



OHIO AUDITOR OF STATE
KEITH FABER



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Fayette County Park District
Fayette County
Washington Courthouse, Ohio 43160

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Fayette County Park District, Fayette County (the District), for the years ended December 31, 2018 and 2017.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code Section 117.11(A). Because our procedures were not designed to opine on the District's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the District's financial statements, transactions or balances for the years ended December 31, 2018 and 2017.

The District's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code Section 117.11(A) is to examine, analyze and inspect these records and documents.

Based on the results of our procedures, we found the following significant compliance or accounting issues to report.

Current Year Observations

1. **Ohio Rev. Code § 117.38** states 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. Any public office, other than a state agency, that does not file its financial report at the time required by this section shall pay to the auditor of state twenty-five dollars for each day the report remains unfiled after the filing date; provided, that the penalty payments shall not exceed the sum of seven hundred fifty dollars. The auditor of state may waive all or any part of the penalty assessed under this section upon the filing of the past due financial report.

The District did not file their 2017 financial statements until May 25, 2019.

The District should implement procedures to verify the annual financial report is completed timely and the financial statements along with the notes are filed with the Auditor of State within 60 days.

2. Noncompliance Citation / Finding for Recovery

State ex rel. McClure V. Hagerman, 155 Ohio St. 320 (1951), provides that expenditures made by a governmental unit should serve a public purpose. Typically the determination of what constitutes a "proper public purpose" rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only.

Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper Public Purpose states “the Auditor of State’s Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.”

On August 22, 2017, the District paid \$1,500 to Community Action Media to cover the weekly cost of advertisement, travel and equipment to record the Washington High School Marching Band’s season and create DVD’s. The DVD’s were then given to the Blue Lion’s Marching Band to be sold as a fundraiser. The proceeds from the fundraiser were to be used to assist the Marching Band with the annual Disney Trip to Florida.

The Park District Board did not document the purpose for this expenditure and how this expenditure constituted a proper public purpose for the Park District. Also, Angela Mellott (formerly Angela Tackett), who served as a Park District Board Member approved the expenditure and submitted the expenditure to the Fiscal Agent for payment without Board approval.

In accordance with the forgoing facts and pursuant to Ohio Revised Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Angela Mellott, Fayette County Park District Board Member in the amount of \$1,500 in favor of the Fayette County Park District.

David Lewis, David Kiger, Daniel Stahl and Robert Pitakos, Park District Board Members, approved the finance report in the month of September 2017, which included the August 22, 2017 expenditure to Community Action Media in the payment detail which is considered an illegal expenditure. David Lewis, David Kiger, Daniel Stahl and Robert Pitakos, Park District Board Members are jointly and severally liable in the amount of \$1,500, and in favor of the Fayette County Park District to the extent that recovery is not obtained from Angela Mellott.

3. Noncompliance Citation / Ethics Referral

Ohio Rev. Code § 2921.42(A)(1) provides no public official shall knowingly authorize or employ the authority or influence of his office to secure authorization of any public contract in which the public official, a member of the public official’s family, or any of the public official’s business associates has an interest. **Ohio Rev. Code § 2921.42(H)** provides that any public contract in which a public official, a member of the public official’s family, or any of the public official’s business associates has an interest in violation of this section is void and unenforceable.

On August 22, 2017, the District paid \$1,500 to Community Action Media to cover the weekly cost of advertisement, travel and equipment to record the Washington High School Marching Band’s season and create DVD’s. The DVD’s were then given to the Blue Lion’s Marching Band to be sold as a fundraiser. The proceeds from the fundraiser were to be used to assist the Marching Band with the annual Disney Trip to Florida. Angela Mellott (formerly Angela Tackett), who served as a Park District Board member approved the expenditure and submitted the expenditure to the Fiscal Agent for payment. During the audit it came to our attention that her child or children are members of the Washington High School Marching Band.

We recommend the District and its legal counsel follow up with the Ohio Ethics Commission regarding the matter described above to ensure that the transaction is in accordance with Ohio Ethics laws.

The Ohio Auditor of State has referred this matter to the Ohio Ethics Commission.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State

Columbus, Ohio

October 1, 2019

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OHIO AUDITOR OF STATE KEITH FABER



FAYETTE COUNTY PARK DISTRICT

FAYETTE 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
OCTOBER 17, 2019**