



**GREENE COUNTY PARK DISTRICT
GREENE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2004-2003



**Auditor of State
Betty Montgomery**

**GREENE COUNTY PARK DISTRICT
GREENE COUNTY**

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**Auditor of State
Betty Montgomery**

Board of Commissioners
Greene County Park District
651 Dayton-Xenia Road
Xenia, Ohio 45385

To the Board of Commissioners:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

September 28, 2005

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Board of Commissioners
Greene County Park District
651 Dayton-Xenia Road
Xenia, Ohio 45385

To the Board of Commissioners:

We have audited the accompanying financial statements of the Greene County Park District (the District) as of and for the years ended December 31, 2004 and 2003. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the District has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the District to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The District has elected not to reformat its statements. Since this District does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2004, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2004, or its changes in financial position for the year then ended.

Also, 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, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the District to include Management's Discussion and Analysis for the year ended December 31, 2004. The District has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2005, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Betty Montgomery
Auditor of State

September 28, 2005

**GREENE COUNTY PARK DISTRICT
GREEN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Governmental Fund Types			Fiduciary Fund	Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Expendable Trust	
Cash Receipts:					
Local Government	\$361,429				\$361,429
Grants		771,957			771,957
Investment Income	8,075				8,075
Gifts and Donations	6,900			1,425	8,325
Fees	47,039				47,039
Sales	8,415	2,598			11,013
Other Receipts	14,575	520			15,095
Total Cash Receipts	446,433	775,075	0	1,425	1,222,933
Cash Disbursements:					
Current:					
Supplies	17,008			718	17,726
Equipment	40,659	4,297	10,397	1,406	56,759
Contracts - Repair	3,440				3,440
Contracts - Services	213,120				213,120
Advertising and Printing	1,697	273			1,970
Travel	5,523				5,523
Utilities	7,531				7,531
Capital Outlay	127,649	771,156	15,507		914,312
Other	22,568				22,568
Total Cash Disbursements	439,195	775,726	25,904	2,124	1,242,949
Total Receipts Over/(Under) Disbursements	7,238	(651)	(25,904)	(699)	(20,016)
Other Financing Receipts/(Disbursements)					
Sale of Fixed Assets	6,262				6,262
Advances-In	155,000	137,500			292,500
Advances-Out	(137,500)	(155,000)			(292,500)
Other Sources	2,676				2,676
Total Other Financing Receipts/(Disbursements)	26,438	(17,500)	0	0	8,938
Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	33,676	(18,151)	(25,904)	(699)	(11,078)
Fund Cash Balances, January 1	340,339	101,653	26,531	2,039	470,562
Fund Cash Balances, December 31	\$374,015	\$83,502	\$627	\$1,340	\$459,484
Reserves for Encumbrances, December 31	\$19,466	\$255,602			\$275,068

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

**GREENE COUNTY PARK DISTRICT
GREENE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>			<u>Fiduciary Fund</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
Cash Receipts:					
Local Government	\$356,974				\$356,974
Grants		233,747			233,747
Investment Income	16,130				16,130
Gifts and Donations	5,768			500	6,268
Fees	37,642				37,642
Sales	3,304	2,546			5,850
Other Receipts	4,250	97,412			101,662
	<u>424,068</u>	<u>333,705</u>	<u>0</u>	<u>500</u>	<u>758,273</u>
Total Cash Receipts					
Cash Disbursements:					
Current:					
Supplies	21,201	530			21,731
Materials	490				490
Equipment	76,172	3,443			79,615
Contracts - Repair	3,667				3,667
Contracts - Services	255,388		3,594		258,982
Advertising and Printing	9,804	560			10,364
Travel	5,118				5,118
Utilities	8,967				8,967
Capital Outlay	50,784	238,020			288,804
Other	17,831	297			18,128
	<u>449,422</u>	<u>242,850</u>	<u>3,594</u>	<u>0</u>	<u>695,866</u>
Total Cash Disbursements					
Total Receipts Over/(Under) Disbursements	(25,354)	90,855	(3,594)	500	62,407
Other Financing Receipts					
Other Sources	8,397				8,397
Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	(16,957)	90,855	(3,594)	500	70,804
Fund Cash Balances, January 1	357,296	10,798	30,125	1,539	399,758
Fund Cash Balances, December 31	<u>\$340,339</u>	<u>\$101,653</u>	<u>\$26,531</u>	<u>\$2,039</u>	<u>\$470,562</u>
Reserves for Encumbrances, December 31	<u>\$110,714</u>	<u>\$76,749</u>	<u>\$10,397</u>		<u>\$197,860</u>

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

**GREENE COUNTY PARK DISTRICT
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Greene County Park District (the District) as a body corporate and politic. The probate judge of Greene County appoints a three-member Board of Commissioners to govern the District. The Commissioners are authorized to acquire, develop, protect, maintain, and improve park lands and facilities. The Commissioners may convert acquired land into forest reserves. The Commissioners 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.

