



**KNOX COUNTY PARK DISTRICT
KNOX COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999, 1998, 1997 AND 1996



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**KNOX COUNTY PARK DISTRICT
KNOX COUNTY**

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**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street
Columbus, Ohio 43215
Telephone 614-466-3402
800-443-9275
Facsimile 614-728-7199
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Knox County Park District
Knox County
767 Upper Fredericktown Road
Fredericktown, OH 43019

To the Board of Commissioners:

We have audited the accompanying financial statements of the Knox County Park District, Knox County, Ohio, (the District) as of and for the years ended December 31, 1999, 1998, 1997 and 1996. 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 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 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 cash balance of the District as of December 31, 1999, 1998, 1997 and 1996, 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 May 19, 2000 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.

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

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

May 19, 2000

**KNOX COUNTY PARK DISTRICT
KNOX COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCE
FOR THE YEARS ENDED DECEMBER 31, 1999, 1998, 1997, 1996**

	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Cash Receipts:				
Intergovernmental	\$10,000	\$10,000	\$10,018	\$10,000
Earnings on Investments	1,307	934	521	75
Total Cash Receipts	<u>11,307</u>	<u>10,934</u>	<u>10,539</u>	<u>10,075</u>
Cash Disbursements:				
Current:				
General Government	<u>2,583</u>	<u>3,723</u>	<u>1,721</u>	<u>2,081</u>
Total Cash Receipts Over/(Under) Cash Disbursements	8,724	7,211	8,818	7,994
Cash Balance, January 1	<u>24,023</u>	<u>16,812</u>	<u>7,994</u>	<u>0</u>
Cash Balance, December 31	<u><u>\$32,747</u></u>	<u><u>\$24,023</u></u>	<u><u>\$16,812</u></u>	<u><u>\$7,994</u></u>

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

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**KNOX COUNTY PARK DISTRICT
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999, 1998, 1997 AND 1996**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Knox County Park District, Knox County, Ohio, (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 Knox County. The District can acquire 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.

The Knox County Park District was established on December 4, 1995. The Board started transacting business in January 1996. As a result, January 1, 1996 Fund Balance is zero.

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

Certificates of deposits are valued at cost.

**KNOX COUNTY PARK DISTRICT
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999, 1998, 1997 AND 1996
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. 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. 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.

A summary of 1999, 1998, 1997 and 1996 budgetary activity appears in Note 3.

E. 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. EQUITY IN CASH AND INVESTMENTS

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

	1999	1998	1997	1996
Demand deposits	\$22,747	\$14,259	\$7,584	\$3,994
Certificates of deposit	10,000	9,764	9,228	4,000
Total deposits	\$32,747	\$24,023	\$16,812	\$7,994

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

**KNOX COUNTY PARK DISTRICT
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999, 1998, 1997 AND 1996
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 1999, 1998, 1997, and 1996 follows:

1999 Budgeted vs. Actual Receipts			
	Budgeted Receipts	Actual Receipts	Variance
	<u>\$10,000</u>	<u>\$11,307</u>	<u>\$1,307</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
	Appropriation Authority	Budgetary Expenditures	Variance
	<u>\$22,200</u>	<u>\$2,583</u>	<u>\$19,617</u>

1998 Budgeted vs. Actual Receipts			
	Budgeted Receipts	Actual Receipts	Variance
	<u>\$10,000</u>	<u>\$10,934</u>	<u>\$934</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
	Appropriation Authority	Budgetary Expenditures	Variance
	<u>\$10,600</u>	<u>\$3,723</u>	<u>\$6,877</u>

1997 Budgeted vs. Actual Receipts			
	Budgeted Receipts	Actual Receipts	Variance
	<u>\$25,000</u>	<u>\$10,539</u>	<u>(\$14,461)</u>

1997 Budgeted vs. Actual Budgetary Basis Expenditures			
	Appropriation Authority	Budgetary Expenditures	Variance
	<u>\$3,000</u>	<u>\$1,721</u>	<u>\$1,279</u>

**KNOX COUNTY PARK DISTRICT
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999, 1998, 1997 AND 1996
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1996 Budgeted vs. Actual Receipts			
	Budgeted Receipts	Actual Receipts	Variance
	<u>\$10,000</u>	<u>\$10,075</u>	<u>\$75</u>

1996 Budgeted vs. Actual Budgetary Basis Expenditures			
	Appropriation Authority	Budgetary Expenditures	Variance
	<u>\$0</u>	<u>\$2,081</u>	<u>(\$2,081)</u>

4. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- Official's liability



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

Knox County Park District
Knox County
767 Upper Fredericktown Road
Fredericktown, Ohio 43019

To the Board of Commissioners:

We have audited the accompanying financial statements of the Knox County Park District, Knox County, Ohio (the District), as of and for the years ended December 31, 1999, 1998, 1997, and 1996, and have issued our report thereon dated May 19, 2000. 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 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Park District in a separate letter dated May 19, 2000.

Internal Control Over Financial Reporting

In planning and performing our audits, 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 a matter involving the internal controls over financial reporting that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated May 19, 2000.

Knox County Park District
Knox County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended for the information and use of 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.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

JIM PETRO
Auditor of State

May 19, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

KNOX COUNTY PARK DISTRICT

KNOX 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
JUNE 27, 2000**