

**BELMONT PARK DISTRICT  
BELMONT COUNTY**

**AUDIT REPORT**

**JANUARY 1, 2014 - DECEMBER 31, 2015**





# Dave Yost • Auditor of State

Board of Commissioners  
Belmont Park District  
45300 Roscoe Road  
St. Clairsville, Ohio 43950

We have reviewed the *Independent Auditors' Report* of the Belmont Park District, Belmont County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the audit period January 1, 2014 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Belmont Park District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

September 1, 2016

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**BELMONT PARK DISTRICT  
BELMONT COUNTY  
JANUARY 1, 2014 - DECEMBER 31, 2015**

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**WILSON, PHILLIPS & AGIN, CPA'S, INC.  
1100 BRANDYWINE BLVD. BUILDING G  
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT**

Belmont Park District  
Belmont County  
45300 Roscoe Road  
St. Clairsville, Ohio 43950

To the Board of Commissioners:

**Report on the Financial Statements**

We have audited the accompanying financial statements of the cash balances, receipts, disbursements by fund type and related notes of the Belmont Park District, Belmont County, as of and for the years ended December 31, 2015 and 2014.

**Management's Responsibility For the Financial Statements**

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

**Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1 of the financial statements, the District prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States, to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the District does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis permitted is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

#### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Belmont Park District, Belmont County as of December 31, 2015 and 2014, or changes in financial position thereof for the years then ended.

#### **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Belmont Park District, Belmont County as of December 31, 2015 and 2014, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated June 24, 2016, on our consideration of Belmont Park District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

***Wilson, Phillips & Agin, CPA's, Inc.***  
Zanesville, Ohio  
June 24, 2016

**BELMONT PARK DISTRICT  
BELMONT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN BALANCES (CASH BASIS)  
FOR THE YEARS ENDED DECEMBER 31, 2015**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Charges for Services	\$ 49,590	\$ -	\$ 49,590
Intergovernmental	12,699	-	12,699
Donations from Belmont County Tourism Council	28,560	-	28,560
Miscellaneous	17,857	-	17,857
<b>Total Cash Receipts</b>	<u>108,706</u>	<u>-</u>	<u>108,706</u>
<b>Cash Disbursements:</b>			
Current:			
Conservation/Recreation:			
Contracted Services	4,200	-	4,200
Supplies	5,426	-	5,426
Repairs	22,705	-	22,705
Utilities	43,001	-	43,001
Other	7,734	-	7,734
<b>Total Cash Disbursements</b>	<u>83,066</u>	<u>-</u>	<u>83,066</u>
<b>Excess of Receipts Over (Under) Disbursements</b>	25,640	-	25,640
<b>Fund Cash Balances, January 1</b>	<u>(8,264)</u>	<u>31,144</u>	<u>22,880</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	31,144	31,144
Unassigned (Deficit)	17,376	-	17,376
<b>Fund Cash Balances, December 31</b>	<u>\$ 17,376</u>	<u>\$ 31,144</u>	<u>\$ 48,520</u>

See notes to financial statements.



**BELMONT PARK DISTRICT  
BELMONT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN BALANCES (CASH BASIS)  
FOR THE YEARS ENDED DECEMBER 31, 2014**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Charges for Services	\$ 66,823	\$ -	\$ 66,823
Intergovernmental	11,126	-	11,126
Donations from Belmont County Tourism Council	29,169	-	29,169
Miscellaneous	18,001	31,144	49,145
<b>Total Cash Receipts</b>	<u>125,119</u>	<u>31,144</u>	<u>156,263</u>
<b>Cash Disbursements:</b>			
Current:			
Conservation/Recreation:			
Contracted Services	4,200	-	4,200
Supplies	2,689	-	2,689
Repairs	29,661	-	29,661
Utilities	64,999	-	64,999
Other	32,941	-	32,941
<b>Total Cash Disbursements</b>	<u>134,490</u>	<u>-</u>	<u>134,490</u>
<b>Excess of Receipts Over (Under) Disbursements</b>	(9,371)	31,144	21,773
<b>Fund Cash Balances, January 1</b>	<u>1,107</u>	<u>-</u>	<u>1,107</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	31,144	31,144
Unassigned (Deficit)	(8,264)	-	(8,264)
<b>Fund Cash Balances, December 31</b>	<u>\$ (8,264)</u>	<u>\$ 31,144</u>	<u>\$ 22,880</u>

See notes to financial statements.

**BELMONT PARK DISTRICT  
BELMONT COUNTY  
DECEMBER 31, 2015 AND 2014**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Belmont Park District, Belmont County, (the District) as a body corporate and politic. The Probate Judge of Belmont County appoints a five-member Board of Commissioners to govern the district. The District was formed to develop the Belmont County Fairgrounds.

