



**DARKE COUNTY PARK DISTRICT
DARKE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Darke County Park District
Darke County
P. O. Box 801
4267 State Route 502
Greenville, Ohio 45331

To the Board of Commissioners:

We have audited the accompanying financial statements of the Darke County Park District, Darke County, Ohio, (the District) as of and for the years ended December 31, 1999 and 1998. 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 generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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 statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Darke County Park District, Darke County, as of December 31, 1999 and 1998, and its combined 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 March 29, 2000 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of the management, Board of Park Commissioners and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

March 29, 2000

Darke County Park District

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**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Type</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:				
General Property Tax - Real Estate	\$258,036	\$0	\$0	\$258,036
Tangible Personal Property Tax	54,314			54,314
Intergovernmental	65,765			65,765
Investment Income	9,819		1,668	11,487
Gifts and Donations	20,079			20,079
Sales	9,037			9,037
Other Receipts	6,633			6,633
Total Cash Receipts	<u>423,683</u>	<u>0</u>	<u>1,668</u>	<u>425,351</u>
Cash Disbursements:				
Current:				
Salaries - Employees	135,880			135,880
Supplies	23,896			23,896
Equipment	759			759
Contracts - Repair	33,508			33,508
Contracts - Services	6,766			6,766
Advertising and Printing	2,678			2,678
Public Employees Retirement	13,606			13,606
Workers' Compensation	2,530			2,530
Unemployment Compensation	1,869			1,869
Capital Outlay	22,040			22,040
Debt:				
Payment of Principal		85,000		85,000
Payment of Interest		29,750		29,750
Other	89,092			89,092
Total Cash Disbursements	<u>332,624</u>	<u>114,750</u>	<u>0</u>	<u>447,374</u>
Total Receipts Over/(Under) Disbursements	<u>91,059</u>	<u>(114,750)</u>	<u>1,668</u>	<u>(22,023)</u>
Other Financing Receipts/(Disbursements):				
Transfers-In		112,891	6,200	119,091
Transfers-Out	(113,044)		(6,047)	(119,091)
Total Other Financing Receipts/(Disbursements)	<u>(113,044)</u>	<u>112,891</u>	<u>153</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(21,985)	(1,859)	1,821	(22,023)
Fund Cash Balances, January 1	193,748	1,859	33,391	228,998
Fund Cash Balances, December 31	<u><u>\$171,763</u></u>	<u><u>\$0</u></u>	<u><u>\$35,212</u></u>	<u><u>\$206,975</u></u>
Reserves for Encumbrances, December 31	<u><u>\$3,350</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$3,350</u></u>

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Governmental Fund Type			Totals (Memorandum Only)
	General	Debt Service	Capital Projects	
Cash Receipts:				
General Property Tax - Real Estate	\$256,371	\$0	\$0	\$256,371
Tangible Personal Property Tax	52,839			52,839
Intergovernmental	61,553			61,553
Investment Income	12,410		1,169	13,579
Gifts and Donations	40,095			40,095
Sales	9,195			9,195
Other Receipts	4,115			4,115
	436,578	0	1,169	437,747
Total Cash Receipts				
Cash Disbursements:				
Current:				
Salaries - Employees	108,760			108,760
Supplies	30,220			30,220
Equipment	885			885
Contracts - Services	52,885		900	53,785
Public Employees Retirement	15,290			15,290
Workers' Compensation	802			802
Unemployment Compensation	5,073			5,073
Capital Outlay	60,560			60,560
Debt:				
Payment of Principal		60,000		60,000
Payment of Interest		33,592		33,592
Other	110,566		9,046	119,612
	385,041	93,592	9,946	488,579
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	51,537	(93,592)	(8,777)	(50,832)
Other Financing Receipts/(Disbursements):				
Transfers-In	0	93,906	6,200	100,106
Transfers-Out	(83,791)	0	(16,315)	(100,106)
	(83,791)	93,906	(10,115)	0
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(32,254)	314	(18,892)	(50,832)
Fund Cash Balances, January 1	226,002	1,545	52,283	279,830
Fund Cash Balances, December 31	\$193,748	\$1,859	\$33,391	\$228,998
Reserves for Encumbrances, December 31	\$1,093	\$0	\$0	\$1,093

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Darke County Park District (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 Darke County. The District acquires lands for conversion into forest reserves and for the conservation of the natural resources, including streams, lakes, submerged lands and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of same as the Board deems conducive to the general welfare.

The District's management believes these financial statements present all activities for which the District is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

C. Cash and Investments

In accordance with Ohio Revised Code, the District's cash is held and invested by the Darke County Treasurer, who acts as custodian for District monies. The District's assets are held in the County's cash and investment pool, and are 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 is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Debt Service Funds

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness:

Bond Retirement Nature Center Fund - This fund receives transfers of funds from General Fund to pay debt obligations.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The District had the following significant Capital Project Funds:

Replacement Fund - This fund receives transfer of funds from the General fund as a set aside fund for future improvements or replacements of capital outlay.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, object level of control, and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. 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. 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. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The District did not encumber all commitments required by Ohio law.

A summary of 1999 and 1998 budgetary activity appears in Note 2.

F. Property, Plant and Equipment

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

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the District.

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

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$404,297	\$423,683	\$19,386
Debt Service	6,047	112,891	106,844
Capital Projects	0	7,868	7,868
Total	\$410,344	\$544,442	\$134,098

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$592,487	\$449,018	\$143,469
Debt Service	114,750	114,750	0
Capital Projects	40,957	6,047	34,910
Total	\$748,194	\$569,815	\$178,379

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$479,700	\$436,578	(\$43,122)
Debt Service	107,591	93,906	(13,685)
Capital Projects	113,246	7,369	(105,877)
Total	\$700,537	\$537,853	(\$162,684)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$684,138	\$469,925	\$214,213
Debt Service	107,591	93,592	13,999
Capital Projects	167,220	26,261	140,959
Total	\$958,949	\$589,778	\$369,171

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

3. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Park Commissioners. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, 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.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

4. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$505,000	5.2% to 5.5%

The Park District issued a General Obligation Park Improvement Bond on March 1, 1997, in the amount of \$650,000 at 5.2% to 5.5% for a term of seven years to improve the parks and to acquire additional park land. Interest and principal payments are due semi-annually to the Second National Bank of Greenville. The Bonds are collateralized by the taxing authority of the District.

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

Year ending December 31:	General Obligation Bonds
2000	\$115,113
2001	115,139
2002	114,825
2003	114,212
2004	118,162
Total	\$577,451

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

5. RETIREMENT SYSTEM

The District's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PERS contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries. The District has paid all contributions required through December 31, 1999.

6. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The District also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

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

Darke County Park District
Darke County
P. O. Box 801
4267 State Route 502
Greenville, Ohio 45331

To the Board of Commissioners:

We have audited the accompanying financial statements of Darke County Park District, Darke County, Ohio (the District), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated March 29, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated March 29, 2000.

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 management of the District in a separate letter dated March 29, 2000.

Darke County Park District
Darke County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended for the information and use of the management and Board of Park Commissioners, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

March 29, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

DARKE COUNTY PARK DISTRICT

DARKE 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
APRIL 27, 2000**