



Dave Yost • Auditor of State

CLARK COUNTY PARK DISTRICT
CLARK COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2014	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) – All Governmental Fund Types - For the Year Ended December 31, 2013	4
Notes to the Financial Statements	5
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	11
Schedule of Findings.....	13
Schedule of Prior Audit Findings.....	16

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Clark County Park District
Clark County
930 Tecumseh Road
Springfield, Ohio 45506

To the Board of Park Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of Clark County Park District, Clark 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 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 of America (GAAP), 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 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 Clark County Park District, Clark 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.

Emphasis of Matter

As discussed in Note 9 to the financial statements, the District restated its beginning fund balances for 2013. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 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.



Dave Yost
Auditor of State
Columbus, Ohio

November 16, 2015

**CLARK COUNTY PARK DISTRICT
CLARK COUNTY**

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

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:				
Property Taxes	\$1,187,463			\$1,187,463
Fines, Licenses and Permits	1,145			1,145
Intergovernmental	183,315	\$4,338	\$54,370	242,023
Local Government	36,201			36,201
Fundraising	13,861			13,861
Land Rent	1,685			1,685
Donations	1,869			1,869
Miscellaneous	4,404			4,404
Total Cash Receipts	<u>1,429,943</u>	<u>4,338</u>	<u>54,370</u>	<u>1,488,651</u>
Cash Disbursements:				
Current:				
Conservation/Recreation:				
Personnel	258,308			258,308
Maintenance	38,648	4,338		42,986
Office	5,169			5,169
Programming	18,733			18,733
Rangers	7,709			7,709
Utilities	15,473			15,473
Property Tax	25,966			25,966
Insurance	3,929			3,929
Grant to National Trails Parks and Recreation	961,695			961,695
Committees	5,055			5,055
Capital Outlay	36,571		54,370	90,941
Debt Service:				
Principal Retirement	18,286			18,286
Interest and Fiscal Charges	2,549			2,549
Total Cash Disbursements	<u>1,398,091</u>	<u>4,338</u>	<u>54,370</u>	<u>1,456,799</u>
Net Change in Fund Cash Balances	31,852			31,852
Fund Cash Balances, January 1	<u>258,787</u>	<u>1,060</u>		<u>259,847</u>
Fund Cash Balances, December 31:				
Restricted		1,060		1,060
Assigned	21,044			21,044
Unassigned (Deficit)	269,595			269,595
Fund Cash Balances, December 31	<u>\$290,639</u>	<u>\$1,060</u>	<u>\$0</u>	<u>\$291,699</u>

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

**CLARK COUNTY PARK DISTRICT
CLARK COUNTY**

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

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Property Taxes	\$1,181,448		\$1,181,448
Fines, Licenses and Permits	614		614
Intergovernmental	182,192	\$10,000	192,192
Local Government	37,029		37,029
Fundraising	8,632		8,632
Land Rent	1,935		1,935
Donations	3,448		3,448
Grants	12,498		12,498
Miscellaneous	1,506		1,506
Total Cash Receipts	<u>1,429,302</u>	<u>10,000</u>	<u>1,439,302</u>
Cash Disbursements:			
Current:			
Conservation/Recreation:			
Personnel	233,489	2,000	235,489
Maintenance	43,504		43,504
Office	8,635		8,635
Programming	2,771		2,771
Rangers	3,609		3,609
Utilities	14,955		14,955
Property Tax	25,073		25,073
Insurance	3,159		3,159
Grant to National Trails Parks and Recreation	968,238		968,238
Miscellaneous	4,773		4,773
Capital Outlay	40,058	8,000	48,058
Debt Service:			
Principal Retirement	8,885		8,885
Interest and Fiscal Charges	1,533		1,533
Total Cash Disbursements	<u>1,358,682</u>	<u>10,000</u>	<u>1,368,682</u>
Net Change in Fund Cash Balances	70,620		70,620
Fund Cash Balances, January 1, Restated	<u>188,167</u>	<u>1,060</u>	<u>189,227</u>
Fund Cash Balances, December 31:			
Restricted		1,060	1,060
Assigned	33,727		33,727
Unassigned	225,060		225,060
Fund Cash Balances, December 31	<u>\$258,787</u>	<u>\$1,060</u>	<u>\$259,847</u>

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

**CLARK COUNTY PARK DISTRICT
CLARK 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 Clark County Park District, Clark County (the District) as a body corporate and politic. The probate judge of Clark County appoints a five-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. 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 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. Deposit and Investments

As the Ohio Revised Code permits, the Clark 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.