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 the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes 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 include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash and Investments

As the Ohio Revised Code permits, the Greene County Treasurer holds the District's cash as the District's custodian. The County holds the District's assets in its investment pool, 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 accounts for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from trusts or for capital projects) restricted to expenditure for specific purposes. The District had the following significant Special Revenue Fund:

**GREENE COUNTY PARK DISTRICT
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**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2004
(Continued)**

2. Special Revenue Funds (Continued)

Ohio to Erie Trail Fund – This fund is used to account for the revenue and expenditures related to the construction, maintenance, and repair of the Ohio to Erie Trails.

3. Capital Project Funds

These funds account for receipts restricted for acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The District had the following significant Capital Project Funds:

County Park H Connector - This fund received a grant in a prior audit period for the construction, maintenance, and repair of the bikeway known as the H Connector.

Indian Mound Park – This fund received a state grant in the prior audit period for designing and landscaping a new entrance to Indian Mound Park.

4. Fiduciary Funds (Trust Fund)

Trust funds account for resources restricted by legally binding trust agreements. Funds for which the District is acting in an agency capacity are classified as agency funds. The District had the following significant Fiduciary Fund:

Sara Lee Arnovitz Trust Fund – This fund received donations for park upkeep.

E. Budgetary Process

The Ohio Revised Code requires the Board of Commissioners to budget each fund 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. Appropriation Authority includes current year appropriations plus encumbrances carried over from the prior year (if any). The Board must annually approve appropriation measures and subsequent amendments. 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.

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 2004 and 2003 budgetary activity appears in Note 2.

**GREENE COUNTY PARK DISTRICT
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2004
(Continued)**

F. Property, Plant, and Equipment

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2004 and 2003 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$629,302	\$610,371	(\$18,931)
Special Revenue	1,490,379	912,575	(577,804)
Capital Projects	0	0	0
Fiduciary	1,375	1,425	50
Total	\$2,121,056	\$1,524,371	(\$596,685)

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$768,171	\$596,161	\$172,010
Special Revenue	1,288,160	1,186,328	101,832
Capital Projects	26,531	25,904	627
Fiduciary	2,139	2,124	15
Total	\$2,085,001	\$1,810,517	\$274,484

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$428,191	\$432,465	\$4,274
Special Revenue	356,523	333,705	(22,818)
Capital Projects	0	0	0
Fiduciary	100	500	400
Total	\$784,814	\$766,670	(\$18,144)

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$754,096	\$560,136	\$193,960
Special Revenue	327,183	319,599	7,584
Capital Projects	30,125	13,991	16,134
Fiduciary	1,539	0	1,539
Total	\$1,112,943	\$893,726	\$219,217

**GREENE COUNTY PARK DISTRICT
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2004
(Continued)**

3. RISK MANAGEMENT

Risk Pool Membership

The District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

PEP retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000 from the General Reinsurance Corporation.

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

PEP retains property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsures losses exceeding \$100,000 up to \$500,000,000 per occurrence. APEEP's Guarantee Fund pays losses and loss adjustment expenses exceeding operating contributions.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective local government.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2004 and 2003.

<u>Casualty Coverage</u>	<u>2004</u>	<u>2003</u>
Assets	\$30,547,049	\$25,288,098
Liabilities	<u>(16,989,918)</u>	<u>(12,872,985)</u>
Retained earnings	<u>\$13,557,131</u>	<u>\$12,415,113</u>

<u>Property Coverage</u>	<u>2004</u>	<u>2003</u>
Assets	\$3,652,970	\$3,158,813
Liabilities	<u>(544,771)</u>	<u>(792,061)</u>
Retained earnings	<u>\$3,108,199</u>	<u>\$2,366,752</u>

**GREENE COUNTY PARK DISTRICT
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2004
(Continued)**

4. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Management cannot presently determine amounts which may be disallowed, if any. However, based on prior experience, management believes any refunds would be immaterial.

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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Board of Commissioners
Greene County Park District
651 Dayton-Xenia Road
Xenia, Ohio 45385

To the Board of Commissioners:

We have audited the financial statements of the Greene County Park District (the District) as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated September 28, 2005, wherein we noted the District followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

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, providing an opinion 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*.

Greene County Park District
Greene County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of the management and the Board of Commissioners. It is not intended for 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

September 28, 2005



**Auditor of State
Betty Montgomery**

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Columbus, Ohio 43216-1140

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800-282-0370

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GREENE COUNTY 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
NOVEMBER 10, 2005**