



**Auditor of State
Betty Montgomery**

**BEAVERCREEK TOWNSHIP PARK DISTRICT
GREENE COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Beavercreek Township Park District
Greene County
1981 Dayton-Xenia Road
Beavercreek, Ohio 45434

To the Board of Commissioners:

We have audited the accompanying financial statements of the Beavercreek Township Park District, Greene County, (the Park District), as of and for the years ended December 31, 2003 and 2002, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Park District's management. Our responsibility is to express an opinion on these general-purpose 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 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 fund cash balances of the Park District as of December 31, 2003 and 2002, and its 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 June 4, 2004 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 audit.

This report is intended solely for the information and use of the audit committee, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

June 4, 2004

**BEAVERCREEK TOWNSHIP PARK DISTRICT
GREENE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Governmental Fund Type
	General
Cash Receipts:	
Intergovernmental	\$85,002
Investment Income	380
	<u>85,382</u>
Total Cash Receipts	<u>85,382</u>
Cash Disbursements:	
Current:	
General Government	40,032
Conservation & Recreation	10,572
Capital Outlay	4,750
	<u>55,354</u>
Total Cash Disbursements	<u>55,354</u>
Total Receipts Over Disbursements	30,028
Fund Cash Balance, January 1	<u>12,627</u>
Fund Cash Balance, December 31	<u>\$42,655</u>

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

**BEAVERCREEK TOWNSHIP PARK DISTRICT
GREENE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2002**

	Governmental Fund Type
	General
Cash Receipts:	
Intergovernmental	\$60,318
Investment Income	26
Other Receipts	60
	60
Total Cash Receipts	60,404
Cash Disbursements:	
Current:	
General Government	34,616
Conservation & Recreation	10,983
Capital Outlay	63,479
	63,479
Total Cash Disbursements	109,078
Total Receipts (Under) Disbursements	(48,674)
Fund Cash Balance, January	61,301
Fund Cash Balance, December	\$12,627

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

**BEAVERCREEK TOWNSHIP PARK DISTRICT
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Beavercreek Township Park District, Greene 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 Greene 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.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash

All cash is held in interest bearing checking and savings accounts.

D. Fund Accounting

The Park District classifies all its funds into the General Fund type. 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.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. Appropriation Authority includes current year appropriations. The Board must annually approve appropriation measures and subsequent amendments.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1.

**BEAVERCREEK TOWNSHIP PARK DISTRICT
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Encumbrances

The Ohio Revised Code requires the Park District to reserve (encumber) appropriations when commitments are made. The Park District did not use the encumbrance method of accounting.

A summary of 2003 and 2002 budgetary activity appears in Note 3.

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.

2. CASH

The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	2003	2002
Demand deposits	\$42,655	\$12,627

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$84,961	\$85,382	\$421

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$93,056	\$55,354	\$37,702

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$62,603	\$60,404	(\$2,199)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$80,386	\$109,078	(\$28,692)

**BEAVERCREEK TOWNSHIP PARK DISTRICT
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General Fund by \$28,692 for the year ended December 31, 2002, and the Park District did not routinely certify the availability of appropriations prior to obligation of funds.

4. INTERGOVERNMENTAL REVENUE

The Park District received local government revenue and local government revenue assistance from the County. The County is responsible for collecting and distributing this revenue to the Park District.

Additionally, Beaver Creek Township provided annual assistance to the Park District. During 2003 and 2002, this assistance was \$35,000.

The Park District was also the recipient of a Nature Works Grant from the State of Ohio in the amount of \$25,000 during 2003.

5. RISK MANAGEMENT

Commercial Insurance

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

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

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Auditor of State Betty Montgomery

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

Beavercreek Township Park District
Greene County
1981 Dayton-Xenia Road
Beavercreek, Ohio 45434

To the Board of Commissioners:

We have audited the accompanying financial statements of the Beavercreek Township Park District, Greene County (the Park District), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated June 4, 2004. 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 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 audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2003-001 and 2003-002. We also noted an immaterial instance of noncompliance that we have reported to management of the Park District in a separate letter dated June 4, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, 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. 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 Park District in a separate letter dated June 4, 2004.

Beavercreek Township Park District
Greene County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

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

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Betty Montgomery
Auditor of State

June 4, 2004

**BEAVERCREEK TOWNSHIP PARK DISTRICT
GREENE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003 AND 2002**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2003-001

Ohio Rev. Code Section 5705.41(D) states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The following exceptions to this basic requirement are provided by statute:

Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, 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. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

Amounts of less than \$1,000 (\$3,000 effective April 7, 2003)) may be paid by the fiscal officer without such affirmation of the taxing authority 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.

The Park District did not certify the availability of funds for any expenditure prior to obligation during 2003 or 2002, contrary to this section of code. To comply with the abovementioned section of code, the Park District should implement procedures to obtain the fiscal officer's certification, prior to incurring financial obligations. This should provide an improved method of monitoring expenditures in relation to available appropriations and reduce the possibility of overspending available resources.

FINDING NUMBER 2003-002

Ohio Rev. Code Section 5705.41(B) states no subdivision or taxing unit is to expend money unless it has been appropriated. In addition, Ohio Rev. Code Section 5705.40 states any appropriation measure may be amended or supplemented as long as the entity complies with the same provisions of the law as are used in making the original appropriation. However, no appropriation may be reduced below an amount sufficient to cover all un-liquidated and outstanding contracts or obligations against them.

During fiscal year 2002, the Park District appropriated \$80,386, but spent \$109,078, resulting in \$28,692 of funds being spent, which were not appropriated. Additionally, no supplemental appropriations were approved by the Board, which could allow the Park District to expend more funds than available for expenditure. The Park District should implement procedures to routinely monitor all budgetary and actual activity, and make necessary amendments to budget actions or changes to actual financial activity.

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Betty Montgomery**

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BEAVERCREEK TOWNSHIP PARK DISTRICT

GREENE 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
JULY 6, 2004**