



Dave Yost • Auditor of State





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Goshen Park District  
Clermont County  
P.O. Box 184  
Goshen, Ohio 45122

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Goshen Park District, Clermont County, Ohio (the District) for the years ended December 31, 2017 and 2016.

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, 2017 and 2016.

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 cash-basis entities must file annual reports with the Auditor of State within 60 days of the fiscal year. The Auditor of State may prescribe by rule or guidelines the forms for these reports. The Auditor of State may extend the deadline for filing a financial report and establish terms and conditions for any such extension.

The District filed its 2016 report on March 3, 2017 and its 2017 report on June 4, 2018 and no extension was obtained. In addition, the annual financial report filing did not include required notes to the financial statements. The annual financial reports for 2016 and 2017 were re-filed on October 15, 2018 to include the notes to the financial statements. We noted the filing type selected was GAAP, however the filing is in accordance with the Cash or Regulatory basis.

Failure to file an annual report in a timely manner could result in a penalty of twenty-five dollars for each day the report remains unfiled, not to exceed seven hundred fifty dollars. The Auditor of State may waive these penalties, upon the filing of the past due financial report. Additionally, the lack of an annual report could result in auditing difficulties.

We recommend the District file its complete annual report within the required time frame at the end of each fiscal year with the Auditor of State's Office.

2. \*The District should have procedures and controls in place to provide accountability and completeness over the receipts and expenditures of the District.

Certain revenue transactions were only supported by deposit tickets and bank statements, but not all transactions were supported by other documentation from the customer or donor. The District should implement procedures, such as issuing pre-numbered receipts to the customer or donor, to increase accountability. Additionally, certain expenditures transactions were only supported by canceled checks and bank statements, but not all transactions were supported by other documentation such as vendor invoices. The District should implement procedures to ensure that all expenditure support is maintained.

3. \*When designing the public office's system in internal control and the specific control activities, management should consider ensuring that accounting records are properly designed, verifying the existence and valuation of assets and periodically reconcile them to the accounting records, and performing analytical procedures to determine the reasonableness of financial data.

The District did not provide the December 2017 bank reconciliation for audit. The Auditor of State compared the bank balance, a deposit in transit and the petty cash total to the general ledger total. We were not informed of any outstanding checks. The resulting difference in bank/cash balances was computed to be \$998 more than the District's fund balance recorded in the accounting system.

Accurate preparation and timely review of bank reconciliations are basic and essential internal control components for sound fiscal management. Failure to reconcile the Village accounts with the accounting system could increase the likelihood of errors being made and not detected and corrected in a timely manner. This condition increases the risk of misappropriation or theft, and reduces the Village's ability to monitor banking activities.

We recommend the Village prepare and maintain reconciliations of all bank/cash accounts on a monthly basis. The Village should document and adequately explain all adjusting factors. Adjustments should be documented, and any unexplained differences should be investigated and resolved immediately. Also, the District's small size requires governing board involvement with critical accounting processes (such as bank reconciliation) to compensate for the inability to segregate these duties.

4. \***Ohio Rev. Code § 5705.41(D)** states, in part, that no subdivision shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision. The Fiscal Officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances prior to entering in to the contract or order. There are several exceptions to the standard requirement that the Certificate must be obtained prior to a subdivision or taxing authority entering into a contract 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 Rev. Code. The District did not utilize purchase orders during the period. Failure to properly obtain certification of the availability of funds can result in overspending.
5. **Ohio Rev. Code § 5705.41(B)** states that no subdivision or taxing unit is to expend money unless it has been appropriated.

**Ohio Rev. Code § 5705.38(C)** states the minimum level of budgetary control for appropriation measures shall be classified so as to set forth separately the amounts appropriated for each office, department, and division, and, within each, the amount appropriated for personal services.

Based on budget versus actual expenditures reflected in the notes to the financial statements, the District had expenditures in excess of appropriations at December 31, 2017, in the following accounts:

Fund – Account	Expenditures	Appropriations	Variance
General Fund – Mower Equipment	\$6,548	\$2,500	(\$4,048)
General Fund – Rental Equipment	924	0	(924)
General Fund – House Maintenance	1,277	900	(377)

Based on budget versus actual expenditures reflected in the notes to the financial statements, the District had expenditures in excess of appropriations at December 31, 2016, in the following accounts:

Fund – Account	Expenditures	Appropriations	Variance
General Fund – Portalets/Pumping	\$1,770	\$1,500	(\$270)
General Fund – Garbage	635	540	(95)
General Fund – Mower Equipment	648	600	(48)
General Fund – Park Maintenance	1,495	250	(1,245)

Overall, the notes to the financial statements reflected actual expenditures lower than budgeted expenditures; however the District should monitor the budgeted amounts at the legal level of control as well. Expenditures in excess of appropriations can result in overspending and noncompliance. The District should routinely compare actual expenditures to current appropriations and amend appropriations when needed.

\* We also reported these matters in our prior review of the financial statements.



**Dave Yost**  
 Auditor of State

Columbus, Ohio

December 28, 2018

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# Dave Yost • Auditor of State

**GOSHEN PARK DISTRICT**

**CLERMONT 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  
JANUARY 10, 2019**