



OHIO AUDITOR OF STATE
KEITH FABER



**DARKE COUNTY PARK DISTRICT
DARKE COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Darke County Park District
Darke County
4267 State Route 502
Greenville, Ohio 45331

To the Board of Park Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Darke County Park District, Darke County, Ohio (the District) as of and for the years ended December 31, 2019 and 2018.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the District prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the District does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2019 and 2018, and the respective changes in financial position thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Darke County Park District, Darke County as of December 31, 2019 and 2018, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 11 to the financial statements, during 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2020, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

September 8, 2020

Darke County Park District
Darke County

*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2019*

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property Taxes	\$528,181			\$528,181
Intergovernmental	28,006			28,006
State Grant		\$16,719	\$65,768	82,487
Local Grants		15,200		15,200
Charges for Services	12,753			12,753
Interest Earnings	2,383	433		2,816
Gifts/Donations	4,720	7,385		12,105
Refunds	4,452			4,452
Miscellaneous	2,995	3,064		6,059
<i>Total Cash Receipts</i>	<u>583,490</u>	<u>42,801</u>	<u>65,768</u>	<u>692,059</u>
Cash Disbursements				
Salaries	276,153			276,153
Health/life Insurance & Adm fees	61,570			61,570
PERS/Medicare	42,271			42,271
Workers Comp	3,107			3,107
Supplies/Parts	30,590	27,031		57,621
Utilities	18,347			18,347
Rent/Lease	559			559
Professional Development	4,385	786		5,171
Professional/Consultant Service	11,057	3,835		14,892
Risk Management & Insurance	3,817			3,817
Maintenance/Repair	18,672	2,366	2,200	23,238
Other Services	3,811	309		4,120
Administrative Fees Taxes	15,229			15,229
Debt Service:				
Principal Retirement	42,008		120,197	162,205
Interest and Fiscal Charges	578		11,090	11,668
Bond Issuance Cost			38	38
Capital Outlay		5,000	201,572	206,572
Other Disbursements	90			90
<i>Total Cash Disbursements</i>	<u>532,244</u>	<u>39,327</u>	<u>335,097</u>	<u>906,668</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>51,246</u>	<u>3,474</u>	<u>(269,329)</u>	<u>(214,609)</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	3,505			3,505
Proceeds of Notes	38,000		147,836	185,836
Transfers In			96,279	96,279
Transfers Out	(96,279)			(96,279)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(54,774)</u>	<u>0</u>	<u>244,115</u>	<u>189,341</u>
<i>Net Change in Fund Cash Balances</i>	(3,528)	3,474	(25,214)	(25,268)
<i>Fund Cash Balances, January 1</i>	<u>60,033</u>	<u>24,237</u>	<u>26,304</u>	<u>110,574</u>
Fund Cash Balances, December 31				
Restricted		27,711	1,090	28,801
Assigned	56,505			56,505
<i>Fund Cash Balances, December 31</i>	<u>\$56,505</u>	<u>\$27,711</u>	<u>\$1,090</u>	<u>\$85,306</u>

See accompanying notes to the basic financial statements.

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Darke County Park District
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 - Reporting Entity

The Darke County Park District, Darke County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Park Board of Commissioners elects its officers annually at its regular monthly meeting in January. 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.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which are organized on a fund type basis.

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

General Fund The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Fund This fund accounts for and reports the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District had the following significant Special Revenue Fund:

Special Projects Fund- The fund received donations for specific projects which the District has undertaken.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The District had the following significant capital project funds:

OPWC Bish Grant Fund- This fund recorded monies received from the Ohio Public Works Commission (OPWC) for the Alice Bish Park construction and renovation project.

Tecumseh Trail- This fund received monies to construct a section of the District's Tecumseh Trail Project with the assistance of the Ohio Department of Natural Resources Clean Ohio Trail Fund Grant.

Darke County Park District
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

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

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 District Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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 approve estimated resources.

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

A summary of 2019 budgetary activity appears in Note 3.

