

**BELMONT PARK DISTRICT  
BELMONT COUNTY**

**AUDIT REPORT**

**JANUARY 1, 2016 - DECEMBER 31, 2017**





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Belmont Park District, Belmont County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the audit period January 1, 2016 through December 31, 2017. 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

November 19, 2018

**This page intentionally left blank.**

**BELMONT PARK DISTRICT  
BELMONT COUNTY  
JANUARY 1, 2016 - DECEMBER 31, 2017**

**TABLE OF CONTENTS**

Table of Contents	( i )
Independent Auditors' Report	1-2
Financial Statements	
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2017	3
2017 Notes to the Financial Statements	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2016	8
2016 Notes to the Financial Statements	9
Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statement Performed in Accordance with Government Auditing Standards.	13
Schedule of Audit Findings	15
Schedule of Prior Audit Findings	19

**This page intentionally left blank.**

**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, 2017 and 2016.

**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 2 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, 2017 and 2016, 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, 2017 and 2016, 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 2.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated August 3, 2018, 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

August 3, 2018



**BELMONT PARK DISTRICT  
BELMONT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN BALANCES (CASH BASIS)  
FOR THE YEARS ENDED DECEMBER 31, 2017**

	<b>Governmental Fund Type</b>
	<b>General</b>
<b>Cash Receipts:</b>	
Charges for Services	\$ 58,568
Intergovernmental	13,177
Miscellaneous	6,467
<b>Total Cash Receipts</b>	<b>78,212</b>
<b>Cash Disbursements:</b>	
Current:	
Conservation/Recreation:	
Contracted Services	21,695
Supplies	1,534
Repairs	6,361
Utilities	45,392
Other	5,847
<b>Total Cash Disbursements</b>	<b>80,829</b>
<b>Excess of Receipts Over (Under) Disbursements</b>	<b>(2,617)</b>
<b>Fund Cash Balances, January 1</b>	<b>5,874</b>
<b>Fund Cash Balances, December 31</b>	
Unassigned (Deficit)	3,257
<b>Fund Cash Balances, December 31</b>	<b>\$ 3,257</b>

See notes to financial statements.

**BELMONT PARK DISTRICT  
BELMONT COUNTY  
DECEMBER 31, 2017**

**NOTES TO FINANCIAL STATEMENTS**

**1. REPORTING ENTITY**

**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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which are organized on a fund type basis.

**Fund Accounting**

The District uses funds to maintain its financial records during the year. A fund is described as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

***General Fund***

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

**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 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.

**BELMONT PARK DISTRICT  
BELMONT COUNTY  
DECEMBER 31, 2017**

**NOTES TO FINANCIAL STATEMENTS**

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

**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 2017 budgetary activity appears in Note 4.

**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.

**Capital Assets**

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

**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:

**Nonspendable**

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

**BELMONT PARK DISTRICT  
BELMONT COUNTY  
DECEMBER 31, 2017**

**NOTES TO FINANCIAL STATEMENTS**

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

**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.

**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.

**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.

**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.

**3. COMPLIANCE**

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

Contrary to Ohio Revised Code Sections 5705.39, the District had appropriations exceed the estimated resources.

**BELMONT PARK DISTRICT  
BELMONT COUNTY  
DECEMBER 31, 2017**

**NOTES TO FINANCIAL STATEMENTS**

**4. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	59,767	78,212	18,445
Total	\$ 59,767	\$ 78,212	\$ 18,445

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 89,849	\$ 80,829	\$ 9,020
Total	\$ 89,849	\$ 80,829	\$ 9,020

**5. DEPOSITS**

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

	2017
Demand deposits	\$ 3,257
	\$ 3,257

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

**6. RISK MANAGEMENT**

**Commercial Insurance**

The District has obtained commercial insurance for the following risks:

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

**BELMONT PARK DISTRICT  
BELMONT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN BALANCES (CASH BASIS)  
FOR THE YEARS ENDED DECEMBER 31, 2016**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Charges for Services	\$ 45,733	\$ -	\$ 45,733
Intergovernmental	12,417	-	12,417
Miscellaneous	27,364	-	27,364
<b>Total Cash Receipts</b>	<u>85,514</u>	<u>-</u>	<u>85,514</u>
<b>Cash Disbursements:</b>			
Current:			
Conservation/Recreation:			
Contracted Services	20,159	-	20,159
Supplies	2,804	-	2,804
Repairs	3,582	-	3,582
Utilities	52,355	-	52,355
Other	18,116	31,144	49,260
<b>Total Cash Disbursements</b>	<u>97,016</u>	<u>31,144</u>	<u>128,160</u>
<b>Excess of Receipts Over (Under) Disbursements</b>	(11,502)	(31,144)	(42,646)
<b>Fund Cash Balances, January 1</b>	<u>17,376</u>	<u>31,144</u>	<u>48,520</u>
<b>Fund Cash Balances, December 31</b>			
Unassigned (Deficit)	5,874	-	5,874
<b>Fund Cash Balances, December 31</b>	<u>\$ 5,874</u>	<u>\$ -</u>	<u>\$ 5,874</u>

See notes to financial statements.