The District's management believes these financial statements present all activities for which the District is financially accountable.

**B. Accounting Basis**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03(D) permit.

**C. Deposits and Investments**

The District's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

**D. Fund Accounting**

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

**General Fund**

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**Special Revenue Funds**

These fund account for and report proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District had the following significant Special Revenue Funds:

**Miscellaneous Special Revenue Fund** – This fund receives monies from oil and gas leases within the District.

**BELMONT PARK DISTRICT  
BELMONT COUNTY  
DECEMBER 31, 2015 AND 2014**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control and appropriations may not exceed estimated resources. The District Board of Commissioners must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

**Encumbrances**

The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2015 and 2014 budgetary activity appears in Note 3.

**F. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Nonspendable**

The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**2. Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**3. Committed**

Commissioners can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Commissioners amend the resolution. Committed cash balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**BELMONT PARK DISTRICT  
BELMONT COUNTY  
DECEMBER 31, 2015 AND 2014**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Balance (Continued)**

**4. Assigned**

Assigned cash balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. *Assigned* amounts represent intended uses established by District Commissioners or a District official delegated that authority by resolution, or by State Statute.

**5. Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted cash balance classifications could be used.

**G Property, Plant and Equipment**

The District records disbursements for acquisitions of property, plant and equipment when paid. The accompanying financial statements do not report these items as assets.

**H. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**2. DEPOSITS**

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2015	2014
Demand deposits	\$ 48,520	\$ 22,880
	\$ 48,520	\$ 22,880

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**BELMONT PARK DISTRICT  
BELMONT COUNTY  
DECEMBER 31, 2015 AND 2014**

**NOTES TO FINANCIAL STATEMENTS**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2015 and 2014 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ -	\$ 108,706	\$ 108,706
Special Revenue	-	-	-
Total	\$ -	\$ 108,706	\$ 108,706

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ -	\$ 83,066	\$ (83,066)
Special Revenue	-	-	-
Total	\$ -	\$ 83,066	\$ (83,066)

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ -	\$ 125,119	\$ 125,119
Special Revenue	-	31,144	31,144
Total	\$ -	\$ 156,263	\$ 156,263

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ -	\$ 134,490	\$ (134,490)
Special Revenue	-	-	-
Total	\$ -	\$ 134,490	\$ (134,490)

Contrary to Ohio Revised Code Section 5705.41 (D), the District had made expenditures prior to certification.

Contrary to Ohio Revised Code Sections 5705.36 and 5705.38 (A) and (C), the District had no appropriations or Certificate of Estimated Resources in 2015 and 2014.

Contrary to Ohio Revised Code Section 5705.41 (B), the District had expenditures that exceeded appropriations in 2015 and 2014.

**4. RISK MANAGEMENT**

**Commercial Insurance**

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Errors and omissions.

**WILSON, PHILLIPS & AGIN, CPA'S, INC.  
1100 BRANDYWINE BLVD. BUILDING G  
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY GOVERNMENT AUDITING STANDARDS.**

Belmont Park District  
Belmont County  
45300 Roscoe Road  
St. Clairsville, Ohio 43950

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Belmont Park District, Belmont County as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements and have issued our report thereon dated June 24, 2016, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered Belmont Park District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider Findings 2015-002, 2015-003, 2015-004, 2015-005, 2015-006, 2015-008 and 2015-009 described in the accompanying schedule of findings to be material weaknesses.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Belmont Park District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed six instances of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2015-001, 2015-004, 2015-005, 2015-006, 2015-007, 2015-009 and 2015-010.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***Wilson, Phillips & Agin, CPA's, Inc.***  
Zanesville, Ohio  
June 24, 2016

**BELMONT PARK DISTRICT  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2015 AND 2014**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**FINDING NUMBER 2015-001**

**Noncompliance**

Ohio Rev. Code § 5705.41 (B) prohibits a subdivision or taxing unit from making an expenditure unless it has been appropriated.

At December 31, 2015, the District had expenditures that exceeded appropriations by \$108,706. At December 31, 2014, the District had expenditures that exceeded appropriations by \$134,490.

The Fiscal Officer should compare expenditures to available appropriations before expenditures are certified. The Fiscal Officer should deny payment requests exceeding appropriations.

Client response: We have not received a response from the client.

**FINDING NUMBER 2015-002**

**Material Weakness**

When designing the public office's system of internal control and the specific control activities, management should ensure that all transactions (receipts and disbursements) are properly authorized and recorded in accordance with management's policies as well as ensure the collection and compilation of the data needed for the accurate preparation of financial statements.

