

***CARROLL COUNTY PARK DISTRICT***

***CARROLL COUNTY***

Regular Audit

For the Years Ended December 31, 2022 and 2021







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Board of Park Commissioners  
Carroll County Park District  
190 Alamo Rd  
Carrollton, OH 44615

We have reviewed the *Independent Auditor's Report* of the Carroll County Park District, Carroll County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2021 through December 31, 2022. 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 Carroll County Park District is responsible for compliance with these laws and regulations.

Keith Faber  
Auditor of State  
Columbus, Ohio

November 03, 2023

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**Carroll County Park District  
Carroll County**

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**INDEPENDENT AUDITOR'S REPORT**

Carroll County Park District  
Carroll County  
190 Alamo Road  
Carrollton, Ohio 44615

To the Board of Park Commissioners:

***Report on the Audit of the Financial Statements***

***Unmodified and Adverse Opinions***

We have audited the financial statements of the Carroll County Park District, Carroll County (the District), which comprise the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

***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* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District, as of December 31, 2022 and 2021, or the changes in financial position, thereof for the years then ended.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the financial statements are prepared by District on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Emphasis of Matter***

As discussed in Note 11 to the financial statements for 2022 and 2021, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. We did not modify our opinions regarding this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2023, on our consideration of the 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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 District's internal control over financial reporting and compliance.



***Charles E. Harris & Associates, Inc.***

August 25, 2023

**Carroll County Park District**  
**Carroll County**  
*Combined Statement of Cash Receipts, Cash Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
For the Year Ended December 31, 2022

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Admissions and Concessions	\$ 64,165	\$ -	\$ 64,165
Endowment Income	-	88,670	88,670
Donations	-	39,275	39,275
Rentals	29,659	-	29,659
Earnings on Investment	-	1,090	1,090
Miscellaneous	-	2	2
<i>Total Cash Receipts</i>	93,824	129,037	222,861
<b>Cash Disbursements</b>			
Current:			
Conservation/Recreation:			
Personal Services	27,384	66,825	94,209
Fringe Benefits	8,529	18,488	27,017
Contract Services	1,160	54,552	55,712
Supplies and Materials	47,515	6,163	53,678
Other	-	5,039	5,039
Administrative	5,533	6,180	11,713
Utilities	1,304	26,226	27,530
<i>Total Cash Disbursements</i>	91,425	183,473	274,898
<i>Excess of Receipts Over (Under) Disbursements</i>	2,399	(54,436)	(52,037)
<b>Other Financing Receipts (Disbursements):</b>			
Transfers In	-	19,834	19,834
Transfers Out	(19,834)	-	(19,834)
<i>Total Other Financing Receipts (Disbursements)</i>	(19,834)	19,834	-
<i>Net Change in Fund Cash Balances</i>	(17,435)	(34,602)	(52,037)
<i>Fund Cash Balances, January 1</i>	49,706	81,710	131,416
<i>Fund Cash Balances, December 31</i>	\$ 32,271	\$ 47,108	\$ 79,379

*The notes to the financial statements are an integral part of this statement.*

**Carroll County Park District**  
*Carroll County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 1 - Reporting Entity**

The Carroll County Park District, Carroll County, Ohio (the District), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The probate judge of Carroll County appoints a three-member Board of Commissioners to govern the District. The Commissioners are authorized to acquire, develop, protect, maintain, and improve park lands and facilities. The Commissioners may convert acquired land into forest reserves. The Commissioners are 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.

***Public Entity Risk Pool***

The District participates in the County Risk Sharing Authority of Ohio (CORSA), a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

**Note 2 - Summary of Significant Accounting Policies**

***Basis of Presentation***

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which is organized on a fund type basis.

***Fund Accounting***

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

***General Fund*** The General Fund accounts for and reports all financial resources not accounted for and reported 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.

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District had the following significant Special Revenue Fund:

***Bluebird Farms Fund*** The Bluebird Farms fund accounts for and reports the receipt of endowment funds for the purpose of maintaining and operating the Bluebird Farm recreational area.

