

CARROLL COUNTY PARK DISTRICT

CARROLL COUNTY, OHIO

AUDIT REPORT

For the Years Ended December 31, 2014 and 2013





Dave Yost • Auditor of State

Board of Park Commissioners
Carroll County Park District
190 Alamo Road
Carrollton, Ohio 44615

We have reviewed the Independent Auditor's Report of the Carroll County Park District, Carroll County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2013 through December 31, 2014. 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 Carroll County 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

August 3, 2015

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**CARROLL COUNTY PARK DISTRICT
CARROLL COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Carroll County Park District
Carroll County
190 Alamo Road
Carrollton, Ohio 44615

To the Board of Park Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Carroll County Park District, Carroll County, (the District) as of and for the years ended December 31, 2014 and 2013.

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 opinions.

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 of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory basis of accounting 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 State 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 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 the District as of December 31, 2014 and 2013, 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 the Carroll County Park District, Carroll County as of December 31, 2014 and 2013, 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 our report dated June 1, 2015, on our consideration of the 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.



Charles E. Harris & Associates, Inc.

June 1, 2015

**CARROLL COUNTY PARK DISTRICT
CARROLL COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Charges for Services	\$ 203	\$ 13,531	\$ 13,734
Intergovernmental	-	30,389	30,389
Earnings on Investments	212	516	728
Endowment Income	-	80,296	80,296
Donations	6,150	14,173	20,323
Rentals	320	4,770	5,090
Miscellaneous	3,525	36,441	39,966
<i>Total Cash Receipts</i>	<u>10,410</u>	<u>180,116</u>	<u>190,526</u>
Cash Disbursements			
Current:			
Conservation/Recreation:			
Personal Services	31,815	76,754	108,569
Contract Services	5,001	28,976	33,977
Supplies	1,308	6,787	8,095
Equipment	51	13,178	13,229
Repairs	415	4,351	4,766
Other	-	9,140	9,140
Administrative	2,702	13,982	16,684
Utilities	365	25,192	25,557
Capital Outlay	3,430	104,652	108,082
<i>Total Cash Disbursements</i>	<u>45,087</u>	<u>283,012</u>	<u>328,099</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	(34,677)	(102,896)	(137,573)
Other Financing Receipts (Disbursements)			
Advances In	9,512	-	9,512
Advances Out	-	(9,512)	(9,512)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>9,512</u>	<u>(9,512)</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	(25,165)	(112,408)	(137,573)
<i>Fund Cash Balances, January 1</i>	<u>153,821</u>	<u>378,248</u>	<u>532,069</u>
Fund Cash Balances, December 31			
Restricted	-	265,840	265,840
Assigned	4,517	-	4,517
Unassigned	124,139	-	124,139
<i>Fund Cash Balances, December 31</i>	<u>\$ 128,656</u>	<u>\$ 265,840</u>	<u>\$ 394,496</u>

The notes to the financial statements are an integral part of this statement.

**CARROLL COUNTY PARK DISTRICT
CARROLL COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Charges for Services	\$ -	\$ 2,094	\$ 2,094
Intergovernmental	800	14,200	15,000
Earnings on Investments	351	554	905
Endowment Income	-	78,692	78,692
Donations	2,100	43,309	45,409
Rentals	105	5,233	5,338
Miscellaneous	3,980	220	4,200
	7,336	144,302	151,638
<i>Total Cash Receipts</i>			
Cash Disbursements			
Current:			
Conservation/Recreation:			
Personal Services	39,934	50,664	90,598
Contract Services	7,710	30,405	38,115
Supplies	1,850	10,828	12,678
Equipment	228	3,099	3,327
Repairs	-	3,858	3,858
Other	-	2,715	2,715
Administrative	1,694	8,881	10,575
Utilities	1,013	19,633	20,646
Capital Outlay	55,051	28,332	83,383
	107,480	158,415	265,895
<i>Total Cash Disbursements</i>			
<i>Excess of Receipts Over (Under) Disbursements</i>	(100,144)	(14,113)	(114,257)
Other Financing Receipts (Disbursements)			
Sale of Capital Assets	-	2,500	2,500
Transfers In	-	8,816	8,816
Transfers Out	(8,816)	-	(8,816)
Advances In	-	9,512	9,512
Advances Out	(9,512)	-	(9,512)
	(18,328)	20,828	2,500
<i>Total Other Financing Receipts (Disbursements)</i>			
<i>Net Change in Fund Cash Balances</i>	(118,472)	6,715	(111,757)
<i>Fund Cash Balances, January 1</i>	272,293	371,533	643,826
Fund Cash Balances, December 31			
Restricted	-	378,248	378,248
Assigned	4,517	-	4,517
Unassigned	149,304	-	149,304
	153,821	378,248	532,069
<i>Fund Cash Balances, December 31</i>			