Deposit and Investments

As the Ohio Revised Code permits, the Darke County Treasurer holds the District's deposits as the District's custodian. The County holds the District's assets in its investment pool, valued at the Treasurer's reported carrying amount.

Capital Assets

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

Darke County Park District
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (continued)

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Commissioners can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Commissioners amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by District Commissioners or a District official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Darke County Park District
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$693,842	\$624,995	(\$68,847)
Special Revenue	59,931	42,801	(17,130)
Capital Projects	718,073	309,883	(408,190)
Total	\$1,471,846	\$977,679	(\$494,167)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$694,517	\$628,682	\$65,835
Special Revenue	46,644	39,327	7,317
Capital Projects	718,073	335,097	382,976
Total	\$1,459,234	\$1,003,106	\$456,128

Note 4 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead deductions. The financial statements include homestead amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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.

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

Note 5 – Inter-fund Balances

Advances

Outstanding advances at December 31, 2019, consisted of \$29,230 advanced to Tecumseh Trail and Nature Works funds to cover expenses for grants until monies are received.

Darke County Park District
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 6 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters.

Shared Risk Pools

County Risk Sharing Authority Incorporated

The District is a member of the County Risk Sharing Authority, Inc. (CORSA), through Darke County, the District's fiscal agent, who holds the District's funds in a pool and manages risk for the pool, which is a risk sharing pool among forty one counties in Ohio. CORSA was formed in and as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage and losses and pay all contributions necessary for the specified insurance coverage provided by CORSA.

Coverage provided by CORSA is as follows:

General, Auto and Law	1,000,000
Public Officials	1,000,000
Flood and Earthquake	100,000,000
Boiler and Machinery	100,000,000
Employees Dishonesty	1,000,000
Money and Securities within premises	1,000,000
Money and Securities outside of premises	1,000,000
Money Orders and Counterfeit Currency	1,000,000
Depositors Forgery	1,000,000

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of CORSA are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at one time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees.

The continued existence of CORSA is dependent upon each County's continued participation: however each County does not have an equity interest in CORSA. In 2019, Darke County contributed \$177,578. Complete financial statements can be obtained from the County Risk Sharing Authority, Inc. at 209 E. State Street, Columbus, Ohio 43215.

There has been no reduction in coverage from the prior year and settled claims have not exceeded this coverage in any of the past three years.

Darke County Park District
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 6 – Risk Management (continued)

County Commissioners’ Association of Ohio Worker’s Compensation Group Rating Program

For 2019 the District participated in the County Commissioners’ Association of Ohio Workers’ Compensation Group Rating Program provided by the County Commissioners’ Association of Ohio Service Corporation (CCAOSC), a workers’ compensation insurance purchasing pool, through Darke County’s role as fiscal agent. The intent of the CCAOSC is to achieve lower workers’ compensation rates while establishing safe working conditions and environments for the participants.

The workers’ compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all counties in the CCAOSC. Each participant pays its workers’ compensation premium to the State based on the rate for the CCAOSC rather than its individual rate. In order to allocate the savings derived by formation of the CCAOSC, and to maximize the number of participants in the CCAOSC, annually the CCAOSC’s executive committee calculates the total savings which occurred to the CCAOSC through its formation. This savings is then compared to the overall savings percentage of the CCAOSC. The CCAOSC’s executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the CCAOSC is limited to counties that can meet the CCAOSC’s selection criteria. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the CCAOSC. Each year, the county pays an enrollment fee to the CCAOSC to cover the costs of administering the CCAOSC.

Each County may withdraw from the CCAOSC if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers’ Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the CCAOSC prior to withdrawal, and any participant leaving the CCAOSC allows representatives of the CCAOSC to access loss experience for three years following the last year of participation.

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Ten District employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants’ gross salaries. The District has paid all contributions required through December 31, 2019.

Note 8 - Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans.

OPERS contributes 2 percent of the employer contribution to fund these benefits.

