

**Conclusion:** The District provided adequate support for all transactions, which appear to be for valid business purpose. We also confirmed public works/prevailing wage scopes in several transactions; however, we identified no intents/affidavits since 2008 filed on behalf of the District.

**We updated an earlier control/compliance exception [E - Procurement/Capitalization/Prevailing Wages].**

### B.3.PRG - Substantive Procedures

*Procedure Step:* Contracts/Agreements

*Prepared By:* AMW, 9/12/2022

*Reviewed By:* STE, 9/18/2022

Purpose/Conclusion:

**Purpose:**

To further review the District's contracts and agreements, which play a significant role in both revenues and expenditures.

**Conclusion:**

**Based on work performed, we will issue the following exception [E - Financial Reporting (Classification/Netting)].**

Record of Work Done:

### **A. Revenue Contracts**

#### **1) Property Management**

**Analysis:** We reviewed documentation provided in annual report filing, which included a breakdown of revenues (transmittals). The District

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receives rent from Impact Property Management; the management company appears to take fees prior to monthly remit.

**Procedure:** We requested a copy of the property management contract.

**Response** [08/09/2022 Client-SC: Property Management Agreement]: The District provided a copy (from February 2012); added to FAWF. The unit is listed for \$1,400/mo, the agent (Impact Property Management, charges 9% of collections). We identified no direct payments to the vendor and concluded that the vendor removes fees from the remit of rental revenues. Based rental amount, vendor fees would total to about \$1,500/year; *this is not a material amount at stated rates.*

**Conclusion:** We will issue an exception regarding fully reporting revenues and expenditures [E - Financial Reporting (Classification/Netting)].

### 2) Facility use

**Background:** The District receives significant revenues for large park facility use agreements with sports teams.

**Procedure:** We inquired about/requested a copy of the use agreements/contracts.

**Response** [08/24/2022 Client-SC: Park use agreements]: The District has established priority use agreements (dated 2015 and 2013); added to FAWF. Payment terms, expectations, maintenance/insurance, and collection schedules are well documented. Contract does not have an explicit termination date, annual meeting required. Either party may terminate with notice.

*We will pass on further review.*

### B. Vendor Contract - Double Eagle Landscaping

**Status:** This is the District's maintenance vendor, which received over \$30,000/year (over 30% of annual spending in 2020 and 2021).

**Procedure:** We inquired about a written contract/agreement.

**Response:** The District reports having a contract with this vendor; we did not obtain a copy but did test individual disbursements which were adequately documented. Annual spending is reasonably consistent.

*We will pass on further review.*