



**DARKE COUNTY PARK DISTRICT
DARKE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001 - 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**DARKE COUNTY PARK DISTRICT
DARKE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Darke County Park District
Darke County
P. O. Box 801
4267 State Route 502
Greenville, Ohio 45331

To the Board of Commissioners:

We have audited the accompanying financial statements of Darke County Park District, Darke County, (the "District") as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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. Those standards require that we plan and perform the audit 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 audit provides a reasonable basis for our opinion.

As discussed in Note 1, the 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 District as of December 31, 2001 and 2000, 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 April 23, 2002, 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 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 audit.

This report is intended solely for the information and use of the management, 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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

April 23, 2002

**DARKE COUNTY PARK DISTRICT
DARKE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Type</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
General Property Tax - Real Estate	\$270,065				\$270,065
Tangible Personal Property Tax	51,149				51,149
Intergovernmental	63,184	\$80,122			143,306
Investment Income	7,368	2,063		\$2,481	11,912
Gifts and Donations	11,304	5,133			16,437
Sales	7,062				7,062
Other Receipts	2,460	130			2,590
Total Cash Receipts	<u>412,592</u>	<u>87,448</u>		<u>2,481</u>	<u>502,521</u>
Cash Disbursements:					
Current:					
Salaries - Employees	143,576				143,576
Supplies	19,889	7,660			27,549
Utilities	12,222				12,222
Equipment	4,838				4,838
Contracts - Services	7,647				7,647
Grants	50,000	10,374			60,374
Printing and Postage	6,310				6,310
Gift Shop Expenses	4,477				4,477
Public Employees Retirement	16,539				16,539
Workers' Compensation	2,106				2,106
Debt:					
Payment of Principal			\$95,000		95,000
Payment of Interest			20,139		20,139
Other	33,968	68,802		16,533	119,303
Total Cash Disbursements	<u>301,572</u>	<u>86,836</u>	<u>115,139</u>	<u>16,533</u>	<u>520,080</u>
Total Receipts Over/(Under) Disbursements	<u>111,020</u>	<u>612</u>	<u>(115,139)</u>	<u>(14,052)</u>	<u>(17,559)</u>
Other Financing Receipts/(Disbursements):					
Transfers-In			115,139	6,200	121,339
Transfers-Out	(121,339)				(121,339)
Total Other Financing Receipts/(Disbursements)	<u>(121,339)</u>		<u>115,139</u>	<u>6,200</u>	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(10,319)	612		(7,852)	(17,559)
Fund Cash Balances, January 1	141,057	36,642		40,617	218,316
Fund Cash Balances, December 31	<u>\$130,738</u>	<u>\$37,254</u>	<u>\$0</u>	<u>\$32,765</u>	<u>\$200,757</u>
Reserves for Encumbrances, December 31	<u>\$434</u>	<u>\$222</u>	<u>\$0</u>	<u>\$0</u>	<u>\$656</u>

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

**DARKE COUNTY PARK DISTRICT
DARKE 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**

	<u>Governmental Fund Type</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
General Property Tax - Real Estate	\$265,458				\$265,458
Tangible Personal Property Tax	45,521				45,521
Intergovernmental	80,218				80,218
Investment Income	8,488	\$1,695		\$2,531	12,714
Gifts and Donations	9,477	12,189			21,666
Sales	7,768				7,768
Other Receipts	16,134				16,134
Total Cash Receipts	<u>433,064</u>	<u>13,884</u>		<u>2,531</u>	<u>449,479</u>
Cash Disbursements:					
Current:					
Salaries - Employees	132,685				132,685
Supplies	17,482	2,212			19,694
Utilities	10,683				10,683
Equipment	10,474				10,474
Contracts - Repair	9,974				9,974
Contracts - Services	21,920				21,920
Grants	47,059				47,059
Printing and Postage	3,452				3,452
Gift Shop Expenses	6,260				6,260
Public Employees Retirement	18,714				18,714
Workers' Compensation	3,318				3,318
Debt:					
Payment of Principal			\$90,000		90,000
Payment of Interest			25,112		25,112
Other	35,467			3,326	38,793
Total Cash Disbursements	<u>317,488</u>	<u>2,212</u>	<u>115,112</u>	<u>3,326</u>	<u>438,138</u>
Total Receipts Over/(Under) Disbursements	<u>115,576</u>	<u>11,672</u>	<u>(115,112)</u>	<u>(795)</u>	<u>11,341</u>
Other Financing Receipts/(Disbursements):					
Transfers-In			115,112	6,200	121,312
Transfers-Out	(121,312)				(121,312)
Total Other Financing Receipts/(Disbursements)	<u>(121,312)</u>		<u>115,112</u>	<u>6,200</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(5,736)</u>	<u>11,672</u>		<u>5,405</u>	<u>11,341</u>
Fund Cash Balances, January 1	<u>146,793</u>	<u>24,970</u>		<u>35,212</u>	<u>206,975</u>
Fund Cash Balances, December 31	<u>\$141,057</u>	<u>\$36,642</u>	<u>\$0</u>	<u>\$40,617</u>	<u>\$218,316</u>
Reserves for Encumbrances, December 31	<u>\$2,485</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,485</u>