Darke County Park District
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 9 – Tax Abatements

Enterprise Zone Program

Ohio Revised Code sections 5709.61-5709.69 allow for the designation of enterprise zones at the request of local legislative bodies and upon the approval of the director of development. After an area is certified as an enterprise zone, the legislative authority may enter into agreements with businesses to provide tax incentives in exchange for new investment in this area. An enterprise zone agreement allows for the exemption for a specified number of years, not to exceed fifteen, of a specified portion, up to 75%, of the increase in the assessed valuation of real property at the site. As part of the agreement, businesses must make specific commitments to investment and job creation or retention. If for any three-year period of the agreement the business fails to meet at least 75% of the employment commitment, the business must repay any taxes abated during that three-year period. If the business fails to comply with the terms of the agreement, other than the employment commitment, the agreement will be terminated and the business may have to repay all taxes that have been abated.

The District did not enter into any enterprise zone agreements with local businesses.

Tax Abatements of Other Governments

For the year ended December 31, 2019, the District's property tax revenues were reduced by \$52 under agreements entered into by the Village of Union City, by \$1,510 under agreements entered into by the Village of Versailles and by \$172 under agreements entered into by the Village of Arcanum for residential.

Note 10 – Debt

In February 2015, the District signed a Promissory Note with Greenville National Bank for \$13,374 for the purpose of a 2012 Ford Escape vehicle. Total principal paid in 2019 was \$574. Total interest paid in 2019 was \$2. Interest rate is 2.25% until paid in full. The note was retired in February 2019.

In October 2016, the District signed a Promissory Note with Greenville National Bank for \$17,000 for the purpose of a used tractor mower. Total principal paid in 2019 was \$3,433. Total interest paid in 2019 was \$393. Interest rate is 4.75% per annum based on a year of 365 days, until paid in full. Outstanding principal as of December 31, 2019 was \$6,413.

In January 2019, the District signed a Promissory Note with Greenville National Bank for \$35,000 for the purpose of General Operating expenses. This note was paid in full March 2019 with one principal payment of \$35,000 and one interest payment of \$183. Interest rate was 4.25% per annum, until paid in full.

In May 2018, the District signed a Promissory Note with Second National Bank for \$120,000 for the purpose of the Bish Mortgage. Total principal paid in 2019 was \$69,737 (the District paid an additional \$60,000 in principal during 2019). Total interest paid in 2019 was \$5,213. Interest rate is 5.6% per annum based on a year of 360 days, until paid in full. Outstanding principal as of December 31, 2019 was \$46,776.

Darke County Park District
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 10 – Debt (continued)

In July 2018, the District signed a Promissory Note with Greenville National Bank for \$338,000 for the purpose of construction to the Tecumseh Trail IV and V projects. The District only draws on this note as needed. In 2019 the District drew the remaining \$147,836 on this note. No principal was paid in 2019. Total interest paid was \$8,396. Interest rate is 3.95% per annum, until paid in full. Outstanding principal as of December 31, 2019 was \$338,000. All outstanding principal plus accrued interest was originally due July 26, 2019. However, the note was renewed in 2019. All outstanding principal plus accrued interest is now due February 5, 2020.

In December 2018, the District signed a Promissory Note with Second National Bank for \$45,409 for the purpose of the Bish parking lot. This note was paid in full December 2019 with one Principal payment of \$45,409 and one interest payment of \$2,532. Interest rate is 5.5% per annum based on a year of 360 days, until paid in full.

Amortization

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

Year Ending	Tractor	Bish Mortgage	Tecumseh
December 31:	Mower Note	Note	Trail Note
2020	\$3,827	\$13,800	\$341,292
2021	3,189	13,800	
2022		13,800	
2023		26,686	
Total	<u>\$7,016</u>	<u>\$68,086</u>	<u>\$341,292</u>

In May 2019, the Park District financed a John Deere Zero Turn Mower in the total amount of \$10,250 with Deere & Company. Total proceeds and principal payments of \$3,000 each (related to on-behalf cash down payment) were recorded during 2019. The remaining financed amount is \$7,294, payable in two equal installments of \$3,647 due on May 15, 2020 and May 15, 2021.