**BELMONT PARK DISTRICT  
BELMONT COUNTY  
DECEMBER 31, 2016**

**NOTES TO FINANCIAL STATEMENTS**

**1. REPORTING ENTITY**

**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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which are organized on a fund type basis.

**Fund Accounting**

The District uses funds to maintain its financial records during the year. A fund is described as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

***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.

**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 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.

**BELMONT PARK DISTRICT  
BELMONT COUNTY  
DECEMBER 31, 2016**

**NOTES TO FINANCIAL STATEMENTS**

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

**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 2016 budgetary activity appears in Note 4.

**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.

**Capital Assets**

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

**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:

**Nonspendable**

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



**BELMONT PARK DISTRICT  
BELMONT COUNTY  
DECEMBER 31, 2016**

**NOTES TO FINANCIAL STATEMENTS**

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

**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.

**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.

**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.

**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.

**3. COMPLIANCE**

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

Contrary to Ohio Revised Code Sections 5705.39, the District had appropriations greater than estimated resources.

Contrary to Ohio Revised Code Section 5705.41 (B), the District had expenditures that exceeded appropriations in 2016 in all funds.

**BELMONT PARK DISTRICT  
BELMONT COUNTY  
DECEMBER 31, 2016**

**NOTES TO FINANCIAL STATEMENTS**

**4. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2016 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	76,027	85,514	9,487
Total	\$ 76,027	\$ 85,514	\$ 9,487

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 89,849	\$ 97,016	\$ (7,167)
Special Revenue	-	31,144	(31,144)
Total	\$ 89,849	\$ 128,160	\$ (38,311)

**5. DEPOSITS**

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

	2016
Demand deposits	\$ 5,874
	\$ 5,874

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

**6. 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, 2017 and 2016, and the related notes to the financial statements and have issued our report thereon dated August 3, 2018, 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 2017-002, 2017-003, 2017-004, and 2017-005 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 four instances of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2017-001, 2017-003, 2017-005 and 2017-006.

***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  
August 3, 2018

**BELMONT PARK DISTRICT  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2017 AND 2016**

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

**FINDING NUMBER 2017-001**

**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, 2016, the District had expenditures that exceeded appropriations by \$7,167 in the General Fund and by \$31,144 in the Special Revenue Fund.

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 2017-002**

**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.

**BELMONT PARK DISTRICT  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2017 AND 2016**

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

**FINDING NUMBER 2017-003**

**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.
- 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.

**BELMONT PARK DISTRICT  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2017 AND 2016**

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

**FINDING NUMBER 2017-004**

**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 2017 and 2016, 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.

**BELMONT PARK DISTRICT  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2017 AND 2016**

**FINDING NUMBER 2017-005**

**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 2017 and 2016, the District did not originally file a completed financial statement in the Hinkle System and had to re-file after the due date to properly file the required statements. 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.

**FINDING NUMBER 2017-006**

**Noncompliance – Appropriations Exceeding Estimated Resources**

Ohio Revised Code Section 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenues available for expenditure as certified by the budget commission. In addition, no appropriation measurer is to become effective until the County Auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate. The following were not in compliance:

			Estimated			
Fund	Year		Resources		Appropriations	Variance
General	2017		\$ 59,767		\$ 89,849	\$ (30,082)
General	2016		73,747		89,849	(16,102)

We recommend the Board of Commissioners review estimated resources versus appropriations throughout the year. Also, the Board of Commissioners should not approve appropriations greater than estimated resources. This could result in the District spending more money than it receives and could cause possible negative 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, 2017 AND 2016**

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
2015-001	ORC 5705.41(B) Expenditures exceeding appropriations	No	Not Corrected Repeated as Finding 2017-001
2015-002	Material Weakness Internal Control not utilized and many disbursements not recorded/for public purpose	Yes	Finding No Longer Valid
2015-003	Material Weakness bank Reconcilaitions	No	Not Corrected Repeated as Finding 2017-002
2015-004	ORC 5705.41(D) Expenditures being properly certified	No	Not Corrected Repeated as Finding 2017-003
2015-005	ORC 5705.38(A) Appropriation measure being approved and filed	Yes	Finding No Longer Valid
2015-006	ORC 5705.36 Certifiying amount available from all sources	Yes	Finding No Longer Valid
2015-007	ORC 1545.23 gas and oil lease for a park district	Yes	Finding No Longer Valid
2015-008	Material Weakness Financial Reporting	No	Not Corrected Repeated as Finding 2017-004
2015-009	Hinkle System Filing	No	Not Corrected Repeated as Finding 2017-005
2015-010	ORC 5705.10 Negative Fund Balance	Yes	Finding No Longer Valid

**This page intentionally left blank.**



# 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  
NOVEMBER 29, 2018**