

**HOLMES COUNTY PARK DISTRICT
HOLMES COUNTY, OHIO**

**FINANCIAL STATEMENT
(AUDITED)**

**FOR THE YEAR ENDED
DECEMBER 31, 2017**



Dave Yost • Auditor of State

Board of Commissioners
Holmes County Park District
1 Trail Drive, Suite A
Millersburg, Ohio 44654

We have reviewed the *Independent Auditor's Report* of the Holmes County Park District, Holmes County, prepared by Julian & Grube, Inc., for the audit period January 1, 2017 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 Holmes County Park District is responsible for compliance with these laws and regulations.

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Dave Yost
Auditor of State

August 10, 2018

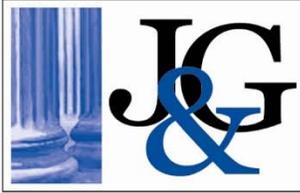
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**HOLMES COUNTY PARK DISTRICT
HOLMES COUNTY, OHIO**

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Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Holmes County Park District
Holmes County
1 Trail Drive, Suite A
Millersburg, Ohio 44654

To the Board of Commissioners:

Report on the Financial Statement

We have audited the accompanying financial statement of the cash balances, receipts and disbursements by fund type, and related notes of the Holmes County Park District, Holmes County, Ohio, as of and for the year ended December 31, 2017.

Management's Responsibility for the Financial Statement

Management is responsible for preparing and fairly presenting this financial statement 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 statement free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on this financial statement 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 statement is 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 Holmes County Park District's preparation and fair presentation of the financial statement 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 Holmes County Park District's internal control. Accordingly, we express no such 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 statement, the Holmes County Park District prepared this financial statement 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 statement of the variances between the regulatory accounting basis and the GAAP are not reasonably determinable, we presume they are material.

Though the Holmes County Park District does not intend this statement 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 statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Holmes County Park District as of December 31, 2017, and the respective changes in the financial position thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Holmes County Park District, Holmes County, Ohio, as of December 31, 2017, for the year then ended in accordance with the financial reporting provision, Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Matters

Our audit was conducted to opine on the Holmes County Park District's financial statement taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statement.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the financial statement. We subjected this information to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the financial statement taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2018, on our consideration of the Holmes County 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 Holmes County Park District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
June 27, 2018

**HOLMES COUNTY PARK DISTRICT
HOLMES COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	General	Capital Projects	Totals (Memorandum Only)
Cash Receipts			
Property Taxes	\$ 130,753	\$ -	\$ 130,753
Charges for Services	12,545	31,016	43,561
Interest	-	282	282
Intergovernmental	15,274	2,058,658	2,073,932
Contributions and Donations	-	39,217	39,217
Other	-	45,997	45,997
	<i>Total Cash Receipts</i>	<i>2,175,170</i>	<i>2,333,742</i>
Cash Disbursements			
Current:			
Conservation and Recreation:			
Salaries and Wages	60,138	30,686	90,824
Fringe Benefits	27,247	-	27,247
Purchased Services	24,706	-	24,706
Materials and Supplies	9,075	-	9,075
Other	3,432	-	3,432
Capital Outlay	-	2,298,598	2,298,598
	<i>Total Cash Disbursements</i>	<i>2,329,284</i>	<i>2,453,882</i>
	<i>Excess of Receipts Over (Under) Disbursements</i>	<i>(154,114)</i>	<i>(120,140)</i>
Other Financing Receipts (Disbursements)			
Transfers In	-	55,000	55,000
Transfers Out	(55,000)	-	(55,000)
	<i>Total Other Financing Receipts (Disbursements)</i>	<i>55,000</i>	<i>-</i>
	<i>Net Change in Fund Cash Balances</i>	<i>(99,114)</i>	<i>(120,140)</i>
	<i>Fund Cash Balances, January 1</i>	<i>520,261</i>	<i>559,340</i>
Fund Cash Balances, December 31			
Restricted	-	266,147	266,147
Assigned for capital improvements	-	155,000	155,000
Unassigned	18,053	-	18,053
	<i>Fund Cash Balances, December 31</i>	<i>\$ 421,147</i>	<i>\$ 439,200</i>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENT

**HOLMES COUNTY PARK DISTRICT
HOLMES COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 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 Holmes County Park District, Holmes County, (the "District") as a body corporate and politic. The probate judge of Holmes County appoints a three-member Board of Commissioners (the "Board") to govern the District. The Board is authorized to acquire, develop, protect, maintain, and improve park lands and facilities. The Board may convert acquired land into forest reserves. The Board is 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 also operates a recreational program, which includes many activities for the residents of Holmes County. The activities include Walking on to Wellness, Youth Volleyball, Youth Track, Youth Softball, Youth Golf, Youth Basketball, and Youth Soccer.

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

B. Accounting Basis

This financial statement follows 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).

This statement includes 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 Holmes 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 accounts of the District are maintained on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. The District classifies its funds into the following types:

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

**HOLMES COUNTY PARK DISTRICT
HOLMES COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

2. Capital Project Funds

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

Park Land and Building Fund (N-27) - This fund primarily receives grants and is used to aid in the development of park and recreational facilities.

James L. Crissey Memorial Pool Fund (S-43) - This fund receives contributions and donations for capital improvements at the James L. Crissey Memorial Pool.

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 cash as of January 1. The County Budget District 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. The District had no encumbrances outstanding at year-end.

A summary of 2017 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:

1. Nonspendable

The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. The District had no nonspendable fund balance at year-end.

**HOLMES COUNTY PARK DISTRICT
HOLMES COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 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

The Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Board 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. The District had no committed fund balance at year-end.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. In the general fund, *assigned* amounts represent intended uses established by the Board or a District official delegated that authority by resolution, or by State Statute. The District's assigned fund balance consists of transfers from the general fund to be used for capital improvements.