Note 11 – Subsequent Event

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. The impact on the District’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Note 12 – Related Party Transactions

A District Commissioner’s son owns a plumbing business. The District purchased \$4,036 of services from this plumbing business during 2019.

Darke County Park District
Darke County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2018

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property Taxes	\$516,023			\$516,023
Intergovernmental	27,815		\$57,097	84,912
State Grant			263,810	263,810
Local Grants		\$18,700		18,700
Charges for Services	11,953	0		11,953
Interest Earnings	2,469	423		2,892
Gifts/Donations	8,233	10,109	770	19,112
Miscellaneous	4,960		13,260	18,220
<i>Total Cash Receipts</i>	<u>571,453</u>	<u>29,232</u>	<u>334,937</u>	<u>935,622</u>
Cash Disbursements				
Salaries	261,565			261,565
Health/life Insurance & Adm fees	61,472			61,472
PERS/Medicare	39,728			39,728
Workers Comp	3,351			3,351
Supplies	35,285	12,701	1,965	49,951
Utilities	17,203			17,203
Rent/Lease	7,402			7,402
Professional Development	2,690			2,690
Professional/Consultant Service	15,298	2,665		17,963
Risk Management & Insurance	2,738			2,738
Maintenance/Repair	13,785		8,771	22,556
Other Services	2,817	135		2,952
Administrative Fees Taxes	10,415			10,415
Debt Service:				
Principal Retirement	6,983		129,857	136,840
Interest and Fiscal Charges	661		3,764	4,425
Bond Issuance Cost			2,177	2,177
Capital Outlay	39,928	11,555	553,183	604,666
Other Disbursements	32,958			32,958
<i>Total Cash Disbursements</i>	<u>554,279</u>	<u>27,056</u>	<u>699,717</u>	<u>1,281,052</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>17,174</u>	<u>2,176</u>	<u>(364,780)</u>	<u>(345,430)</u>
Other Financing Receipts (Disbursements)				
Proceeds of Notes			355,199	355,199
Transfers In			21,888	21,888
Transfers Out	(21,888)			(21,888)
Advances In	13,500		25,730	39,230
Advances Out	(25,730)		(13,500)	(39,230)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(34,118)</u>	<u>0</u>	<u>389,317</u>	<u>355,199</u>
<i>Net Change in Fund Cash Balances</i>	(16,944)	2,176	24,537	9,769
<i>Fund Cash Balances, January 1</i>	<u>76,977</u>	<u>22,061</u>	<u>1,767</u>	<u>100,805</u>
Fund Cash Balances, December 31				
Restricted		24,237	26,304	50,541
Assigned	60,033			60,033
<i>Fund Cash Balances, December 31</i>	<u>\$60,033</u>	<u>\$24,237</u>	<u>\$26,304</u>	<u>\$110,574</u>

See accompanying notes to the basic financial statements.

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Darke County Park District
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 - Reporting Entity

The Darke County Park District, Darke County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Park Board of Commissioners elects its officers annually at its regular monthly meeting in January. 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.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which are organized on a fund type basis.

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

General Fund The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Fund This fund accounts for and reports the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District had the following significant Special Revenue Fund:

Special Projects Fund- The fund received donations for specific projects which the District has undertaken.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The District had the following significant capital project funds:

OPWC Bish Grant Fund- This fund recorded monies received from the Ohio Public Works Commission (OPWC) for the Alice Bish Park construction and renovation project.

Tecumseh Trail- This fund received monies to construct a section of the District's Tecumseh Trail Project with the assistance of the Ohio Department of Natural Resources Clean Ohio Trail Fund Grant.

Darke County Park District
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (continued)

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

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

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 District Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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 approve estimated resources.

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

A summary of 2018 budgetary activity appears in Note 3.

Deposit and Investments

As the Ohio Revised Code permits, the Darke County Treasurer holds the District's deposits as the District's custodian. The County holds the District's assets in its investment pool, valued at the Treasurer's reported carrying amount.