2. Special Revenue Funds

These funds account for and report the proceeds of specific 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:

**CLARK COUNTY PARK DISTRICT
CLARK COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prairie Reseeding Grant Fund – This fund was used to account for a grant from the United States Department of Interior for prairie reseeding. The project ended in 2013.

Keeping America Beautiful Grant Fund – This fund was used to account for a grant from Clark County’s Keeping American Beautiful Grant funds for tree planting. The project ended in 2014.

3. Capital Project Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The District had the following significant capital project fund:

ODOT Grant Fund – This fund received resources from the Ohio Department of Transportation (ODOT) for construction of a driveway and repair of parking lots.

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. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year-end.

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 re-appropriated

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

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:

**CLARK COUNTY PARK DISTRICT
CLARK COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Non-spendable

The District classifies assets as *non-spendable* 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 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.

**CLARK COUNTY PARK DISTRICT
CLARK COUNTY**

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

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending 2014 and 2013 follows:

2014 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,441,061	\$1,429,943	(\$11,118)
Special Revenue		4,338	4,338
Capital Projects		54,370	54,370
Total	<u>\$1,441,061</u>	<u>\$1,488,651</u>	<u>\$47,590</u>

2014 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,450,424	\$1,419,135	\$31,289
Special Revenue		4,338	(4,338)
Capital Projects		54,370	(54,370)
Total	<u>\$1,450,424</u>	<u>\$1,477,843</u>	<u>(\$27,419)</u>

2013 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,401,716	\$1,429,302	\$27,586
Special Revenue		10,000	10,000
Total	<u>\$1,401,716</u>	<u>\$1,439,302</u>	<u>\$37,586</u>

2013 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,408,398	\$1,392,409	\$15,989
Special Revenue		10,000	(10,000)
Total	<u>\$1,408,398</u>	<u>\$1,402,409</u>	<u>\$5,989</u>

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Special Revenue and Capital Project Funds in 2014 and in the Special Revenue Fund in 2013.

3. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the District.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the District.

**CLARK COUNTY PARK DISTRICT
CLARK COUNTY**

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

4. DEBT

Debt outstanding at December 31, 2014 was as follows:

	Principal	Interest Rate
John Deere Tractor Lease	\$49,546	4.3%
Total	\$49,546	

In 2013, the District entered into a 48 month lease agreement with John Deere Financial for a tractor and related equipment.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	John Deere Tractor Lease
2015	\$20,835
2016	20,835
2017	10,418
Total	\$52,088

5. RETIREMENT SYSTEMS

The District's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2014 and 2013, OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2014.

6. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

7. CONTINGENT LIABILITIES

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**CLARK COUNTY PARK DISTRICT
CLARK COUNTY**

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

8. SUBSEQUENT EVENT

In January 2015, the District was notified that it was awarded a \$200,000 Clean Ohio Grant from the Ohio Public Works Commission for the purpose of purchasing 10.14 acres of parkland.

9. BEGINNING FUND BALANCE RESTATEMENT

The District restated beginning fund balances at January 1, 2013 to reflect an incorrect prior period adjustment. The restated fund balances were as follows:

	General Fund	Special Revenue Fund
Reported December 31, 2012 Fund Cash Balance	<u>\$189,227</u>	
Restatement Amount	<u>(1,060)</u>	<u>\$1,060</u>
Restated January 1, 2013 Fund Cash Balance	<u><u>\$188,167</u></u>	<u><u>\$1,060</u></u>



Dave Yost • Auditor of State

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

Clark County Park District
Clark County
930 Tecumseh Road
Springfield, Ohio 45506

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 Clark County Park District, Clark 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 November 16, 2015 wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit and restated its beginning fund balances as of January 1, 2013.

