



**PICKAWAY COUNTY PARK DISTRICT  
PICKAWAY COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2018-2017**



**PICKAWAY COUNTY PARK DISTRICT  
PICKAWAY COUNTY  
DECEMBER 31, 2018 AND 2017**

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# OHIO AUDITOR OF STATE KEITH FABER



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CentralRegion@ohioauditor.gov

## INDEPENDENT AUDITOR'S REPORT

Pickaway County Park District  
Pickaway County  
141 W Main St, Suite 400  
Circleville, Ohio 43113

To the Board of Park Commissioners:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements, and related notes of the Pickaway County Park District, Pickaway County, Ohio (the District) as of and for the years ended December 31, 2018 and 2017.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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

As described in Note 1 of the financial statements, the District prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the District does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***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* paragraph, the financial statements referred to above 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, 2018 and 2017, and the respective changes in financial position thereof for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balance, receipts and disbursements, and related notes of the Pickaway County Park District, Pickaway County as of December 31, 2018 and 2017, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2019, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.



Keith Faber  
Auditor of State

Columbus, Ohio

June 21, 2019

**PICKAWAY COUNTY PARK DISTRICT**  
**Statement of Receipts, Disbursements, and**  
**Changes in Fund Balances (Cash Basis)**  
**For the Year Ended December 31, 2018**

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**Cash Receipts:**

Property Taxes	\$685,671
Intergovernmental	17,094
Other Revenue	5,811
	<hr/>
Total Cash Receipts	708,576

**Cash Disbursements:**

Salaries	60,635
Fringe Benefits	26,527
Supplies	7,802
Contract Services	79,006
Travel Expenses	2,402
Capital Outlay	73,782
Other	52,695
	<hr/>
Total Cash Disbursements	302,849

Excess of Cash Receipts Over Cash Disbursements 405,727

Fund Cash Balance - January 1 54,215

Committed 216  
Unassigned 459,726

Fund Cash Balance - December 31 \$459,942

See accompanying notes to the financial statements.

**PICKAWAY COUNTY PARK DISTRICT**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2018**

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**Note 1 – Summary of Significant Accounting Policies**

Description of the Entity

The Pickaway County Park District, Pickaway 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 Pickaway County appoints a five-member Park District Board to govern the District. The Board Members are authorized to acquire, develop, protect, maintain, and improve park lands and facilities. The Board may convert acquired land into forest reserves. The Board Members 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.

Pickaway County serves as fiscal agent for the District.

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

Basis of Accounting

These financial statements follow the basis of accounting permitted by the financial reporting provisions of the Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The District 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 expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements adequately disclose material matters the financial reporting provisions of the Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Deposits and Investments

As the Ohio Revised Code permits, the Pickaway County Treasurer is the custodians of the District's deposits. The County holds the District's assets in its deposit and investment pool, valued at the County Treasurer's reported carrying amount.

Fund Accounting

The District uses fund accounting to segregate cash amounts that are restricted as to use. The District classifies its funds into the following type:

*General Fund* - The General Fund is the general operating fund. It is used to account for all financial resources, except those required to be accounted for in another fund.

Budgetary Process

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

**PICKAWAY COUNTY PARK DISTRICT**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2018**

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**Note 1 – Summary of Significant Accounting Policies** - (continued)

*Appropriations* – Budgetary expenditures (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 re-appropriated in the subsequent year.

A summary of 2018 budgetary activity appears in Note 2.

**Fund Balances**

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:** Trustees can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Trustees 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*. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the General Fund, assigned amounts represent intended uses established by the District Board or a District official delegated that authority by resolution, or by State Statute.

**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.

**PICKAWAY COUNTY PARK DISTRICT**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2018**

**Note 1 – Summary of Significant Accounting Policies** - (continued)

Property, Plant and Equipment

Acquisitions of property, plant, and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

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.