Capital Assets

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

Darke County Park District
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (continued)

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Commissioners can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Commissioners amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by District Commissioners or a District official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Darke County District
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2018
(continued)

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$645,401	\$584,952	(\$60,449)
Special Revenue	43,421	29,232	(14,189)
Capital Projects	1,292,304	737,755	(554,549)
Total	\$1,981,126	\$1,351,939	(\$629,187)

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$646,322	\$602,572	\$43,750
Special Revenue	43,421	27,481	15,940
Capital Projects	1,292,304	713,217	579,087
Total	\$1,982,047	\$1,343,270	\$638,777

Note 4 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead deductions. The financial statements include homestead amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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.

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

Note 5 – Inter-fund Balances

Advances

Outstanding advances at December 31, 2018, consisted of \$29,230 advanced to Tecumseh Trail and Nature Works funds to cover expenses for grants until monies are received.

Darke County Park District
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 6 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters.

Shared Risk Pools

County Risk Sharing Authority Incorporated

The District is a member of the County Risk Sharing Authority, Inc. (CORSA), through Darke County, the District's fiscal agent, who holds the District's funds in a pool and manages risk for the pool, which is a risk sharing pool among forty one counties in Ohio. CORSA was formed in and as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage and losses and pay all contributions necessary for the specified insurance coverage provided by CORSA.

Coverage provided by CORSA is as follows:

General, Auto and Law	1,000,000
Public Officials	1,000,000
Flood and Earthquake	100,000,000
Boiler and Machinery	100,000,000
Employees Dishonesty	1,000,000
Money and Securities within premises	1,000,000
Money and Securities outside of premises	1,000,000
Money Orders and Counterfeit Currency	1,000,000
Depositors Forgery	1,000,000

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of CORSA are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at one time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees.

The continued existence of CORSA is dependent upon each County's continued participation: however each County does not have an equity interest in CORSA. In 2018, Darke County contributed \$173,801. Complete financial statements can be obtained from the County Risk Sharing Authority, Inc. at 209 E. State Street, Columbus, Ohio 43215.

There has been no reduction in coverage from the prior year and settled claims have not exceeded this coverage in any of the past three years.

Darke County Park District
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 6 – Risk Management (continued)

County Commissioners’ Association of Ohio Worker’s Compensation Group Rating Program

For 2018 the District participated in the County Commissioners’ Association of Ohio Workers’ Compensation Group Rating Program provided by the County Commissioners’ Association of Ohio Service Corporation (CCAOSC), a workers’ compensation insurance purchasing pool, through Darke County’s role as fiscal agent. The intent of the CCAOSC is to achieve lower workers’ compensation rates while establishing safe working conditions and environments for the participants.

The workers’ compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all counties in the CCAOSC. Each participant pays its workers’ compensation premium to the State based on the rate for the CCAOSC rather than its individual rate. In order to allocate the savings derived by formation of the CCAOSC, and to maximize the number of participants in the CCAOSC, annually the CCAOSC’s executive committee calculates the total savings which occurred to the CCAOSC through its formation. This savings is then compared to the overall savings percentage of the CCAOSC. The CCAOSC’s executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the CCAOSC is limited to counties that can meet the CCAOSC’s selection criteria. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the CCAOSC. Each year, the county pays an enrollment fee to the CCAOSC to cover the costs of administering the CCAOSC.

Each County may withdraw from the CCAOSC if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers’ Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the CCAOSC prior to withdrawal, and any participant leaving the CCAOSC allows representatives of the CCAOSC to access loss experience for three years following the last year of participation.

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Ten District employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants’ gross salaries. The District has paid all contributions required through December 31, 2018.

Note 8 - Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. OPERS contributes 2 percent of the employer contribution to fund these benefits.