**Carroll County Park District**  
*Carroll County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 2 - Summary of Significant Accounting Policies (continued)**

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). 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 disbursements when a commitment is made (i.e., when an encumbrance is approved).

These statements include 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 (C) permit.

***Budgetary Process***

The Ohio Revised Code requires that each fund be budgeted annually.

***Appropriations*** Budgetary disbursements (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

***Estimated Resources*** Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must approve estimated resources.

***Encumbrances*** The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are cancelled and reappropriated the following year.

A summary of 2022 budgetary activity appears in Note 4.

***Deposit and Investments***

As the Ohio Revised Code permits, the Carroll 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.

***Capital Assets***

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**Carroll County Park District**  
*Carroll County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 2 - Summary of Significant Accounting Policies (continued)**

***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:

***Nonspendable*** The District classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.

***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.

***Committed*** The Commissioners can commit amounts via formal action (resolution). The District must adhere to these commitments unless the Commissioners 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.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

**Note 3 - Compliance**

Contrary to Ohio law, expenditures were not always properly encumbered for the year ended December 31, 2022. Also contrary to Ohio law, expenditures exceeded appropriations in the General Fund.

**Carroll County Park District**  
*Carroll County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 4 - Budgetary Activity**

Budgetary activity for the year ended December 31, 2022 follows:

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 61,570	\$ 93,824	\$ 32,254
Special Revenue	164,870	148,871	(15,999)

Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 61,570	\$ 111,259	\$ (49,689)
Special Revenue	184,704	183,473	1,231

**Note 5 – Deposits and Investments**

As required by the Ohio Revised Code, the Carroll County Treasurer is the fiscal agent for the District's deposits. The county's deposit and investment pool holds the District assets. The Ohio Revised Code prescribes allowable deposits and investments and the Carroll County Auditor is responsible for compliance.

**Note 6 – Risk Management**

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, employee injuries and natural disasters. To mitigate these risks, the District is a covered member under Carroll County's insurance coverage policy.

The County is a member of County Risk Sharing Authority, Inc. (CORSA) which is a shared risk pool of sixty-one counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omission liability insurance.

**Carroll County Park District**  
*Carroll County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 6 – Risk Management (Continued)**

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of CORSA are managed by an elected Board of not more than nine trustees. Only County Commissioners of member counties are eligible to serve on the Board. No county may have more than one representative on the Board at any one time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the Board of Trustees.

The County pays the State Workers' Compensation System a premium based on a rate per \$100 of employee compensation. The rate is calculated based on accident history and administrative costs.

There were no significant reductions in insurance coverage from the prior year in any category of risk. Settled claims have not exceeded this insurance coverage in any of the past three years.

**Note 7 - Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

All District 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 postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2022.

**Note 8 - Postemployment Benefits**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which includes 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 OPERS members in the traditional pension plan and combined plan was 0% during calendar year 2022. The portion of employer contributions allocated to health care for members in the member-directed plan was 4% during calendar year 2022.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

**Note 9 – Contingent Liabilities**

The District may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the District's financial condition.

**Carroll County Park District**  
*Carroll County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 10 – Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the District had no encumbrances.

The fund balance of special revenue funds is either restricted or committed. These restricted or committed amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances would be considered assigned.

**Note 11 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.



**Carroll County Park District**  
**Carroll County**  
*Combined Statement of Cash Receipts, Cash Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
For the Year Ended December 31, 2021

