



OHIO AUDITOR OF STATE
KEITH FABER



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BASIC AUDIT REPORT

Belmont Park District
Belmont County
P.O. Box 24
Belmont, Ohio 43718

We have completed certain procedures in accordance with Ohio Rev. Code § 117.01(G) to the accounting records and related documents of the Belmont Park District, Belmont County, Ohio (the Park District) for the years ended December 31, 2023 and 2022.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code § 117.11(A). Because our procedures were not designed to opine on the Park District's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the Park District's financial statements, transactions or balances for the years ended December 31, 2023 and 2022.

The Park District's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code § 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 shall file a financial report for each fiscal year. The report shall be certified by to the proper officer or board and filed with the Auditor of State within sixty days after the close of the fiscal year. The Auditor of State may extend the deadline for filing a financial report and establish terms and conditions for any such extension. The Park District filed their 2023 financial statements on June 25, 2024 in the Hinkle System. No extension was obtained for either year. The deadline to file financial statements for 2023 was February 29, 2024. The Park District should submit the Annual Financial Report each year in accordance with the aforementioned requirements. This observation was also reported in the 2021-20 basic audit report.
2. **Ohio Rev. Code § 121.22(F)** requires every public body to, by rule, establish a reasonable method whereby any person may determine the time and place of all regularly scheduled meetings and the time, place, and purpose of all special meetings. A public body shall not hold a special meeting unless it gives at least twenty-four hours advance notice to the news media that have requested notification, except in the event of an emergency requiring immediate official action. In the event of an emergency, the member or members calling the meeting shall immediately notify the news media that have requested notification.

Current Year Observations (Continued)

2. Ohio Rev. Code § 121.22(F) (Continued)

The Park District did not establish a reasonable method whereby any person may determine the time and place of all regularly scheduled meetings and time, place, and purpose of all special meetings. Policies and Procedures should be established and implemented to verify that all Board meetings are held in accordance with the Ohio Sunshine Laws. Resolutions, rules, or formal actions adopted by the Park District during a meeting in which the Park District failed to provide proper notice pursuant to Ohio Rev. Code § 121.22(F) may be declared invalid per Ohio Rev. Code § 121.22(H).

3. We noted that General Fund expenditures of \$89,390 exceed appropriations of \$0 by \$89,390 for the year ended December 31, 2023. **Ohio Rev. Code § 5705.41 (B)** prohibits a subdivision or taxing authority from expending money unless it has been appropriated. The Park District's failure to limit expenditures to the amounts appropriated could result in deficit spending. The Park District should regularly monitor budgetary information to ensure that expenditures do not exceed the total appropriations. This observation was also reported in the 2021-20 basic audit report.

4. Budgetary data (estimated revenue and appropriations) was not integrated into the manual accounting system. Failure to integrate budgetary data into the manual accounting system could lead to an inability to monitor actual results against the budget. The Park District should include estimated receipt amounts in the revenue ledger and appropriation amounts in their appropriation ledger. This observation was also reported in the 2021-20 basic audit report.

5. **26 CFR § 1.6041-1** provides form 1099-MISC, Miscellaneous Income, be issued to report payments of \$600 or more to persons not treated as employees (for example, independent contractors) for services performed for trade or business.

The Clerk did not prepare a 1099-MISC form as required for one independent contractor in 2023 or 2022. Failure to prepare the required forms could result in fines and penalties being levied against the Park District. The Park District should establish policies and procedures to verify that payments in excess of \$600 to its independent contractors are reported on the 1099-Misc form. The Park District should also review the relationship of the above mentioned parties to determine whether they are independent contractors or employees.

6. In 2023 and 2022, the Clerk did not withhold Federal income tax, Medicare taxes, or State income taxes from the Clerk and two other individual's wages. The Clerk also did not remit contributions to the Ohio Public Employees Retirement System (OPERS) for the individuals aforementioned above. For 2023 and 2022, a Form 1099 was issued to the Clerk and the Booking Agent, but not the third individual. There was no source documentation provided to indicate whether the individuals paid by the Park District were employees or independent contractors. The Clerk should contact the Internal Revenue Service (IRS) and OPERS to obtain determination as to whether taxes and pension should be withheld. This observation was also reported in the 2021-20 basic audit report.

Current Year Observations (Continued)

7. During our review of the Park District's non-payroll related disbursements, we noted 1 disbursement in 2023 and 5 disbursements in 2022, did not have an invoice to support the payment being made. Failure to maintain underlying documentation and support of financial transactions can increase the risk of fraud, result in financial statement misstatements, and expenditures that are not for a proper public purpose. The Park District should implement policies and procedures to ensure detailed supporting documentation is maintained for all transactions.



Keith Faber
Auditor of State
Columbus, Ohio

November 5, 2024

OHIO AUDITOR OF STATE KEITH FABER



BELMONT PARK DISTRICT

BELMONT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 11/19/2024

65 East State Street, Columbus, Ohio 43215
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This report is a matter of public record and is available online at
www.ohioauditor.gov