



**Auditor of State
Betty Montgomery**

**ROSS COUNTY PARK DISTRICT
ROSS COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Ross County Park District
Ross County
15 North Paint Street, Suite 301
Chillicothe, Ohio 45601

To the Board of Commissioners:

We have audited the accompanying financial statements of the Ross County Park District, Ross County, Ohio, (the District) as of and for the years ended December 31, 2003, and December 31, 2002. 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 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 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 accounting principles generally accepted in the United States of America.

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 Ross County Park District, Ross County, Ohio, as of December 31, 2003, and December 31, 2002, 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 May 25, 2004, 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 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.

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

Betty Montgomery
Auditor of State

May 25, 2004

**ROSS COUNTY PARK DISTRICT
ROSS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Type</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental Revenue	\$90,000	\$433,946	\$523,946
Other Receipts	2,826	21,728	24,554
Total Cash Receipts	92,826	455,674	548,500
Cash Disbursements:			
Salaries - Employees	24,813	0	24,813
Supplies	509	0	509
Grants	4,188	0	4,188
Equipment	6,964	0	6,964
Contracts - Services	26,595	0	26,595
Utilities	1,594	0	1,594
Travel	417	0	417
Public Employees Retirement	3,391	0	3,391
Workers' Compensation	767	0	767
Medicare	358	0	358
Nature Works	594	0	594
Recreational Trail	480	0	480
Land Acquisition	0	411,669	411,669
Other	22,497	0	22,497
Total Cash Disbursements	93,167	411,669	504,836
Total Cash Receipts Over/(Under) Cash Disbursements	(341)	44,005	43,664
Fund Cash Balances, January 1	1,119	0	1,119
Fund Cash Balances, December 31	\$778	\$44,005	\$44,783

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

**ROSS COUNTY PARK DISTRICT
ROSS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental Revenue	130,000	560,625	690,625
Other Receipts	480	0	480
Total Cash Receipts	130,480	560,625	691,105
Cash Disbursements:			
Salaries - Employees	24,065	0	24,065
Supplies	1,663	0	1,663
Materials	0	0	0
Equipment	3,441	0	3,441
Contracts - Repair	5,000	0	5,000
Contracts - Services	40,775	0	40,775
Grants	6,000	0	6,000
Nature Works	20,501	0	20,501
Utilities	1,427	0	1,427
Medicare	349	0	349
Public Employees Retirement	3,076	0	3,076
Workers' Compensation	164	0	164
Recreational Trail	57,886	0	57,886
Land Acquisition	0	601,125	601,125
Other	7,015	0	7,015
Total Cash Disbursements	171,362	601,125	772,487
Total Cash Receipts (Under) Cash Disbursements	(40,882)	(40,500)	(81,382)
Other Financing Receipts/(Disbursements):			
Transfers-In	0	40,500	40,500
Transfers-Out	(40,500)	0	(40,500)
Total Other Financing Receipts/(Disbursements)	(40,500)	40,500	0
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	(81,382)	0	(81,382)
Fund Cash Balances, January 1	82,501	0	82,501
Fund Cash Balances, December 31	\$1,119	\$0	\$1,119
Reserves for Encumbrances, December 31	\$19,818	\$0	\$0

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

**ROSS COUNTY PARK DISTRICT
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Ross County Park District, Ross 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 Commissioners appointed by the probate judge of Ross 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

As permitted by the Ohio Revised Code, the Ross County Treasurer holds the District's cash as custodian for the District. 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. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Funds:

North Fork Park Fund- The District received grant monies from the Ohio Public Works Commission to purchase land during fiscal year 2003.

**ROSS COUNTY PARK DISTRICT
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Buzzards Roost Expansion Fund- The District received grant monies from Ohio Public Works Commission and Ohio Department of Transportation to purchase land during fiscal year 2002.

Paint Creek Acquisition Fund- The District received grant monies from Ohio Public Works Commission and Ohio Department of Transportation to purchase land during fiscal year 2002.

E. Budgetary Process

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level, and appropriations may not exceed estimated resources. Appropriation Authority includes current year appropriations plus encumbrances carried over from the prior year (if any). The Board 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 reappropriated.

A summary of 2003 and 2002 budgetary activity appears in Note 3.

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. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the basis of accounting the District uses.

**ROSS COUNTY PARK DISTRICT
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and December 31, 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$145,275	\$92,826	(\$52,449)
Special Revenue	411,669	455,674	44,005
Total	\$556,944	\$548,500	(\$8,444)

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$145,818	\$93,167	\$52,651
Special Revenue	411,669	411,669	0
Total	\$557,487	\$504,836	\$52,651

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$155,000	\$130,480	(\$24,520)
Special Revenue	600,375	601,125	750
Total	\$755,375	\$731,605	(\$23,770)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$199,495	\$231,680	(\$32,185)
Special Revenue	600,375	601,125	(750)
Total	\$799,870	\$832,805	(\$32,935)

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General fund by \$32,185 for the year ended December 31, 2002. Also contrary to Ohio law, at December 31, 2002, the Special Revenue funds also had expenditures exceeding the appropriation authority by \$750.

**ROSS COUNTY PARK DISTRICT
ROSS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

3. 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. The 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 2003 and 2002, PERS members 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, 2003.

4. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;



Auditor of State Betty Montgomery

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

Ross County Park District
Ross County
15 North Paint Street, Suite 301
Chillicothe, Ohio 45601

To the Board of Commissioners:

We have audited the financial statements of the Ross County Park District, Ross County, Ohio, (the District) as of and for the years ended December 31, 2003, and December 31, 2002 and have issued our report thereon dated May 25, 2004. 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 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of finding as item 2003-001. We also noted a certain immaterial instance of noncompliance which we have reported management of the District in a separate letter dated May 25, 2004.

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. We noted other matters involving internal control over financial reporting that do not require inclusion in this report, which we have reported to management of the District in a separate letter dated May 25, 2004.

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Ross County Park District
Ross County
Independent Accountants' Report 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 management and the Board of 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

May 25, 2004

**ROSS COUNTY PARK DISTRICT
ROSS COUNTY**

**SCHEDULE OF FINDING
DECEMBER 31, 2003 AND DECEMBER 31, 2002**

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

FINDING NUMBER 2003-001

Noncompliance Citation

Expenditures Exceeding Appropriations

Ohio Rev. Code Section 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated. The District had expenditures exceeding appropriations during fiscal year 2002 on August 31, 2002, by \$25,800 in the General Fund. Expenditures exceeded appropriations at December 31, 2002, in the following funds:

FUND	APPROPRIATIONS	EXPENDITURES	VARIANCE
General Fund	\$199,495	\$231,680	\$32,185
Special Revenue Funds	600,375	601,125	750

The County Auditor who serves as fiscal officer for the District made amendments to the Park District's appropriations that were not approved by the Board of Commissioners; therefore, the amendments were deducted causing expenditures to exceed appropriations. This could result in the District spending more money than is available.

We recommend that the District monitor expenditures versus appropriations at least monthly. Amendments should be made when variances are noted and should be approved by the Board.



**Auditor of State
Betty Montgomery**

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ROSS COUNTY PARK DISTRICT

ROSS 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
JULY 27, 2004**