



**HOLMES COUNTY PARK DISTRICT
HOLMES COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

HOLMES COUNTY PARK DISTRICT
HOLMES COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Holmes County Park District
Holmes County
10 S. Clay St. Suite 202
Millersburg, OH 44654

To the Board of Park Commissioners:

We have audited the accompanying financial statements of the Holmes County Park District, Holmes County, Ohio, (the District) as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

As described 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 Holmes County Park District, Holmes County, as of December 31, 2000 and 1999, 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 19, 2001, 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 audits.

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.

Jim Petro
Auditor of State

March 19, 2001

**HOLMES COUNTY PARK DISTRICT
HOLMES COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		<u>Total (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
Cash receipts:			
General property tax - real estate	\$62,414	\$0	\$62,414
Tangible personal property tax	11,600	0	11,600
Trailer tax settlements	639	0	639
Gifts and donations	0	2,521	2,521
Fees	16,939	0	16,939
Intergovernmental	17,311	0	17,311
Other	3,690	0	3,690
Total cash receipts	<u>112,593</u>	<u>2,521</u>	<u>115,114</u>
Cash disbursements:			
Current:			
Salaries - employees	39,839	0	39,839
Supplies	2,574	0	2,574
Materials	6,537	0	6,537
Equipment	10,077	0	10,077
Contracts - repair	871	0	871
Contracts - services	10,052	0	10,052
Rentals	77	0	77
Advertising and printing	3,011	0	3,011
Public employees retirement	333	0	333
Workers' compensation	4,493	0	4,493
Other	15,623	0	15,623
Total cash disbursements	<u>93,487</u>	<u>0</u>	<u>93,487</u>
Total cash receipts over cash disbursements	19,106	2,521	21,627
Fund cash balances, January 1	<u>28,620</u>	<u>50,164</u>	<u>78,784</u>
Fund cash balances, December 31	<u>\$47,726</u>	<u>\$52,685</u>	<u>\$100,411</u>
Reserves for encumbrances, December 31	<u>\$610</u>	<u>\$0</u>	<u>\$610</u>

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

**HOLMES COUNTY PARK DISTRICT
HOLMES COUNTY**

**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 Types</u>		<u>Total (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
Cash receipts:			
General property tax - real estate	\$61,806	\$0	\$61,806
Tangible personal property tax	13,366	0	13,366
Trailer tax settlements	623	0	623
Gifts and donations	938	9,000	9,938
Fees	17,505	0	17,505
Intergovernmental	7,288	0	7,288
Other	4,432	0	4,432
Total cash receipts	<u>105,958</u>	<u>9,000</u>	<u>114,958</u>
Cash disbursements:			
Current:			
Salaries - employees	27,895	0	27,895
Supplies	5,301	0	5,301
Materials	9,034	0	9,034
Equipment	6,660	0	6,660
Contracts - repair	1,742	0	1,742
Contracts - services	20,586	0	20,586
Rentals	474	0	474
Advertising and printing	644	0	644
Public employees retirement	3,568	0	3,568
Workers' compensation	506	0	506
Other	10,439	7,005	17,444
Total cash disbursements	<u>86,849</u>	<u>7,005</u>	<u>93,854</u>
Total cash receipts over cash disbursements	<u>19,109</u>	<u>1,995</u>	<u>21,104</u>
Other financing receipts/(disbursements):			
Transfers-in	0	400	400
Transfers-out	(400)	0	(400)
Total other financing receipts/(disbursements)	<u>(400)</u>	<u>400</u>	<u>0</u>
Excess of cash receipts and other financing receipts over cash disbursements and other financing disbursements	18,709	2,395	21,104
Fund cash balances, January 1	<u>9,911</u>	<u>47,769</u>	<u>57,680</u>
Fund cash balances, December 31	<u>\$28,620</u>	<u>\$50,164</u>	<u>\$78,784</u>
Reserves for encumbrances, December 31	<u>\$539</u>	<u>\$0</u>	<u>\$539</u>

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

**HOLMES COUNTY PARK DISTRICT
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Holmes County Park District, Holmes County, Ohio, (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a three-member Board of Park Commissioners the (Board) appointed by the probate judge of Holmes County. The District acquires land 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

In accordance with Ohio Revised Code, the District's cash is held and invested by the Holmes 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 County 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:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

**HOLMES COUNTY PARK DISTRICT
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting(Continued)

Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The District had the following significant Capital Projects Fund:

Park Land and Building Fund - This fund is used to account for park construction and capital improvements made by the District.

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, function or object level of control, and appropriations may not exceed estimated resources. The Board of Park Commissioners must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

3. Encumbrances

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

A summary of 2000 and 1999 budgetary activity appears in Note 2.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as equipment 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.

**HOLMES COUNTY PARK DISTRICT
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

2. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$128,967	\$112,593	(\$16,374)
Capital Projects	50,164	2,521	(47,643)
Total	\$179,131	\$115,114	(\$64,017)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$119,236	\$94,097	\$25,139
Capital Projects	0	0	0
Total	\$119,236	\$94,097	\$25,139

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$112,487	\$105,958	(\$6,529)
Capital Projects	55,218	9,400	(45,818)
Total	\$167,705	\$115,358	(\$52,347)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$104,706	\$87,788	\$16,918
Capital Projects	7,005	7,005	0
Total	\$111,711	\$94,793	\$16,918

Contrary to Ohio Rev. Code Section 5705.41(D), the District did not always obtain the certification from the County Auditor prior to the expenditure of monies.

**HOLMES COUNTY PARK DISTRICT
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(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 payments, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property with 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. 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 post-retirement 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 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. The District contributed an amount equal to 10.84% and 13.55% of participants' gross salaries for 2000 and 1999, respectively. The District has paid all contributions required through December 31, 2000.

5. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Public officials' liability

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

6. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, 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**

Holmes County Park District
Holmes County
10 S. Clay St. Suite 202
Millersburg, OH 44654

To the Board of Park Commissioners:

We have audited the financial statements of the Holmes County Park District, Holmes County, Ohio, (the District) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 19, 2001. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2000-60938-001.

We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated March 19, 2001.

Internal Control Over Financial Reporting

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

However, we noted certain 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 19, 2001.

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.

Jim Petro
Auditor of State

March 19, 2001

**HOLMES COUNTY PARK DISTRICT
HOLMES COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999**

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

Noncompliance

FINDING NUMBER 2000-60938-001

Ohio Rev. Code Section 5705.41(D), requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation 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. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

This section also provides for two exceptions to the above requirements:

1. Then and Now Certificates - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the Board of Park Commissioners may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate.
2. If the amount involved is less than \$1,000 dollars, the County Auditor may authorize payment through a Then and Now Certificate without affirmation of the Board of Park Commissioners, if such expenditure is otherwise valid.

For 92% of transactions tested, the District did not obtain certification from the County Auditor, the District's fiscal agent, prior to the expenditure of monies as required by the above Ohio Rev. Code Section. Neither of the two exceptions noted above were utilized. The District should obtain the required certification from the County Auditor prior to the expenditure of monies.



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HOLMES COUNTY PARK DISTRICT

HOLMES 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
MAY 1, 2001**