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 opinion 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 2014-001 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 matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2014-001.

One First National Plaza, 130 W. Second St., Suite 2040, Dayton, Ohio 45402
Phone: 937-285-6677 or 800-443-9274 Fax: 937-285-6688

www.ohioauditor.gov

Entity's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

November 16, 2015

**CLARK COUNTY PARK DISTRICT
CLARK COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2014 AND 2013**

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

FINDING NUMBER 2014-001

Noncompliance/Material Weakness

Financial Statement Errors

Ohio Rev. Code Section 117.38 states, in part, each public office, other than a state agency, shall file a financial report for each fiscal year. The auditor of state may prescribe forms by rule or may issue guidelines, or both, for such reports. If the auditor of state has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office.

The report shall contain the following:

- A. Amount of collections and receipts, and accounts due from each source;
- B. Amount of expenditures for each purpose;
- C. Income of each public service industry owned or operated by a municipal corporation, and the cost of such ownership or operation;
- D. Amount of public debt of each taxing district, the purpose for which each item of such debt was created, and the provision made for the payment thereof.

The District's annual financial reports for 2013 and 2014 included several misstatements that required audit adjustments, which have been reflected in the financial statements. Additionally, the District's annual financial reports did not agree to the fiscal agent's revenue and expenditure ledgers. The following errors occurred and have been adjusted to the financial statements:

- In 2013 and 2014, the District recorded General Fund Local Government receipts as property tax receipts in the amounts of \$37,029 and \$36,201, respectively.
- In 2013 and 2014, the District recorded General Fund Homestead and Rollback receipts as property tax receipts in the amounts of \$181,256 and \$182,333, respectively.
- In 2013 and 2014, the District recorded General Fund property tax and Homestead and Rollback receipts at net instead of gross, which resulted in understatements of property tax receipts and disbursements in the amounts of \$22,838 and \$23,473, respectively, and understatements of intergovernmental receipts and disbursement in the amounts of \$936 and \$982, respectively.
- In 2013, the District overstated receipts for General Fund Charges for Services and Fines, Licenses, and Permits by \$13,975 and \$1,546, respectively. As a result, General Fund receipts were understated for Land Rent by \$1,935, Donations by \$3,448, Fundraising by \$8,632, and Miscellaneous by \$1,506.
- In 2014, the District overstated receipts for General Fund Committees and Fines, Licenses, and Permits by \$6,203 and \$1,510, respectively. As a result, General Fund receipts were understated for Land Rent by \$1,685, Donations by \$1,869, Fundraising by \$1,688, and Miscellaneous by \$2,471.
- In 2013, the District incorrectly reported insurance disbursements in the amount of \$3,159 as other rather than insurance.
- In 2014, the District overstated programs and maintenance disbursements by \$111 and \$301, respectively, and understated office and ranger patrol disbursements by \$301 and \$111, respectively.

FINDING NUMBER 2014-001
(Continued)

