



Dave Yost • Auditor of State

**DARKE COUNTY PARK DISTRICT
DARKE COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Darke County Park District, Darke County, (the District) as of and for the years ended December 31, 2013 and 2012.

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 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 1 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, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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, 2013 and 2012, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Darke County Park District, Darke County as of December 31, 2013 and 2012, and its combined cash receipts and disbursements 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 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2014, 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.



Dave Yost
Auditor of State

Columbus, Ohio

August 18, 2014

**DARKE COUNTY PARK DISTRICT
DARKE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts:				
Property Taxes	\$299,176			\$299,176
Intergovernmental	70,496		\$2,006	72,502
Other Local Grants	1,500	\$6,800		8,300
Earnings on Investments	2,374			2,374
Donations	27,398	12,346		39,744
Program/Meeting Room Fees	16,249			16,249
Miscellaneous	1,828	2,700		4,528
Total Cash Receipts	419,021	21,846	2,006	442,873
Cash Disbursements:				
Current:				
Conservation/Recreation:				
Salaries/Benefits	288,947			288,947
Supplies	35,879	3,596		39,475
Utilities	12,061			12,061
Equipment	4,364			4,364
Insurance	3,377			3,377
Contracts	3,549	2,036		5,585
Postage	540			540
Rent/Leases	4,100			4,100
Training	3,874	40		3,914
Administrative Fees and Taxes	13,499			13,499
Land Purchase/Building Construction	32,481	9,217		41,698
Other Expenses	35,511		2,006	37,517
Refunds		1,180		1,180
Total Cash Disbursements	438,182	16,069	2,006	456,257
Excess of Receipts Over (Under) Disbursements	(19,161)	5,777		(13,384)
Other Financing Receipts (Disbursements):				
Transfers In		87		87
Transfers Out	(87)			(87)
Total Other Financing Receipts (Disbursements)	(87)	87		
Net Change in Fund Cash Balances	(19,248)	5,864		(13,384)
Fund Cash Balances, January 1	168,079	6,737		174,816
Fund Cash Balances, December 31:				
Committed		12,601		12,601
Assigned	148,831			148,831
Fund Cash Balances, December 31	\$148,831	\$12,601	\$0	\$161,432

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

**DARKE COUNTY PARK DISTRICT
DARKE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts:				
Property Taxes	\$294,060			\$294,060
Intergovernmental	81,559	\$296,209	\$570	378,338
Other Local Grants		6,346		6,346
Earnings on Investments	827			827
Donations	4,347	5,347		9,694
Program/Meeting Room Fees	17,882			17,882
Miscellaneous	45	1,720		1,765
Total Cash Receipts	398,720	309,622	570	708,912
Cash Disbursements:				
Current:				
Conservation/Recreation:				
Salaries/Benefits	260,147			260,147
Supplies	36,100	15,825		51,925
Utilities	11,469			11,469
Insurance	3,727			3,727
Contracts	8,115	5,523		13,638
Postage	864			864
Rent/Leases	3,622			3,622
Training	4,098	820		4,918
Administrative Fees and Taxes	9,092			9,092
Land Purchase/Building Construction	31,191	93,824		125,015
Other Expenses	20,131		570	20,701
Debt Service:				
Principal Retirement		237,404		237,404
Interest and Fiscal Charges		3,949		3,949
Total Cash Disbursements	388,556	357,345	570	746,471
Excess of Receipts Over (Under) Disbursements	10,164	(47,723)		(37,559)
Other Financing Receipts (Disbursements):				
Proceeds of Notes		87,000		87,000
Transfers In		503		503
Transfers Out	(503)			(503)
Advances In	51,964	2,000		53,964
Advances Out	(2,000)	(51,964)		(53,964)
Total Other Financing Receipts (Disbursements)	49,461	37,539		87,000
Net Change in Fund Cash Balances	59,625	(10,184)		49,441
Fund Cash Balances, January 1	108,454	16,921		125,375
Fund Cash Balances, December 31:				
Committed		6,737		6,737
Assigned	168,079			168,079
Fund Cash Balances, December 31	\$168,079	\$6,737	\$0	\$174,816