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Admissions and Concessions	\$ 9,916	\$ -	\$ 9,916
Intergovernmental	5,744	-	5,744
Endowment Income	-	85,345	85,345
Donations	5,100	45,201	50,301
Rentals	40,669	-	40,669
Earnings on Investment	7	50	57
Miscellaneous	4,482	2,500	6,982
<i>Total Cash Receipts</i>	65,918	133,096	199,014
<b>Cash Disbursements</b>			
Current:			
Conservation/Recreation:			
Personal Services	44,232	58,460	102,692
Contract Services	1,122	44,362	45,484
Supplies and Materials	15,988	3,832	19,820
Equipment	-	6,697	6,697
Repairs	-	41	41
Other	839	-	839
Administrative	2,895	7,464	10,359
Utilities	842	17,368	18,210
<i>Total Cash Disbursements</i>	65,918	138,224	204,142
<i>Excess of Receipts Over (Under) Disbursements</i>	-	(5,128)	(5,128)
<i>Fund Cash Balances, January 1</i>	49,706	86,838	136,544
<i>Fund Cash Balances, December 31</i>	<u>\$ 49,706</u>	<u>\$ 81,710</u>	<u>\$ 131,416</u>

*The notes to the financial statements are an integral part of this statement.*

**Carroll County Park District**  
*Carroll County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 1 - Reporting Entity**

The Carroll County Park District, Carroll County, Ohio (the District), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The probate judge of Carroll County appoints a three-member Board of Commissioners to govern the District. The Commissioners are authorized to acquire, develop, protect, maintain, and improve park lands and facilities. The Commissioners may convert acquired land into forest reserves. The Commissioners are 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.

***Public Entity Risk Pool***

The District participates in the County Risk Sharing Authority of Ohio (CORSA), a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

**Note 2 - Summary of Significant Accounting Policies**

***Basis of Presentation***

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which is organized on a fund type basis.

***Fund Accounting***

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

***General Fund*** The General Fund accounts for and reports all financial resources not accounted for and reported 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.

***Special Revenue Funds*** These funds account for and report the proceeds of specific revenue sources that are restricted to expenditure for specified purposes other than debt service or capital projects. The District had the following significant Special Revenue Fund:

***Bluebird Farms Fund*** The Bluebird Farms fund accounts for and reports the receipt of endowment funds for the purpose of maintaining and operating the Bluebird Farm recreational area.

**Carroll County Park District**  
*Carroll County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 2 - Summary of Significant Accounting Policies (continued)**

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). 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 disbursements when a commitment is made (i.e., when an encumbrance is approved).

These statements include 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 (C) permit.

***Budgetary Process***

The Ohio Revised Code requires that each fund be budgeted annually.

***Appropriations*** Budgetary disbursements (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

***Estimated Resources*** Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must approve estimated resources.

***Encumbrances*** The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are cancelled and reappropriated the following year.

A summary of 2021 budgetary activity appears in Note 4.

***Deposit and Investments***

As the Ohio Revised Code permits, the Carroll 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.

***Capital Assets***

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**Carroll County Park District**  
*Carroll County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 2 - Summary of Significant Accounting Policies (continued)**

***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:

***Nonspendable*** The District classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.

***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.

***Committed*** The Commissioners can commit amounts via formal action (resolution). The District must adhere to these commitments unless the Commissioners 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.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

**Note 3 - Compliance**

Contrary to Ohio law, expenditures were not always properly encumbered for the year ended December 31, 2021. Also contrary to Ohio law, expenditures exceeded appropriations in the General Fund.

**Carroll County Park District**  
*Carroll County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 4 - Budgetary Activity**

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 22,075	\$ 65,918	\$ 43,843
Special Revenue	165,355	133,096	(32,259)

2021 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 50,300	\$ 65,918	\$ (15,618)
Special Revenue	189,295	138,224	51,071

**Note 5 – Deposits and Investments**

As required by the Ohio Revised Code, the Carroll County Treasurer is the fiscal agent for the District’s deposits. The county’s deposit and investment pool holds the District assets. The Ohio Revised Code prescribes allowable deposits and investments and the Carroll County Auditor is responsible for compliance.

**Note 6 – Risk Management**

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, employee injuries and natural disasters. To mitigate these risks, the District is a covered member under Carroll County’s insurance coverage policy.

The County is a member of County Risk Sharing Authority, Inc. (CORSA) which is a shared risk pool of sixty-one counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance and public officials’ errors and omission liability insurance.

