



**HANCOCK PARK DISTRICT
HANCOCK COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



**JIM PETRO
AUDITOR OF STATE**

STATE OF OHIO

HANCOCK PARK DISTRICT
HANCOCK COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Hancock Park District
Hancock County
819 Park Street
Findlay, Ohio 45840

To the Board of Commissioners:

We have audited the accompanying financial statements of the Hancock Park District, Hancock County, Ohio, (the Park District) as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Park District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Park District prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Park District as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2001 on our consideration of the Park District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

This report is intended solely for the information and use of the audit committee, management, the Board of Park Commissioners, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

March 29, 2001

**HANCOCK PARK DISTRICT
HANCOCK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Governmental Fund Type			Totals (Memorandum Only)
	General	Debt Service	Capital Projects	
Cash Receipts:				
General Property Tax - Real Estate	\$794,157			\$794,157
Tangible Personal Property Tax	187,020			187,020
Grants	93,044		\$84,814	177,858
Investment Income	14,470		3,809	18,279
Other Receipts	43,228		36,112	79,340
	<u>1,131,919</u>		<u>124,735</u>	<u>1,256,654</u>
Cash Disbursements:				
Current:				
Salaries - Employees	435,161			435,161
Supplies	6,356			6,356
Materials	35,182			35,182
Equipment			63,932	63,932
Contracts - Repairs	20,159			20,159
Contracts - Projects			487,113	487,113
Contracts - Services	109,825			109,825
Rentals	281			281
Advertising and Printing	19,574			19,574
Travel	910			910
Public Employees Retirement	56,194			56,194
Workers' Compensation	3,945			3,945
Other	74,542			74,542
	<u>762,129</u>		<u>551,045</u>	<u>1,313,174</u>
Total Receipts Over/(Under) Disbursements	<u>369,790</u>		<u>(426,310)</u>	<u>(56,520)</u>
Other Financing Receipts/(Disbursements):				
Transfers-In			371,047	371,047
Transfers-Out	(371,047)			(371,047)
	<u>(371,047)</u>		<u>371,047</u>	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(1,257)		(55,263)	(56,520)
Fund Cash Balances, January 1	210,479	\$61	55,263	265,803
Fund Cash Balances, December 31	<u>\$209,222</u>	<u>\$61</u>	<u>55,263</u>	<u>\$209,283</u>
Reserves for Encumbrances, December 31	<u>\$12,853</u>			<u>\$12,853</u>

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

**HANCOCK PARK DISTRICT
HANCOCK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Type</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:				
General Property Tax - Real Estate	\$781,287			\$781,287
Tangible Personal Property Tax	207,913			207,913
Grants	66,551			66,551
Investment Income	12,843		\$2,572	15,415
Gifts and Donations			10,960	10,960
Other Receipts	43,031			43,031
	<u>1,111,625</u>		<u>13,532</u>	<u>1,125,157</u>
Cash Disbursements:				
Current:				
Salaries - Employees	397,726			397,726
Supplies	6,478			6,478
Materials	30,330			30,330
Equipment			52,373	52,373
Contracts - Repairs	17,253			17,253
Contracts - Projects			341,284	341,284
Contracts - Services	116,945			116,945
Rentals	384			384
Advertising and Printing	10,921			10,921
Travel	996			996
Public Employees Retirement	57,991			57,991
Workers' Compensation	17,100			17,100
Other	47,739			47,739
	<u>703,863</u>		<u>393,657</u>	<u>1,097,520</u>
Total Receipts Over/(Under) Disbursements	<u>407,762</u>		<u>(380,125)</u>	<u>27,637</u>
Other Financing Receipts/(Disbursements):				
Transfers-In			408,834	408,834
Transfers-Out	(408,834)			(408,834)
	<u>(408,834)</u>		<u>408,834</u>	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(1,072)		28,709	27,637
Fund Cash Balances, January 1	211,551	\$61	26,554	238,166
Fund Cash Balances, December 31	<u>\$210,479</u>	<u>\$61</u>	<u>\$55,263</u>	<u>\$265,803</u>
Reserves for Encumbrances, December 31	<u>\$1,486</u>		<u>\$11,350</u>	<u>\$12,836</u>

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

**HANCOCK PARK DISTRICT
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Hancock Park District, Hancock County, (the Park District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Park District is directed by a three-member Board of Commissioners appointed by the probate judge of Hancock County. The Park District acquires lands for conversion into forest reserves and for the conservation of the 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 same as the Board deems conducive to the general welfare.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

In accordance with Ohio Revised Code, the Park District's cash is held and invested by the Hancock County Treasurer, who acts as custodian for Park District monies. The Park District's assets are held in the County's cash and investment pool, and are valued at the Treasurer's reported carrying amount.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Except, gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. Fund Accounting

The Park District uses fund accounting to segregate cash and investments that are restricted as to use. The Park District classifies its funds into the following types:

1. 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.

**HANCOCK PARK DISTRICT
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

2. Debt Service Funds

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness. The Park District established a debt service fund for the repayment of a current expense note and a construction note. There was no activity in the fund since the debt was paid off in 1996. However, a remaining fund balance of \$61 still exists.

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Park District capital project fund received governmental grants-in-aid and donated revenue.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Park District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 2.

F. Property, Plant and Equipment

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

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Park District.

**HANCOCK PARK DISTRICT
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,103,316	\$1,131,919	\$28,603
Capital Projects	501,641	495,782	(5,859)
Total	\$1,604,957	\$1,627,701	\$22,744

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,199,517	\$1,146,029	\$53,488
Capital Projects	556,904	551,045	5,859
Total	\$1,756,421	\$1,697,074	\$59,347

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,083,714	\$1,111,625	\$27,911
Capital Projects	412,950	422,366	9,416
Total	\$1,496,664	\$1,533,991	\$37,327

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,181,986	\$1,114,183	\$67,803
Capital Projects	439,402	405,007	34,395
Total	\$1,621,388	\$1,519,190	\$102,198

**HANCOCK PARK DISTRICT
HANCOCK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Park Commissioners. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as tax receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Park District.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. RETIREMENT SYSTEM

The Park District's law enforcement officers belong to the Ohio Police and Fire Pension Fund (OP&F). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of OP&F contributed 10 percent of their wages to the OP&F. The Park District contributed an amount equal to 19.5 percent of their wages. PERS members contributed 8.5% of their gross salaries. The Park District contributed an amount equal to 13.55% of participants' gross salaries in 1999 and 10.84% of participants' gross salaries in 2000. The Park District has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The Park District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Inland Marine;
- Vehicles;
- Theft Disappearance and Destruction; and
- Employee Dishonesty.



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Hancock Park District
Hancock County
819 Park Street
Findlay, Ohio 45840

To the Board of Commissioners:

We have audited the accompanying financial statements of the Hancock Park District, Hancock County, Ohio, (the Park District) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 29, 2001. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Park District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Park District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Hancock Park District
Hancock County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the audit committee, management, and the Board of Park Commissioners, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

March 29, 2001

**HANCOCK PARK DISTRICT
HANCOCK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2000 AND 1999**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1998-60232-001	ORC § 5705.41(B) expenditures exceeded appropriations.	Yes	
1998-60232-002	ORC § 5705.41(D) certification of funds.	Yes	



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HANCOCK PARK DISTRICT

HANCOCK 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
APRIL 12, 2001**