5. Unassigned

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

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted 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 statement does 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 statement does not include a liability for unpaid leave.

I. Interfund Transactions

During the course of normal operations, the District had a transaction between funds. This included a transfer of resources from one fund to another fund. The resources transferred are to be expended for operations by the necessary fund and are recorded as operating transfers. Advances are temporary loans to other funds which will ultimately be repaid.

**HOLMES COUNTY PARK DISTRICT
HOLMES COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

J. Basis of Presentation

The District's financial statement consists 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.

NOTE 2 - BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund	Budgeted Receipts	Actual Receipts	Variance
General	\$ 202,010	\$ 158,572	\$ (43,438)
Capital Projects	2,339,344	2,230,170	(109,174)
Total	\$ 2,541,354	\$ 2,388,742	\$ (152,612)

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 209,780	\$ 179,598	\$ 30,182
Capital Projects	2,658,244	2,329,284	328,960
Total	\$ 2,868,024	\$ 2,508,882	\$ 359,142

NOTE 3 - PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the District 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.

**HOLMES COUNTY PARK DISTRICT
HOLMES COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 4 - DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

The Holmes County Park 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 postemployment healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries and the Holmes County Park District contributed an amount equaling 14 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2017.

NOTE 5 - POSTEMPLOYMENT BENEFITS

OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1 percent during calendar year 2017.

NOTE 6 - RISK MANAGEMENT

Commercial Insurance

The District is covered under insurance plans maintained by Holmes County for the following risks:

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

NOTE 7 - CONTINGENCIES

The District is not party to any legal proceedings that, in the opinion of management, would have a material adverse effect on the District's financial condition.

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor, principally the federal government. 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.

**HOLMES COUNTY PARK DISTRICT
HOLMES COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 8 - INTERFUND ACTIVITY

The District had the following transfers for the year ended December 31, 2017:

<u>Fund Type/Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ -	\$ 55,000
<u>Capital Projects Fund</u>		
Park Land and Building	<u>55,000</u>	<u>-</u>
Total	<u>\$ 55,000</u>	<u>\$ 55,000</u>

The transfers from the General fund to the Capital Projects fund were to pay for future projects.

The above transfers were made in accordance with the Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

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SUPPLEMENTARY INFORMATION

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HOLMES COUNTY PARK DISTRICT
HOLMES COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	(A) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed Through The Ohio Department of Transportation:</i>			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	96880	4,199
Highway Planning and Construction	20.205	85365	1,745,994
Total Highway Planning and Construction Cluster:			<u>1,750,193</u>
Total U.S. Department of Transportation			<u>1,750,193</u>
Total Federal Financial Assistance			<u>\$ 1,750,193</u>

Notes to the Schedule of Expenditures of Federal Awards:

- (A) This schedule includes the federal award activity of Holmes County Park District under programs of the federal government for the year ended December 31, 2017 and is prepared in accordance with the cash basis of accounting. The information on this schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Holmes County Park District, it is not intended to and does not present the fund balance or changes in fund balances of Holmes County Park District.
- (B) Certain federal programs require the Holmes County Park District contribute non-federal funds (matching funds) to support the federally funded programs. The Holmes County Park District has complied with the matching requirements. The expenditure of non-federal matching funds are not included on this schedule.
- (C) CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimus rate of 10% of modified total direct costs to indirect costs. The Holmes County Park District has not elected to use the 10% de minimus indirect cost rate.

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Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Holmes County Park District
Holmes County
1 Trail Drive, Suite A
Millersburg, Ohio 44654

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 statement of the cash balances, receipts, and disbursements by fund type of the Holmes County Park District, Holmes County, Ohio, as of and for the year ended December 31, 2017, and related notes to the financial statement, and have issued our report thereon dated June 27, 2018, wherein we noted the Holmes County Park District followed financial reporting provision 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 Holmes County 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 Holmes County Park District's internal control. Accordingly, we have not opined on it.

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 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 Holmes County Park 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Board of Commissioners
Holmes County Park District

Compliance and Other Matters

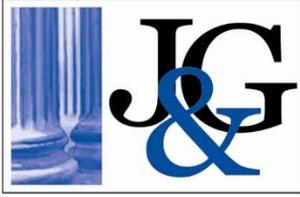
As part of reasonably assuring whether the Holmes County Park District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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 Holmes County Park District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Holmes County Park District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
June 27, 2018



Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report on Compliance With Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Holmes County Park District
Holmes County
1 Trail Drive, Suite A
Millersburg, Ohio 44654

To the Board of County Commissioners:

Report on Compliance for the Major Federal Program

We have audited Holmes County Park District's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Holmes County Park District's major federal program for the year ended December 31, 2017. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies Holmes County Park District's major federal program.

Management's Responsibility

The Holmes County Park District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal award applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the Holmes County Park District's compliance for the Holmes County Park District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Holmes County Park District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Holmes County Park District's major program. However, our audit does not provide a legal determination of the Holmes County Park District's compliance.

Opinion on the Major Federal Program

In our opinion, the Holmes County Park District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2017.

Board of Commissioners
Holmes County Park District

Report on Internal Control Over Compliance

The Holmes County Park District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Holmes County Park District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Holmes County Park District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.
June 27, 2018

HOLMES COUNTY PARK DISTRICT

SCHEDULE OF FINDINGS

2 CFR § 200.515

DECEMBER 31, 2017

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	GAAP – Adverse Regulatory - Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	Highway Planning and Construction Cluster
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	No

2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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Dave Yost • Auditor of State

HOLMES PARK DISTRICT

HOLMES 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 23, 2018**