



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**FAIRFIELD COUNTY HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Fairfield County Historical Parks Commission
Fairfield County
407 East Main Street
Lancaster, Ohio 43130

To the Board of Commissioners:

We have audited the accompanying financial statements of the Fairfield County Historical Parks Commission, Fairfield County, Ohio (the Commission) as of and for the years ended December 31, 2001 and December 31, 2000. These financial statements are the responsibility of the Commission'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 discussed in Note 1, the Commission 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 Fairfield County Historical Parks Commission as of December 31, 2001 and December 31, 2000, 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, 2002 on our consideration of the Commission'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 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, 2002

**FAIRFIELD COUNTY HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Type</u>		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Intergovernmental	\$110,637	\$0	\$110,637
Grants	15,900	0	15,900
Gifts and Donations	1,009	10,984	11,993
Fines	933	0	933
Other Receipts	1,225	0	1,225
Total Cash Receipts	129,704	10,984	140,688
Cash Disbursements:			
Current:			
Salaries and Benefits	34,863	0	34,863
Supplies	9,885	0	9,885
Contracts - Repair	3,321	0	3,321
Contracts - Services	103,418	0	103,418
Total Cash Disbursements	151,487	0	151,487
Total Receipts Over/(Under) Disbursements	(21,783)	10,984	(10,799)
Fund Cash Balances, January 1, 2001	73,801	14,429	88,230
Fund Cash Balances, December 31, 2001	\$52,018	\$25,413	\$77,431
Reserves for Encumbrances, December 31, 2001	\$2,647	\$0	\$0

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

**FAIRFIELD COUNTY HISTORICAL PARKS COMMISSION
FAIRFIELD 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 Type</u>		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Intergovernmental	\$106,130	\$0	\$106,130
Gifts and Donations	1,092	0	1,092
Fees	2,381	55	2,436
Fines	1,675	0	1,675
Other Receipts	1,020	0	1,020
	<hr/>		
Total Cash Receipts	112,298	55	112,353
	<hr/>		
Cash Disbursements:			
Current:			
Salaries and Benefits	34,252	0	34,252
Supplies	13,386	0	13,386
Materials	2,581	0	2,581
Equipment	9,500	0	9,500
Contracts - Repair	15,586	0	15,586
Contracts - Services	54,047	0	54,047
	<hr/>		
Total Cash Disbursements	129,352	0	129,352
	<hr/>		
Total Receipts Over/(Under) Disbursements	(17,054)	55	(16,999)
	<hr/>		
Fund Cash Balances, January 1, 2000	90,855	14,374	105,229
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Fund Cash Balances, December 31, 2000	\$73,801	\$14,429	\$88,230
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Reserves for Encumbrances, December 31, 2000	\$16,881	\$0	\$16,881
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The notes to the financial statements are an integral part of this statement.

**5 FAIRFIELD COUNTY HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Fairfield County Historical Parks Commission, Fairfield County, (the Commission) 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 Commission is directed by a three-member Board of Commissioners appointed by the probate court of Fairfield County. The Commission acquires lands for conversion into forest reserves and for the conservation of the natural resources, including streams, lakes, and submerged 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 of Commissioners deems conducive to the general welfare.

The Commissioner's management believes these financial statements present all activities for which the Commission 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 Fairfield County Treasurer holds the Commission's cash as custodian for the Commission. The Commission'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 Commission uses fund accounting to segregate cash and investments that are restricted as to use. The Commission 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 Fund: Covered Bridge Fund is used to accumulate monies for the restoration of historical bridges within the Commission.

**FAIRFIELD COUNTY HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

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

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and object level of control, and appropriations may not exceed estimated resources. Appropriation authority includes current year appropriations plus encumbrances carried over from the prior year. The Board must annually approve appropriation measures and subsequent amendments. The Fairfield County Budget Commission must also approve the Commission's annual appropriation measure as part of the County's annual appropriation resolution. Unencumbered appropriations lapse at year end.

Estimated Resources

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

Encumbrances

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

A summary of 2001 and 2000 budgetary activity appears in Note 3.