- In 2013 and 2014, the District reported principal and interest payments on its capital lease in the amount of \$8,885 and \$1,533, and \$18,286 and \$2,549, respectively, as maintenance disbursements rather than principal and interest.
- **Auditor of State Bulletin 2011-004** guidance indicates that year-end outstanding encumbrances in the General Fund are to be shown as assigned fund balance. The District failed to properly classify the amount of outstanding encumbrances in 2013 and 2014 as assigned fund balance in the amounts of \$33,727 and \$21,044, respectively. These amounts should have been classified as assigned fund balance rather than unassigned fund balance in the General Fund.
- **Auditor of State Bulletin 2011-004** guidance also indicates that the restricted classification is used when constraints placed on the use of resources are externally imposed by laws or regulations of other governments (i.e. State Statutes). The District had a year-end fund cash balance of \$1,060 in a Special Revenue Fund for ranger training, which is restricted by the Ohio Admin. Code to be used for continuing professional training for park rangers. This fund balance was reported as unrestricted and should have been reported as restricted fund balance.
- In 2013, the District received a grant from the United States Department of Interior for prairie reseedling in the amount of \$10,000. This receipt and disbursement activity was reported in the General Fund instead of a Special Revenue Fund (as it is restricted activity). General Fund grant revenues, capital outlay disbursements, and personnel disbursements were overstated and Special Revenue Funds intergovernmental receipts, capital outlay disbursements, and personnel disbursements were understated by \$10,000, \$8,000, and \$2,000, respectively. The grant ended in 2013 and there were no ending fund balance implications. The District also did not update its amended certificate of estimated resources or appropriations for these funds in 2013, which resulted in violations of Ohio Rev. Code Sections 5705.36(A)(3) and 5705.41(B).
- In 2014, the District received a reimbursement grant from Clark County from Keeping America Beautiful Funds in the amount of \$4,338. This receipt and disbursement activity was reported in the General Fund instead of a Special Revenue fund (as it is restricted activity). General Fund fundraising receipts and maintenance disbursements were overstated and Special Revenue Fund intergovernmental receipts and maintenance disbursements were understated by \$4,338. The grant ended in 2014 and there were no ending fund balance implications. The District also did not update its amended certificate of estimated resources or appropriations for these funds in 2014, which resulted in violations of Ohio Rev. Code Sections 5705.36(A)(3) and 5705.41(B).
- On-behalf of monies related to an Ohio Department of Transportation project during 2014 for the District's driveway and parking lot project in the amount of \$54,370 were not recorded on the accounting system or annual financial report. In accordance with guidance included in **Auditor of State Bulletin 2002-004**, the District should have recorded a receipt and expenditure in the Capital Projects Fund equal to the amount disbursed by the Ohio Department of Transportation. Additionally, as indicated in Bulletin 2002-004, the District should include in its amended certificate of estimated resources and appropriations measures the amount to be spent on its behalf. The District did not update its amended certificate of estimated resources or appropriations for these funds in 2014, which resulted in violations of Ohio Rev. Code Sections 5705.36(A)(3) and 5705.41(B).

Additionally, the District's accounting system did not have sufficient accounts established within the General Fund for its receipt classifications in that several different types of receipts were classified as the same type of receipt, which led to some of the financial statement errors noted above. For example, Land Rent, Fines, Licenses, and Permits, Donations, Fundraising, and Miscellaneous receipts were classified in the accounting system as Fundraising. Also, the District did not establish separate Special Revenue Funds or Capital Projects Funds in the accounting system for the restricted activity noted above.

**FINDING NUMBER 2014-001
(Continued)**

The District should develop and implement procedures to verify accurate recordkeeping of all its financial activities. The District should have its fiscal agent establish unique account codes and the proper funds in the accounting system for correctly recording all receipt and disbursement items to aid in the preparation of the annual financial report. Any on-behalf disbursements should be recorded timely as a memo receipt and disbursement on the District's accounting system. The District should also review Auditor of State Bulletin 2011-004 for guidance on proper classification of fund balances. Failure to maintain complete and accurate accountability of public monies could lead to financial statement errors and increase the possibility of errors or irregularities going undetected. Additionally, independent detailed reviews should be performed over the District's accounting records as a means of providing for their accuracy.

Officials' Response:

We understand there were some financial statement errors discovered when you reviewed our records. We recognize that some funds were placed in incorrect accounts and now have an understanding of the requirements. Funds will be located in the correct accounts as we move forward.

Clark County, our fiscal agent, has recently updated the financial recording system and new account numbers were assigned. We have updated the Clark County Park District codes to reflect the categories required by the State Auditor, including adding account codes for on-behalf disbursements, Special Revenue Funds, and Capital Projects Funds.

**CLARK COUNTY PARK DISTRICT
CLARK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2014 AND 2013**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2012-01	Material Weakness – Donations and Charges for Services revenue did not have appropriate supporting documentation.	Yes	
2012-02	Noncompliance/Material Weakness – Ohio Rev. Code Section 117.38 – The District’s financial statements contained material errors.	No	Repeated as Finding 2014-001.
2013-03	Noncompliance – Ohio Rev. Code Section 5705.40 – The District’s appropriation modifications were not approved and/or approved at the proper legal level of control.	Yes	



Dave Yost • Auditor of State

CLARK COUNTY PARK DISTRICT

CLARK 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
DECEMBER 8, 2015**