



OHIO AUDITOR OF STATE
KEITH FABER



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Goshen Park District
Clermont County
P.O. Box 184
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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, (the District) for the years ended December 31, 2019 and 2018.

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, 2019 and 2018.

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. Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of cash (bank) balances to accounting system records (book) to the accounting system is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

The Fiscal Officer is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and the Commissioners are responsible for reviewing the reconciliations and related support.

Monthly bank to book reconciliations were not prepared or reviewed each month during 2019 and 2018. Failure to reconcile monthly increases the possibility that the District will not be able to identify, assemble, analyze, classify, and record its transactions correctly. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

The Fiscal Officer should record all transactions and prepare monthly bank to book cash reconciliations, which include all bank accounts and all fund balances. Variances should be investigated, documented and corrected. In addition, the Commissioners should review the monthly cash reconciliations including the related support (such as reconciling items) and document the reviews.

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

Revenue transactions for 2019 were supported by deposit tickets and bank statements, but not all transactions for 2019 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.

3. **Ohio Rev. Code § 5705.41(B)** prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the District's General Fund had expenditures in excess of appropriations of \$92,128, as of December 31, 2019.

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Commissioners should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Fiscal Officer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

4. **Ohio Rev. Code § 117.38** requires cash-basis entities to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies, regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System.

Financial information for the year ending December 31, 2019 and December 31, 2018 was filed on March 3, 2021 and April 10, 2019, respectively, which was not within the allotted timeframe.

We recommend the District file accurate financial reports within sixty days after the end of the fiscal year and publish in the media informing the public that the financial report is available for public inspection. If the District does not file their statements in a timely manner late fees may be incurred.

5. **Ohio Rev. Code Section 149.43(E)(2)** provides that every public office must have a policy in place for responding to public records requests. Generally, a public records policy cannot: (1) limit the number of public records the office will make available to a single person; (2) limit the number of public records the office will make available during a fixed period of time; and (3) establish a fixed period of time before the office will respond to a request for inspection/copying of public records unless that period is less than eight hours. However, pursuant to **Ohio Rev. Code § 149.43(B)(7)(c)**, the policy may limit the number of public records the public office will physically deliver by U.S. Mail or other delivery service to ten per month unless the person certifies to the office in writing that the person does not intend to use or forward the requested records, or the information contained in them, for commercial purposes. "Commercial" is narrowly construed and does not include reporting or gathering news, reporting or gathering information to assist citizen oversight or understanding of the operation or activities of government, or nonprofit educational research.

Ohio Rev. Code § 149.43(E)(2) further requires all public offices take certain actions with regard to their public record policy. Public offices must distribute their Public Records Policy to the employee who is the records custodian/manager or otherwise has custody of the records of that office and have that employee acknowledge receipt of the Public Records Policy; create and display in a conspicuous place in all locations where the public office has branch offices a poster describing the public records policy; and, if the public office has a manual or handbook of its general policies and procedures for all employees, include the public records policy in that manual or handbook.

The District has no formal written policy that would demonstrate compliance with the Ohio Revised Code. This could result in records requests not being fulfilled in accordance with Ohio law.

The District shall establish a public records policy. The policy shall be distributed to the records custodian/manager and the District should have a written acknowledgement of receipt from the records custodian/manager. In addition, a poster describing the public records policy must be conspicuously displayed in all of the District's branch offices and the public records policy must be included in policy manuals or handbooks if any exist.

Pursuant to **Ohio Rev. Code § 109.43(E)(2)**, the Ohio Attorney General has developed and provided to all public offices a model public records policy for responding to public records requests. The policy, which is available at <https://www.ohioattorneygeneral.gov/Files/Government-Entities/Model-Public-Records-Policy.aspx>, provides guidance to public offices in developing their own policies for responding to public records requests in compliance with the Public Records Act.

6. **Ohio Rev. Code § 9.22** states no political subdivision may hold or utilize a debit card account, except for law enforcement purposes. Possession or use of a debit card account by a political subdivision except for law enforcement purposes is a violation of section 2913.21 of the Revised Code. This section does not apply to debit card accounts related to the receipt of grant moneys.

The District used a debit card to make various purchases relating to regular District expenses.

Current Status of Matters Reported in our Prior Engagement

1. **Ohio Rev. Code § 117.38** requires cash-basis entities to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. The District filed the annual financial reports late for 2016 and 2017. This matter was not corrected by the District for 2018 or 2019, see item 4 in Current Year Observations.
2. The District should have procedures and controls in place to provide accountability and completeness over the receipts and expenditures of the District. Supporting documentation was not maintained for certain receipts and expenditures in 2016 and 2017. This matter was corrected by the District in 2018 and 2019 for expenditures and in 2018 for receipts. This matter was not corrected in 2019 for receipts, see item 2 in Current Year Observations.
3. The District did not provide the December 2017 bank reconciliation for audit. The Auditor of State computed a \$998 difference in bank/cash balances and the District's fund balance recorded in the accounting system. This matter was not corrected by the District for 2018 and 2019, see item 1 in Current Year Observations.
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 into the contract or order. The District did not utilize purchase orders during the period. This matter was not corrected by the District for 2018 and 2019.
5. The District had expenditures in excess of appropriations at December 31, 2017 and 2016 in violation of **Ohio Rev. Code § 5705.41(B)**. This matter was corrected by the District for 2018 but not for 2019. See item 3 in Current Year Observations.

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
April 15, 2021

OHIO AUDITOR OF STATE KEITH FABER



GOSHEN PARK DISTRICT

CLERMONT 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 5/11/2021

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This report is a matter of public record and is available online at
www.ohioauditor.gov