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

**DARKE COUNTY PARK DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Darke County Park District, Darke County, (the District) as a body corporate and politic. The probate judge of Darke County appoints a three-member Board of Commissioners to govern the District. The Commissioners are authorized to acquire, develop, protect, maintain, and improve park lands and facilities. The Commissioners may convert acquired land into forest reserves. The Commissioners are also responsible for activities related to conserving natural resources, including streams, lakes, submerged lands, and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of these assets conducive to the general welfare.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District 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 Auditor of State prescribes or permits.

C. 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.

D. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

2. Special Revenue Funds

These funds account for and report 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 Funds:

Special Projects Fund – This fund receives donations for specific projects which the Park District has undertaken.

**DARKE COUNTY PARK DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Boating Safety Education Grant Fund – This fund receives monies for use to establish, develop, expand, maintain and promote boating safety education programs with the assistance of an Ohio Department of Natural Resources Division of Watercraft Boating Safety Education Grant.

Phase II Bike Trail Grant Fund – This fund receives monies for use to construct a section of the Park District's cross county Tecumseh Trail with the assistance of an Ohio Department of Natural Resources Clean Ohio Trail Fund Grant.

DP&L Acquisition Grant Fund – This fund receives monies for use to acquire railroad corridor for use in the Park District's cross county Tecumseh Trail project with the assistance of Ohio Department of Natural Resources Clean Ohio Trail Fund Grant.

3. Capital Project Fund

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 fund:

Issue II Money Fund – This fund recorded money expended on behalf of the Park District through the Ohio Department of Transportation Park District Road Improvement Allocation.

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 District 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 approve estimated resources.

3. 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 2013 and 2012 budgetary activity appears in Note 2.

**DARKE COUNTY PARK DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. 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:

1. Non-spendable

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

2. 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.

3. 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.

4. 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.

5. 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.

G. Property, Plant, and Equipment

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

**DARKE COUNTY PARK DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. 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.

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2013 and 2012 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$419,021	\$419,021	
Special Revenue	21,933	21,933	
Capital Projects	2,006	2,006	
Total	<u>\$442,960</u>	<u>\$442,960</u>	<u>\$0</u>

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$559,621	\$444,186	\$115,435
Special Revenue	22,637	16,069	6,568
Capital Projects	2,006	2,006	
Total	<u>\$584,264</u>	<u>\$462,261</u>	<u>\$122,003</u>

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$450,684	\$450,684	
Special Revenue	399,125	399,125	
Capital Projects	570	570	
Total	<u>\$850,379</u>	<u>\$850,379</u>	<u>\$0</u>

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$545,698	\$393,064	\$152,634
Special Revenue	412,715	412,715	
Capital Projects	570	570	
Total	<u>\$958,983</u>	<u>\$806,349</u>	<u>\$152,634</u>

3. PROPERTY TAX

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 and rollback deductions. The financial statements include homestead and rollback 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.

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

**DARKE COUNTY PARK DISTRICT
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

4. RETIREMENT SYSTEMS

The District's 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. For 2013 and 2012, 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, 2013.

5. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

6. CONTINGENT LIABILITIES

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

7. SUBSEQUENT EVENT

The District established new and separate funds for recording COTF Trail Grant activity for the Phase III construction of the Tecumseh Trail Project and for recording Ohio Facilities Construction Commission activity for the Bowery Project on June 5, 2014.

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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
P.O. Box 801
Greenville, Ohio 45331

To the Board of 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 Darke County Park District, Darke County, (the District) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, and have issued our report thereon dated August 18, 2014, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

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*.

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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 communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

August 18, 2014



Dave Yost • Auditor of State

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
OCTOBER 7, 2014**