The notes to the financial statements are an integral part of this statement.

**CARROLL COUNTY PARK DISTRICT
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

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 the Carroll County Park District, Carroll County, (the District) as a body corporate and politic. The probate judge of Carroll County appoints a three-member Board of Commissioners to govern the District. The Commissioners are authorized to acquire, develop, protect, maintain, and improve park lands and facilities. The Commissioners may convert acquired land into forest reserves. The Commissioners are also responsible for activities related to conserving natural resources, including streams, lakes, submerged lands, and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of these assets conducive to the general welfare.

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

B. Basis of Accounting

These financial statements follow 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). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 Section 117-2-03(D) permit.

C. Deposits and Investments

As the Ohio Revised Code permits, the Carroll County Treasurer holds the District's deposits as the District's custodian. The County holds the District's assets in its investment pool, valued at the Treasurer's reported carrying amount.

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:

1. General Fund

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

**CARROLL COUNTY PARK DISTRICT
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

1. Summary of Significant Accounting Policies (continued)

2. Special Revenue Funds

These funds account for and report the 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 Fund:

Bluebird Farm Park Fund – This fund accounts for and reports monies received from the Stark Community Foundation for endowment income and the related expenses of maintaining the Bluebird Farm Park.

E. Budgetary Process

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

1. 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 must annually approve appropriation measures and subsequent amendments.

2. 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.

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated.

A summary of 2014 and 2013 budgetary activity appears in Note 2.

J. 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.

**CARROLL COUNTY PARK DISTRICT
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

1. Summary of Significant Accounting Policies (continued)

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 fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *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. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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 fund 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.

**CARROLL COUNTY PARK DISTRICT
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

2. Budgetary Activity

Budgetary activity for the years ending December 31, 2014 and 2013 follows:

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 16,490	\$ 10,410	\$ (6,080)
Special Revenue	180,116	180,116	0

2014 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 88,249	\$ 45,087	\$ 43,162
Special Revenue	316,051	283,012	33,039

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 5,622	\$ 7,336	\$ 1,714
Special Revenue	165,130	144,302	(20,828)

2013 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 63,941	\$ 111,997	\$ (48,056)
Special Revenue	271,412	158,415	112,997

3. Equity in Pooled Cash and Investments

The Carroll County Auditor, as fiscal agent for the District, maintains a cash and investments pool used by all of the Carroll County Auditor's funds, including those of the District. The Ohio Revised Code prescribes allowable deposits and investments and the Carroll County Auditor is responsible for compliance. The carrying amount of deposits at December 31 was as follows:

	2014	2013
Demand deposits	\$ 394,496	\$ 532,069

The fiscal agent is responsible for maintaining adequate depository collateral for all funds in the fiscal agent's pooled and deposit accounts. All risks associated with the above deposits are the responsibility of the fiscal agent.

**CARROLL COUNTY PARK DISTRICT
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

4. Retirement System

The District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of earnable salary for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of earnable salary for members in state and local divisions. Plan members are required to contribute 10 percent of their annual earnable salary and the District is required to contribute 14 percent of annual covered payroll. The District has paid all contributions required through December 31, 2014.

5. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage to destruction of assets, errors and omissions, employee injuries, and natural disasters. To mitigate these risks, the District is a covered party under Carroll County's insurance coverage policy.

The County is a member of County Risk Sharing Authority, Inc. (CORSA) which is a shared risk pool of sixty-one counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the CORSA are managed by an elected Board of not more than nine trustees. Only County Commissioners of member counties are eligible to serve on the Board. No county may have more than one representative on the Board at any one time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the Board of Trustees.

**CARROLL COUNTY PARK DISTRICT
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)**

5. Risk Management (continued)

The County pays the State Workers' Compensation System a premium based on a rate per \$100 of employee compensation. The rate is calculated based on accident history and administrative costs.

There were no significant reductions in insurance coverage from the prior year in any category of risk. Settled claims have not exceeded this insurance coverage in any of the past three years.

6. Contingent Liabilities

Management believes there are no pending claims or lawsuits.

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

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

Carroll County Park District
Carroll County
190 Alamo Road
Carrollton, Ohio 44615

To the Board of Park 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 the Carroll County Park District, Carroll County, (the District) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements and have issued our report thereon dated June 1, 2015, 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 the 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 preceding 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 finding 2014-002 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the 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 with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2014-001.

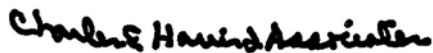
We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated June 1, 2015.

Entity's Responses to Findings

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the District's responses and, accordingly, we express no opinion on them.

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.



Charles E. Harris and Associates, Inc.
June 1, 2015

**CARROLL COUNTY PARK DISTRICT
CARROLL COUNTY**

**SCHEDULE OF FINDINGS
December 31, 2014 and 2013**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number: 2014-001 – Noncompliance

Annual Appropriation Measure

Ohio Revised Code Section 5705.41(B) requires that budgetary expenditures shall not exceed appropriations. In 2013, budgetary expenditures exceeded appropriation authority in the General Fund by \$13,756.

We recommend that the District monitor its budget closely to prevent expenditures from exceeding appropriations. If additional expenditures are necessary, amended appropriation measures should be approved by the Board.

Official's Response:

The Park District will closely monitor the budget and be more concise when making motions that reflect changes to the budget.

Finding Number: 2014-002 – Material Weakness

Mispostings and Misclassifications Resulting in Financial Statement Adjustments

Ohio Administrative Code Section 117-2-02(A) provides that all local public offices should maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance and finance-related legal and contractual requirements and prepare financial statements.

The Auditor of State provides suggested account classifications which classify receipts by fund and source (taxes or charges for services, for example). Using these classifications and the aforementioned accounting records will provide the District with information required to monitor compliance and with the budget and prepare annual reports in the format required by the Auditor of State.

During the audit, the following misclassifications were noted:

- During 2014 and 2013, material items were recorded as Other Expenses requiring reclassification.
- During 2014 and 2013, material items were recorded as Other Revenue requiring reclassification.
- During 2014 and 2013, the proceeds from the Gift Shoppe sales and the related expenses were not recorded on the District's financial statements.
- During 2013, a transfer and an advance from the general fund to a special revenue fund were incorrectly recorded as revenues and expenditures.

Management agrees with these adjustments and they were adjusted in the District's records and the accompanying financial statements.

CARROLL COUNTY PARK DISTRICT
CARROLL COUNTY

SCHEDULE OF FINDINGS (continued)
December 31, 2014 and 2013

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (continued)</p>
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Finding Number: 2014-002 – Material Weakness (continued)

We recommend that management review the draft financial statements to help ensure that they are supported by sufficient and accurate documentation and free of obvious errors and omissions. We also recommend use of the financial statement templates and guidance provided by the Auditor of State.

Official's Response:

The Park District will work closely with the auditor's office to ensure that the receipts and expenses are being classified properly.

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Dave Yost • Auditor of State

CARROLL COUNTY PARK DISTRICT

CARROLL 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
AUGUST 13, 2015**