**Note 2 – Budgetary Activity**

The District’s budgetary activity for the year ending December 31, 2018 was as follows:

2018 Budgeted vs. Actual Receipts			
	Receipts		
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$734,750	\$708,576	(\$26,174)
<i>Total</i>	\$734,750	\$708,576	(\$26,174)

2018 Budgeted vs. Actual Budgetary Basis Disbursements			
	Appropriation Authority	Budgetary Disbursements	Variance
General	\$558,556	\$302,849	\$255,707
<i>Total</i>	\$558,556	\$302,849	\$255,707

**Note 3 – Risk Management**

*Commercial Insurance*

The District is uninsured for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**PICKAWAY COUNTY PARK DISTRICT**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2018**

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**Note 4 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due February 16. The second half payment is due the following July 20.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the District.

**Note 5 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

The District's 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 percent of their gross salaries and the District contributed an amount equaling 14 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2018.

**Note 6 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2018.

**Note 7– Significant Subsequent Events**

The District purchased 52 acres of land outside of Williamsport, Ohio for a new park, called the Metzger Preserve from the money they received from the Ohio Public Works Commission Grant in the amount of \$295,000, which was awarded in November 2018.

**PICKAWAY COUNTY PARK DISTRICT**  
**Statement of Receipts, Disbursements, and**  
**Changes in Fund Balances (Cash Basis)**  
**For the Year Ended December 31, 2017**

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**Cash Receipts:**

Intergovernmental	\$10,000
Other Revenue	18,340
	<hr/>
Total Cash Receipts	28,340

**Cash Disbursements:**

Supplies	774
Contract Services	26,434
Travel Expenses	472
Capital Outlay	600
Other	5,862
	<hr/>

Total Cash Disbursements	34,142
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Excess of Cash Receipts Under Cash Disbursements	(5,802)
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Fund Cash Balance - January 1	60,017
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Committed	216
Unassigned	53,999
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Fund Cash Balance - December 31	\$54,215
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See accompanying notes to the financial statements.

**PICKAWAY COUNTY PARK DISTRICT**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2017**

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**Note 1 – Summary of Significant Accounting Policies**

Description of the Entity

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These statements adequately disclose material matters the financial reporting provisions of the Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

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**PICKAWAY COUNTY PARK DISTRICT**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2017**

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**Note 1 – Summary of Significant Accounting Policies** - (continued)

*Appropriations* – Budgetary expenditures (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.

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A summary of 2017 budgetary activity appears in Note 2.

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**Committed:** Trustees can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Trustees 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*. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the General Fund, assigned amounts represent intended uses established by the District Board or a District official delegated that authority by resolution, or by State Statute.

**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.

**PICKAWAY COUNTY PARK DISTRICT**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2017**

**Note 1 – Summary of Significant Accounting Policies** - (continued)

Property, Plant and Equipment

Acquisitions of property, plant, and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

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.

**Note 2 – Budgetary Activity**

The District’s budgetary activity for the year ending December 31, 2017 was as follows:

2017 Budgeted vs. Actual Receipts			
	Receipts		
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$14,750	\$28,340	\$13,590
<i>Total</i>	\$14,750	\$28,340	\$13,590

2017 Budgeted vs. Actual Budgetary Basis Disbursements			
	Appropriation Authority	Budgetary Disbursements	
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$55,900	\$34,142	\$21,758
<i>Total</i>	\$55,900	\$34,142	\$21,758

**Note 3 – Risk Management**

*Commercial Insurance*

The District is uninsured for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

*PICKAWAY COUNTY PARK DISTRICT*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

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**Note 4– Significant Subsequent Events**

In November 2017, voters approved a 0.5 mill tax levy for the District to raise approximately \$700,000 annually with the first payment being received in March 2018.

# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street, 10<sup>th</sup> Floor  
Columbus, Ohio 43215-3506  
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CentralRegion@ohioauditor.gov

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

Pickaway County Park District  
Pickaway County  
141 W Main St, Suite 400  
Circleville, Ohio 43113

To the Board of Park Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balance, receipts, and disbursements of the Pickaway County Park District, Pickaway County, (the District) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, and have issued our report thereon dated June 21, 2019 wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

### ***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State

Columbus, Ohio

June 21, 2019

# OHIO AUDITOR OF STATE KEITH FABER



**PICKAWAY COUNTY PARK DISTRICT**

**PICKAWAY 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  
AUGUST 6, 2019**