**Carroll County Park District**  
*Carroll County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 6 – Risk Management (continued)**

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of CORSA are managed by an elected Board of not more than nine trustees. Only County Commissioners of member counties are eligible to serve on the Board. No county may have more than one representative on the Board at any one time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the Board of Trustees.

The County pays the State Workers' Compensation System a premium based on a rate per \$100 of employee compensation. The rate is calculated based on accident history and administrative costs.

There were no significant reductions in insurance coverage from the prior year in any category of risk. Settled claims have not exceeded this insurance coverage in any of the past three years.

**Note 7 - Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

All District 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 postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2021.

**Note 8 - Postemployment Benefits**

OPERS offers 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 OPERS members in the traditional pension plan and combined plan was 4% during calendar year 2021.

**Note 9 – Contingent Liabilities**

The District may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the District's financial condition.

**Carroll County Park District**  
*Carroll County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 10 – Fund Balances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facility effective cash planning and control. At year end, the District had none encumbrances.

The fund balance of special revenue funds is either restricted or committed. These restricted and committed amounts in the special revenue would include the outstanding encumbrances. In the general fund, outstanding encumbrances would be considered assigned.

**Note 11 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the District received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Carroll County Park District  
Carroll County  
190 Alamo Road  
Carrollton, Ohio 44615

To the Board of Park Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type of the Carroll County Park District, Carroll County (the District), as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, and have issued our report thereon dated August 25, 2023, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2022-001 that we consider to be a material weakness.



***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying Schedule of Findings as items 2022-002 and 2022-003.


We also noted certain other matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated August 25, 2023.

***District's Responses to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit and described in the accompanying Corrective Action Plan. The District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements accordingly, we express no opinion on the responses.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



***Charles E. Harris & Associates, Inc.***  
August 25, 2023

**Carroll County Park District**  
*Carroll County*  
*Schedule of Findings*  
*For the Years Ended December 31, 2022 and 2021*

<b>Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS</b>
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**Finding Number: 2022-001 – Material Weakness**

**Audit Adjustments and Reclassifications**

During audit procedures performed, errors were noted in the District’s financial statements that required audit adjustments and reclassifications as follows:

During 2022,

- Unrestricted revenues from rentals and admissions were posted to a Special Revenue fund instead of the General Fund in the amount of \$23,539;
- Rentals and Admissions were incorrectly reported as Charges for Services in the amount of \$11,233 in the General Fund;
- Admissions and Concessions receipts were not recorded on the financial statements in the amount of \$59,052;
- Admissions and Concession expenses were not recorded in the amount of \$51,706 in the General Fund;
- A Transfer Out in the General Fund was classified as expenses instead of an Other Financing Disbursement in the amount of \$19,834.

During 2021,

- Funds in the Nature Works Grant FY13 Fund were not included in the Special Revenue total understating fund balance by \$3,276.
- Admissions and Concessions receipts were recorded as Miscellaneous receipts in the amount of \$7,101;
- A Donation received was improperly recorded as Intergovernmental in the amount of \$4,400;
- Unrestricted revenues from rentals and admissions were posted to a Special Revenue fund instead of the General Fund in the amount of \$32,260;
- Prior audit adjustments were not made to the financial statements understating the General Fund balance in the amount of \$44,410.

The accompanying financial statements and the District’s records have been adjusted to properly reflect these transactions.

Governmental Accounting Standards Board (GASB) Statement No. 54 and AOS Bulletin 2011-004 stipulate that “Certain ‘Charges for Services’ and ‘Fees’ (including rentals and admissions) have no external constraints; instead the constraints are internally generated by the government’s highest level of decision-making authority. To commit these resources, the language in the resolution creating the constraint should identify both the revenue source and the constraint.” The District posted otherwise unrestricted rental and admissions revenue into a restricted special revenue fund without a Board-approved resolution authorizing the commitment of these funds.