Darke County Park District
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 9 – Tax Abatements

Enterprise Zone Program

Ohio Revised Code sections 5709.61-5709.69 allow for the designation of enterprise zones at the request of local legislative bodies and upon the approval of the director of development. After an area is certified as an enterprise zone, the legislative authority may enter into agreements with businesses to provide tax incentives in exchange for new investment in this area. An enterprise zone agreement allows for the exemption for a specified number of years, not to exceed fifteen, of a specified portion, up to 75%, of the increase in the assessed valuation of real property at the site. As part of the agreement, businesses must make specific commitments to investment and job creation or retention. If for any three-year period of the agreement the business fails to meet at least 75% of the employment commitment, the business must repay any taxes abated during that three-year period. If the business fails to comply with the terms of the agreement, other than the employment commitment, the agreement will be terminated and the business may have to repay all taxes that have been abated.

The District did not enter into any enterprise zone agreements with local businesses.

Tax Abatements of Other Governments

For the year ended December 31, 2018, the District's property tax revenues were reduced by \$3,292 under agreements entered into by Darke County and the City of Greenville, \$51 under agreements entered into by the Village of Union City, by \$1,475 under agreements entered into by the Village of Versailles and by \$85 under agreements entered into by the Village of Arcanum for residential.

Note 10 – Debt

In February 2015, the District signed a Promissory Note with Greenville National Bank for \$13,374 for the purpose of a 2012 Ford Escape vehicle. Total principal paid in 2018 was \$3,444. Total interest paid in 2018 was \$55. Interest rate is 2.25% until paid in full. Outstanding principal as of December 31, 2018 was \$574.

In October 2016, the District signed a Promissory Note with Greenville National Bank for \$17,000 for the purpose of a used tractor mower. Total principal paid in 2018 was \$3,539. Total interest paid in 2018 was \$606. Interest rate is 4.75% per annum based on a year of 365 days, until paid in full. Outstanding principal as of December 31, 2018 was \$9,847.

In August 2017, the District signed a Promissory Note with Greenville National Bank for \$126,370 for the purpose of construction to the Tecumseh Trail IV and V projects. This note was paid in full February 2018 with one principal payment of \$126,370 and one interest payment of \$351. Interest rate was 3.5% per annum, until paid in full.

In May 2018, the District signed a Promissory Note with Second National Bank for \$120,000 for the purpose of the Bish Mortgage. Total principal paid in 2018 was \$3,487. Total interest paid in 2018 was \$3,413. Interest rate is 5.6% per annum based on a year of 360 days, until paid in full. Outstanding principal as of December 31, 2018 was \$116,513.

Darke County Park District
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2018

In July 2018, the District signed a Promissory Note with Greenville National Bank for \$338,000 for the purpose of construction to the Tecumseh Trail IV and V projects. The District only draws on this note as needed. In 2018 the District drew \$190,164 on this note. No interest or principal was paid in 2018. Interest rate is 3.95% per annum, until paid in full. Outstanding principal as of December 31, 2018 was \$190,164. All outstanding principal plus accrued interest is due July 26, 2019.

In December 2018, the District signed a Promissory Note with Second National Bank for \$45,409 for the purpose of the Bish parking lot. No interest or principal was paid in 2018. Interest rate is 5.5% per annum based on a year of 360 days, until paid in full. Outstanding principal as of December 31, 2018 was \$45,409.

Amortization

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

Year Ending December 31:	Ford Escape Note	Tractor Mower Note	Bish Mortgage Note	Tecumseh Trail Note	Bish Parking Lot Note
2019	\$576	\$3,827	\$13,800	\$198,560	\$47,941
2020		3,827	13,800		
2021		3,189	13,800		
2022			13,800		
2023			86,686		
Total	<u>\$576</u>	<u>\$10,843</u>	<u>\$141,886</u>	<u>\$198,560</u>	<u>\$47,941</u>

Note 11 – Subsequent Event

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. The impact on the District’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

OHIO AUDITOR OF STATE KEITH FABER



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

Darke County Park District
Darke County
4267 State Route 502
Greenville, Ohio 45331

To the Board of Park Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Darke County Park District, Darke County, (the District) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, and have issued our report thereon dated September 8, 2020, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03(D) permit. We also noted that the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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, opining 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*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State

Columbus, Ohio

September 8, 2020

OHIO AUDITOR OF STATE KEITH FABER



DARKE COUNTY PARK DISTRICT

DARKE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 10/6/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov