



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**GUERNSEY COUNTY PARK DISTRICT
GUERNSEY COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balance – For the Years Ended December 31, 2001 and 2000	3
Notes to the Financial Statement	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	7
Schedule of Findings	9
Schedule of Prior Audit Findings	11

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REPORT OF INDEPENDENT ACCOUNTANTS

Guernsey County Park District
Guernsey County
P.O. Box 8
Byesville, Ohio 43723

To the Board of Park Commissioners:

We have audited the accompanying financial statement of the Guernsey County Park District, Guernsey County, Ohio (the District), as of and for the years ended December 31, 2001 and 2000. This financial statement is the responsibility of the District's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the District prepares its financial statement 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 statement referred to above presents fairly, in all material respects, the cash balance of the Guernsey County Park District, Guernsey County, as of December 31, 2001 and 2000, 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 16, 2002 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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Jim Petro
Auditor of State

May 16, 2002

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**GUERNSEY COUNTY PARK DISTRICT
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000**

	<u>2001</u>	<u>2000</u>
Cash Receipts:		
Intergovernmental:		
Grants	\$1,840	\$
State	31,411	32,203
Local Intergovernmental Contributions	13,203	12,160
	46,454	44,363
Cash Disbursements:		
Current:		
Supplies and Materials	1,164	1,287
Contracts - Services	9,077	7,000
Advertising and Printing	214	
Capital Outlay	35,999	35,978
Other		98
	46,454	44,363
Total Cash Receipts Over/(Under) Cash Disbursements	0	0
Cash Balance, January 1	0	0
Cash Balance, December 31	\$0	\$0

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**GUERNSEY COUNTY PARK DISTRICT
GUERNSEY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Guernsey County Park District, Guernsey County (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 Guernsey County. The Park District was formed primarily for upkeep, repair and improvements to Jackson Park. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of same as the Board deems conducive to the general welfare.

The District's management believes this financial statement presents all activities for which the District is financially accountable.

B. Basis of Accounting

This financial statement follows 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.

This statement includes adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

In accordance with Ohio Revised Code, the District's cash is held and invested by the Guernsey County Treasurer, who acts as custodian for District monies.

D. Budgetary Process

The Ohio Revised Code requires the District to prepare an annual budget.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the function or object level of control, and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year-end.

**GUERNSEY COUNTY PARK DISTRICT
GUERNSEY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

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

The Park District did not adopt a revenue or expenditure budget for either year under audit.

E. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statement.

2. RISK MANAGEMENT

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

- Comprehensive property and general liability
- Errors and omissions

3. CONTINGENT LIABILITIES

There is no pending litigation outstanding against the District.

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, management believes such refunds, if any, would not be material.



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

Guernsey County Park District
Guernsey County
P.O. Box 8
Byesville, Ohio 43723

To the Board of Park Commissioners:

We have audited the accompanying financial statement of the Guernsey County Park District, Guernsey County, Ohio (the District), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 16, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statement is 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 2001-61030-001, 2001-61030-002, 2001-61030-003, 2001-61030-004 and 2001-61030-005. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated May 16, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the District in a separate letter dated May 16, 2002.

Guernsey County Park District
Guernsey County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of 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". The signature is stylized with a large, looping initial "J" and a horizontal line extending to the right.

Jim Petro
Auditor of State

May 16, 2002

**GUERNSEY COUNTY PARK DISTRICT
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
--

FINDING NUMBER 2001-61030-001

Noncompliance Citation

Ohio Rev. Code Section 5705.28 states that on or before July 15 each year, the taxing authority of each subdivision or other taxing unit is required to adopt a tax budget for the next succeeding year. If the District does not levy taxes, the District should adopt an operating budget and follow the provisions of Ohio Rev. Code Sections 5705.36, .38, .40, .41, .43, .44 and .45. However, documents prepared in accordance with these sections are not required to be filed with the County Auditor or County Budget Commission. Additionally, appropriations for each fund are limited to estimated resources for the fund as determined in the operating budget.

The District did not approve an operating budget for either year under audit. Although the District did not levy a tax, the District is still required to prepare an operating budget and maintain such operating budget throughout the year.

We recommend the Park District prepare an operating budget each year.

FINDING NUMBER 2001-61030-002

Noncompliance Citation

Ohio Rev. Code Section 5705.36 requires that on or before the first day of each fiscal year, the fiscal officers of subdivisions and other taxing units are to certify the total amount from all sources which is available for expenditures from each fund created by or on behalf of the taxing authority. The amount certified should include any unencumbered fund balances that existed at the end of the preceding year.

A certification of the total amount from all sources available for expenditure was not prepared by the District for 2001 or 2000.

We recommend the District complete the required certification and utilize this document as a basis for revising the operating budget.

FINDING NUMBER 2001-61030-003

Noncompliance Citation

Ohio Rev. Code Section 5705.38 states that, on or about the first day of each year, the taxing authority of each subdivision or other taxing unit shall pass an appropriation measure and thereafter during the year it may pass any supplemental appropriations it finds necessary based on the revised budget. Appropriation measures shall be classified to set forth separately the amounts appropriated for each department and division, and within each, the amount appropriated for personal services.

The District did not adopt an appropriation measure to meet its expenses in fiscal years 2001 and 2000. This could result in overspending of resources and not adhering to the approved operating budget.

We recommend the District complete an appropriation measure and utilize the document as a basis for revising the operating budget and posting encumbrances.

**GUERNSEY COUNTY PARK DISTRICT
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2001-61030-004

Noncompliance Citation

Ohio Rev. Code Section 5705.41 (B) states, no subdivision or taxing unit is to expend money unless it has been appropriated.

For 2001 and 2000, the District did not pass an appropriation measure but monies were expended throughout the years.

We recommend the District establish appropriations by resolution, post appropriations to an appropriation ledger and monitor budget to actual expenditures throughout the year.

FINDING NUMBER 2001-61030-005

Noncompliance Citation

Ohio Rev. Code Section 5705.41 (D) states that no subdivision or taxing unit shall make any contract or order any expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the same has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be null and void and no warrant shall be issued in payment of any amount due thereon. This section also provides two "exceptions" to the above requirements:

- A. Then and Now Certificates – This exception provides that, if the fiscal officer can certify that both at the time 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 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.

- B. Amounts of less than \$1000 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.

During 2001 and 2000, the District did not obtain a prior certification for any expenditure, nor was there evidence of any "then and now" certificates.

We recommend the District obtain prior certification prior to incurring any obligation. In instances where prior certification can not be obtained, the District should obtain a "then and now" certificate.

**GUERNSEY COUNTY PARK DISTRICT
GUERNSEY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2001 AND 2000**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1999-61030-001	The Park District was not following provisions of Ohio Revised Code Section 1545. All monies were not deposited with the County Treasurer and all disbursement documentation was not submitted to the County Auditor to allow the County Auditor to draw a county warrant to pay the disbursement.	Yes	County took over as fiscal agent for the Park District at the beginning of 2001. All payments are now processed by the County Auditor.



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GUERNSEY COUNTY PARK DISTRICT

GUERNSEY 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 6, 2002**