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

**DARKE COUNTY PARK DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Darke County Park District (the 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 District is directed by a three-member Board of Commissioners appointed by the probate judge of Darke County. The 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 District's management believes these financial statements present all activities for which the 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

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

D. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The 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.

2. Special Revenue Funds

Special Projects Fund - This fund receives donations for specific projects which the Park District has undertaken.

Softball Complex Development Fund - This fund receives monies for the development of a softball field complex for the Greenville Girls Softball Association.

**DARKE COUNTY PARK DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Debt Service Funds

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness:

Bond Retirement Nature Center Fund - This fund receives transfers of funds from General Fund to pay debt obligations.

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The District had the following significant Capital Project Funds:

Replacement Fund - This fund receives transfer of funds from the General fund and interest as a set aside fund for future improvements or replacements of capital outlay.

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, 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 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 2001 and 2000 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.

**DARKE COUNTY PARK DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 District.

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$446,759	\$412,592	(\$34,167)
Special Revenue	81,033	87,448	6,415
Debt Service	115,139	115,139	0
Capital Projects	8,681	8,681	0
Total	<u>\$651,612</u>	<u>\$623,860</u>	<u>(\$27,752)</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$501,813	\$423,345	\$78,468
Special Revenue	105,444	87,058	18,386
Debt Service	115,139	115,139	0
Capital Projects	46,817	16,533	30,284
Total	<u>\$769,213</u>	<u>\$642,075</u>	<u>\$127,138</u>

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$432,083	\$433,064	\$981
Special Revenue	0	13,884	13,884
Debt Service	115,112	115,112	0
Capital Projects	6,200	8,731	2,531
Total	<u>\$553,395</u>	<u>\$570,791</u>	<u>\$17,396</u>

**DARKE COUNTY PARK DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

2. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$512,476	\$441,285	\$71,191
Special Revenue	13,828	2,212	11,616
Debt Service	115,112	115,112	0
Capital Projects	43,030	3,326	39,704
Total	\$684,446	\$561,935	\$122,511

3. 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 Intergovernmental 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 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 District.

4. DEBT

Debt outstanding at December 31, 2001 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$320,000	5.2% to 5.5%

The Park District issued a General Obligation Park Improvement Bond on March 1, 1997, in the amount of \$650,000 at 5.2% to 5.5% for a term of seven years to improve the parks and to acquire additional park land. Interest and principal payments are due semi-annually to the Second National Bank of Greenville. The Bonds are collateralized by the taxing authority of the District.

Amortization of the above debt, including interest, is scheduled as follows:

**DARKE COUNTY PARK DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

4. DEBT (Continued)

<u>Year ending December 31:</u>	<u>General Obligation Bonds</u>
2002	\$114,825
2003	114,212
2004	<u>118,163</u>
Total	<u><u>\$347,200</u></u>

5. RETIREMENT SYSTEM

The District's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides 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. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Township has paid all contributions required through December 31, 2001.

6. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

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

The District also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

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

Darke County Park District
Darke County
P. O. Box 801
4267 State Route 502
Greenville, Ohio 45331

To the Board of Commissioners:

We have audited the accompanying financial statements of Darke County Park District, Darke County, (the District), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated April 23, 2002. We conducted our audit 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.

Compliance

As part of obtaining reasonable assurance about whether the 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 audit 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated April 23, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated April 23, 2002.

Darke County Park District
Darke 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 management and Board of Park Commissioners, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

April 23, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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DARKE COUNTY PARK DISTRICT

DARKE 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
MAY 30, 2002**