During testing we found several direct deposit receipts and bank service fee disbursements that were not recorded properly.

We recommend that management put in place controls to assist with monitoring the receipts and disbursements of the District to help ensure all transactions are recorded properly.

Client response: We have not received a response from the client.



**BELMONT PARK DISTRICT  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2015 AND 2014**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**FINDING NUMBER 2015-003**

**Material Weakness – Bank Account Reconciliations**

The District’s management has a responsibility to design and maintain internal controls over financial reporting. Internal controls must exist over the cash reconciliation process. Timely reconciliation and review should be completed by the appropriate personnel. Not approving and not preparing reconciliations of bank accounts can allow for inaccurate ledger balances and increase the chances of error or fraud that otherwise could be detected in a timely manner by the District.

We recommend that the bank account held by the District be reconciled monthly and reviewed and/or approved by the District’s Board of Commissioners.

Client response: We have not received a response from the client.

**FINDING NUMBER 2015-004**

**Noncompliance – Material Weakness - Certification of Funds**

Ohio Revised Code Section 5705.41(D) prohibits a subdivision or taxing authority from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer’s certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: “then and now” certificates, blanket certificates and super blanket certificates, which are provided for in Sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

- If the fiscal officer can certify that both at the time that the contract or order was made (“then”) and at the time that the fiscal officer is completing the certification (“now”), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the District can authorize the drawing of a warrant for the payment of the amount due. The District has 30 days from the receipt of the “then and now” certificate to approve payment by ordinance or resolution.. Amounts less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the “then and now” certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of the expenditures by the District.
- Blanket Certificates. Fiscal officers may prepare “blanket” certificates if the District has approved their use and established maximum amounts.

**BELMONT PARK DISTRICT  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2015 AND 2014**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**FINDING NUMBER 2015-004 (Continued)**

- Super Blanket Certificates. The District may also make expenditures and contracts for any amount from a specific line item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonable predictable operation expense. This certification is not to extend beyond the current year. More than one so-called “super blanket” certificate may be outstanding at a particular time for any line item appropriation

The District did not certify the availability of funds prior to the purchase commitment for 100% of expenditures tested. For these item the District also did not prepare blanket certificates, super blankets certificates or then and now certificates in accordance with the Ohio Revised Code. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

We recommend the District certify purchases to which Section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The Fiscal Officer should sign the certification at the time the District incurs a commitment and only when the requirements of 5705.41(D) are satisfied. The Fiscal Officer should post approved purchase commitments to the proper code, to reduce available appropriations.

Client Response: We have not received a response from the client.

**FINDING NUMBER 2015-005**

**Noncompliance - Material Weakness**

Ohio Revised Code Section 5705.38(A) states that on or about the first day of the fiscal year, an appropriation measure is to be passed. If the taxing authority wants to postpone the passage of an annual appropriation measure until an amended certificate is received from the County Budget Commission based on the actual year end balances, it may pass a temporary appropriation measure for meeting the ordinary expenses until April 1.

Ohio Revised Code Section 5705.41(B) states that no subdivision or taxing unit shall make any expenditure of money unless it has been properly appropriated.

For 2015, permanent appropriations resolutions were not approved in the minutes nor were the 2015 appropriations filed with the county auditor. During 2015, the District wrote checks totaling \$108,706 without the benefit of a permanent appropriation resolution being approved; therefore, expenditures exceeded appropriations for 2015.

We recommend the Fiscal Officer ensure its annual appropriation resolution is passed in a timely manner. The annual appropriation resolution should be signed by the Board of Commissioners and maintained by the Fiscal Officer or attached to the minutes and filed with the County Auditor. If the Board of Commissioners passes a temporary appropriation measure, the measure should provide detail such as fund, function and object and amount and signed copies should be maintained by the Fiscal Officer and presented for audit. Also, the Fiscal Officer should deny requests for payments when appropriations are not available.

Client Response: We have not received a response from the client.

**BELMONT PARK DISTRICT  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2015 AND 2014**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**FINDING NUMBER 2015-006**

**Noncompliance - Material Weakness**

Ohio Revised Code 5705.36 states on or about the first day of each fiscal year, the fiscal officers of subdivisions and other taxing units are to certify to the county auditor the total amount from all sources available for expenditures from each fund in the tax budget along with any encumbered balances existing at the end of the receding year.

Except, a taxing authority shall exclude the following from unencumbered fund balances:

- Budget stabilization reserves (ORC 5705.13, 5705.29(G))
- Nonexpendable trust principal balances and any additions to principal not from the fund's reinvested earnings (ORC 5705.131)

The Fiscal Officer did not file the certificate with the county auditor for 2015 and 2014.

We recommend the Fiscal Officer of the District file this required information with the county auditor at the beginnings of each fiscal year.

Client Response: We have not received a response from the client.

**FINDING NUMBER 2015-007**

**Noncompliance**

Ohio Revised Code Section 1545.23 states that if a park district enters into an agreement for the sale or lease of mineral rights regarding a park within the district, the royalties from that sale or lease must be deposited into a special fund created by the board of commissioners to be used exclusively for the maintenance of parks within the District or for acquisition of new park lands.

In 2014, the District received \$31,144 for an oil and gas lease in the park district. These monies were deposited into the operating account and not into a special fund. This information has been posted to the financial statement and the clients financial records.

We recommend that the Board of Commissioners take action to create a special fund and deposit those monies in the fund.

Client Response: We have not received a response from the client.

**BELMONT PARK DISTRICT  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2015 AND 2014**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**FINDING NUMBER 2015-008**

**Material Weakness – Financial Reporting**

As a result of audit procedures, errors were noted that required reclassification and adjustment to the financial statement as follows:

There were no completed financial statements presented for 2014 and 2015, so the information was re-classified from nothing to the statement presented.

These errors come from transferring information from the ledgers to the financial statement. The ledgers properly show the revenues and expenditures of the District but they are not carried forward to the financial statements correctly.

Sound financial reporting is the responsibility of the District and is essential to help ensure the information provided to the readers of financial statements is complete and accurate. To help ensure the District's financial statements and notes to the financial statements are complete and accurate, the District should adopt policies and procedures to identify and correct errors and omissions. In addition, the District should review the financial statements and notes prior to submission for audit.

Client Response: We have not received a response from the client.

**FINDING NUMBER 2015-009**

**Noncompliance and Material Weakness**

Ohio Administrative Code 117-2-03 (B) and 126:3-1-01(A)(2)(a) and Ohio Revised Code Section 117.38 and 1724.05, and AOS Bulletin 2015-07 states that the Auditor of State has implemented the Hinkle Annual Financial Data Reporting System (Hinkle System). The Hinkle System is an internet based application that allows certain financial statement, debt, and demographic data to be entered, uploaded and transmitted to the AOS to satisfy the filing requirements prescribed by the Ohio Revised Code (ORC) and Ohio Administrative Code (OAC). All district's, were required to report via the Hinkle System for periods ended December 31, 2014 and thereafter.

Per Ohio Revised Code Section 117.38, entities filing on a cash basis must file annual reports with the Auditor of State within 60 days of the fiscal year-end. The Auditor of State may prescribe by rule or guidelines the forms for these reports. However, if the Auditor of State has not prescribed a reporting form, the public office shall submit its report on the form used by the public office. Any public office not filing the report by the required date shall pay a penalty of \$25 for each day the report remains unfiled, not to exceed \$750. The AOS may waive these penalties, upon filing of the past due financial report.

In 2014, the District did not enter the required data via the Hinkle System and also did not prepare a completed annual statement for the year ended December 31, 2014. In 2015, the District did not file the annual report within 60 days of the fiscal year-end. We recommend the District file its year end required report via the Hinkle System as required.

Client Response: We have not received a response from client.

**BELMONT PARK DISTRICT  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2015 AND 2014**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**FINDING NUMBER 2015-010**

**Noncompliance**

Ohio Revised Code Section 5705.10, states that money paid into a fund must be used only for the purposes for which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund. As of December 31, 2014 the General Fund had a negative fund balance of (\$8,264).

We recommend the District review all funds balances monthly and make any necessary adjustments or change spending patterns to maintain positive fund balances.

Client Response: We have not received a response from client.

**BELMONT PARK DISTRICT  
BELMONT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
YEARS ENDED DECEMBER 31, 2015 AND 2014**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain:</b>
2013-001	Finding For Recovery Public money illegally expended	No	Not Corrected See Prior Audit Report
2013-002	Finding For Recovery cash collections unaccounted for	No	Not Corrected See Prior Audit Report
2013-003	ORC 5705.41(B) Expenditures exceeding appropriations	No	Not Corrected Repeated as Finding 2015-001
2013-004	Material Weakness Internal Control not utilized and many disbursements not recorded/for public purpose	No	Not Corrected Repeated as Finding 2015-002
2013-005	Material Weakness Hall rental receipts not accounted for	Yes	Finding No Longer Valid



# Dave Yost • Auditor of State

**BELMONT PARK DISTRICT**

**BELMONT COUNTY**

**CLERK'S CERTIFICATION**

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 13, 2016**