F. 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 statements.

G. Accumulated Leave

The Commission's employee is entitled to cash payments for unused sick leave in certain circumstances, such as upon leaving employment. Unpaid leave is not reflected as a liability under the basis of accounting the Commission uses.

2. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2001 and December 31, 2000 follows:

2001 Budgeted VS. Actual Receipts

Fund Type	<u>Receipts</u>		Variance
	Budgeted	Actual	
General	\$115,900	\$129,704	\$13,804
Special Revenue	10,000	10,984	984
Total	\$125,900	\$140,688	\$14,788

**FAIRFIELD COUNTY HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

2. BUDGETARY ACTIVITY (Continued)

2001 Budgeted VS. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$160,981	\$154,134	\$6,847
Special Revenue	10,000	0	10,000
Total	\$170,981	\$154,134	\$16,847

2000 Budgeted VS. Actual Receipts

Fund Type	Receipts Budgeted	Actual	Variance
General	\$100,000	\$112,298	\$12,298
Special Revenue	0	55	55
Total	\$100,000	\$112,353	\$12,353

2000 Budgeted VS. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$155,383	\$146,233	\$9,150
Special Revenue	0	0	0
Total	\$155,383	\$146,233	\$9,150

3. DEBT

The Fairfield County Commissioners made an interest-free loan to the Commission totaling \$71,130 in 1996. These monies were used to fund the construction of the Cross Mound Park footbridge and the maintenance of county parks. The loan is to be repaid with Commission resources when such resources become available. To date the Commission has not made any payment on this loan nor has the County requested payment.

4. RETIREMENT SYSTEM

The Commission's full-time employee belongs 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 2001 and 2000, members of PERS contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of the participant's gross salary for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced employer contributions to 8.13% effective July 1, 2000 through December 31, 2000. The Commission has paid all contributions required through December 31, 2001.

5. RISK MANAGEMENT

The Commission belongs to the Public Entities Pool of Ohio ("PEP"), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty insurance for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**FAIRFIELD COUNTY HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

5. RISK MANAGEMENT (Continued)

Casualty Insurance

PEP retains casualty risks up to \$250,000 per claim. Claims exceeding \$250,000 are reinsured with APEEP up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000, from the General Reinsurance Corporation.

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Insurance

PEP retains property risks, including automobile physical damage up to \$100,000 on any specific loss. The Travelers Indemnity Company reinsures specific losses exceeding \$100,000. The Travelers Indemnity Company also provides aggregate excess coverage for property including automobile physical damage subject to an annual stop loss. When the stop loss is reached in any year, The Travelers Indemnity Company provides coverage in excess of \$10,000.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31 for the most recent years audited:

<u>Casualty Coverage</u>	<u>2000</u>	<u>1999</u>
Assets	\$17,112,129	\$15,295,389
Liabilities	<u>7,715,035</u>	<u>6,636,543</u>
Retained earnings	<u>\$9,397,094</u>	<u>\$8,658,846</u>
<u>Property Coverage</u>	<u>2000</u>	<u>1999</u>
Assets	\$1,575,614	\$1,118,222
Liabilities	<u>281,561</u>	<u>279,871</u>
Retained earnings	<u>\$1,294,053</u>	<u>\$838,351</u>

The above information is the most recent available from PEP.

6. RELATED ORGANIZATION

The Commission is a related organization of Fairfield County. The County has no ability to impose its will on the Commission, nor is a burden/benefit relationship in existence. The Commission is its own budgeting and taxing authority. The County Auditor serves as the fiscal agent for the Commission; therefore, the Commission's financial activity is reflected in a County agency fund.



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

Fairfield County Historical Parks Commission
Fairfield County
407 East Main Street
Lancaster, Ohio 43130

To the Board of Commissioners:

We have audited the accompanying financial statements of the Fairfield County Historical Parks Commission (the Commission) as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated March 29, 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 Commission'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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission'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, 2002.

Fairfield County Historical Parks Commission
Fairfield County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended solely for the information and use of the 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 29, 2002



STATE OF OHIO
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FAIRFIELD COUNTY HISTORICAL PARKS COMMISSION

FAIRFIELD 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 18, 2002**