**Carroll County Park District**  
*Carroll County*  
*Schedule of Findings*  
*For the Years Ended December 31, 2022 and 2021*

<b>Findings Related to the Financial Statements</b> <b>Required to be Reported in Accordance with GAGAS (continued)</b>
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**Finding Number: 2022-001 – Material Weakness (Continued)**

**Audit Adjustments and Reclassifications (Continued)**

We recommend the District adopt policies and procedures to identify and correct errors in a timely manner. We also recommend that unrestricted revenues be posted into the General Fund or, if the Board wishes to commit these funds for the purpose for which the special revenue fund was established, approve a resolution that fulfills the requirements of GASB 54 to commit these resources. Management can use GASB 54, Auditor of State Bulletin 2011-004 and other Auditor of State guidance to aid in properly identifying account classifications and preparing annual financial statements.

**Management’s Response:** See Corrective Action Plan on page 24.

**Finding Number: 2022-002 – Noncompliance**

**Disbursements Exceeding Appropriations**

When a park district does not levy taxes, Ohio Rev. Code §5705.28 (B)(2) requires a comparable, but somewhat streamlined budget process. Ohio Rev. Code §5705.28(B)(2) requires entities to follow §§ 5705.36, .38, .40, .41, .43, .44, and .45. However, documents prepared in accordance with these sections need not be filed with the county auditor or county budget commission. Ohio Revised Code Section 5705.41(B) prohibits a subdivision or taxing unit from expending money unless it has been appropriated. For the year ended December 31, 2022 and 2021, disbursements exceeded appropriations in the General Fund by \$49,689 and \$15,618, respectively.

The District Fiscal Officer should not certify the availability of funds and should deny payment requests exceeding appropriations. The Fiscal Officer should request the Board to approve increased disbursement levels by increasing appropriations in the minutes and amending estimated resources, if necessary and available.

**Management’s Response:** See Corrective Action Plan on page 24.

**Finding Number 2022-003 –Noncompliance**

**Prior Certification of Funds**

Ohio Rev. Code §5705.28 (B)(2) and 5705.41(D) require that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required meeting any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Only the subdivision’s fiscal officer need sign the certificate. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

**Carroll County Park District**  
*Carroll County*  
*Schedule of Findings*  
*For the Years Ended December 31, 2022 and 2021*

<b>Findings Related to the Financial Statements</b> <b>Required to be Reported in Accordance with GAGAS (continued)</b>
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**Prior Certification of Funds (Continued)**

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or 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) of the Ohio Revised Code.

1. "Then and Now" certificate - If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has thirty days from the receipt of the "then and now" certificate to approve payment by resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The district may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. Only one super blanket certificate may be outstanding at a particular time for any one line-item appropriation.

The District did not properly certify the availability of funds prior to purchase commitment for 66% of the expenditures tested for 2022 and for 40% of the expenditures tested for 2021.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the District's funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that the funds are or will be available prior to an obligation being incurred by the District. When prior certification is not possible, "then and now" certification should be used.

**Management's Response:** See Corrective Action Plan on page 24.

***Carroll County Park District***  
***Carroll County***  
Schedule of Prior Findings  
(Prepared by Management)  
For the Years Ended December 31, 2022 and 2021

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2020-001	Audit Adjustments and Reclassifications	Not Corrected	N/A

**Carroll County Park District**  
**Carroll County**  
 Corrective Action Plan  
 (Prepared by Management)  
 December 31, 2022 and 2021

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2022-001	The District will properly review Financial Statements and implement changes necessary to correct going forward.	Immediately	Dale Alexander, Executive Director
2022-002	The District will ensure expenditures do not exceed appropriations in any fund in the future.	Immediately	Dale Alexander, Executive Director
2022-003	The District will implement procedures to properly encumber all expenditures.	Immediately	Dale Alexander, Executive Director

# OHIO AUDITOR OF STATE KEITH FABER



**CARROLL COUNTY PARK DISTRICT**

**CARROLL 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 11/16/2023**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)