



Dave Yost • Auditor of State

**FAIRFIELD COUNTY PARK DISTRICT
FAIRFIELD COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types FYE 12/31/2017	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) – Enterprise Fund FYE 12/31/2017	4
Notes to the Financial Statements FYE 12/31/2017.....	5
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - All Governmental Fund Types FYE 12/31/2016.....	13
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) – Enterprise Fund FYE 12/31/2016	14
Notes to the Financial Statements FYE 12/31/2016.....	15
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	23

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Fairfield County Park District
Fairfield County
407 E Main Street
Lancaster, Ohio 43130

To the Board of Park Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Fairfield County Park District, Fairfield County, Ohio (the District) as of and for the years ended December 31, 2017 and 2016.

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 such 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 2 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 (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the District does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

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, 2017 and 2016, and the respective changes in financial position or cash flows 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 cash balances, receipts and disbursements by fund type, and related notes of the Fairfield County Park District, Fairfield County, Ohio as of December 31, 2017 and 2016, 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 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4 2018, 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

October 4, 2018

Fairfield County Park District
Fairfield County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2017

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property Taxes	\$ 1,199,822	\$ -	\$ -	\$ 1,199,822
Charges for Services	-	21,438	-	21,438
Recreation Fees, Permits and Fines	350	-	-	350
Intergovernmental	181,831	-	23,156	204,987
Earnings on Investments	2,817	-	-	2,817
Gifts and Donations	8,190	11,554	-	19,744
Rent	14,600	3,600	-	18,200
Miscellaneous	10,207	13	-	10,220
<i>Total Cash Receipts</i>	<u>1,417,817</u>	<u>36,605</u>	<u>23,156</u>	<u>1,477,578</u>
Cash Disbursements				
Current:				
Conservation/Recreation:				
Salaries	297,607	-	-	297,607
Fringe Benefits	95,583	16	-	95,599
Materials and Supplies	20,298	7,924	23,156	51,377
Contractual Services	245,412	13,678	2,215	261,304
Capital Outlay	304,245	-	179,236	483,481
<i>Total Cash Disbursements</i>	<u>963,145</u>	<u>21,618</u>	<u>204,607</u>	<u>1,189,370</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>454,672</u>	<u>14,987</u>	<u>(181,451)</u>	<u>288,208</u>
Other Financing Receipts (Disbursements)				
Transfers In	-	-	137,200	137,200
Transfers Out	(137,200)	-	-	(137,200)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(137,200)</u>	<u>0</u>	<u>137,200</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	317,472	14,987	(44,251)	288,208
<i>Fund Cash Balances, January 1</i>	<u>655,849</u>	<u>61,327</u>	<u>129,754</u>	<u>846,930</u>
Fund Cash Balances, December 31				
Restricted	-	76,314	-	76,314
Committed	-	-	85,503	85,503
Assigned	51,021	-	-	51,021
Unassigned (Deficit)	922,300	-	-	922,300
<i>Fund Cash Balances, December 31</i>	<u>\$973,321</u>	<u>\$76,314</u>	<u>\$85,503</u>	<u>\$1,135,138</u>

See accompanying notes to the basic financial statements.

Fairfield County Park District
Fairfield County
Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
Enterprise Fund
For the Year Ended December 31, 2017

Operating Cash Receipts	
Charges for Services	\$2,779
General Sales and Use Taxes	188
	<hr/>
<i>Total Operating Cash Receipts</i>	<i>2,967</i>
	<hr/>
Operating Cash Disbursements	
Contracted Services	182
Materials and Supplies	1,506
Capital Outlay	234
	<hr/>
<i>Total Operating Cash Disbursements</i>	<i>1,922</i>
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<i>Operating Income</i>	<i>1,045</i>
	<hr/>
<i>Fund Cash Balances, January 1</i>	<i>8,805</i>
	<hr/>
<i>Fund Cash Balances, December 31</i>	<i>\$9,850</i>
	<hr/> <hr/>

See accompanying notes to the basic financial statements.

Fairfield County Park District
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 1 – Reporting Entity

Created in 1981 under the Chapter 1545 of the Ohio Revised Code, the Fairfield County Park District (the District), Fairfield County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The probate judge of Fairfield County appoints a five-member Board of Commissioners to govern the District. The Board of Commissioners are authorized to acquire, develop, protect, maintain, and improve park lands and facilities. The Board of Commissioners may convert acquired land into forest reserves. The Board of Commissioners are also responsible for activities related to conserving natural resources, including streams, lakes, submerged lands, and swamp lands. The Board of Commissioners 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 Board of Commissioners exercises total control over the operation of the District, including budgeting, appropriation, and contracting. The Board of Commissioners appoints the Director/Secretary to operate the District. The Fairfield County Auditor is the Fiscal Officer for the District.

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

Public Entity Risk Pool

The District participates in a public entity risk pool and is associated with a related organization. Note 6 and Note 12 to the financial statements provides additional information for these entities.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which are organized on a fund type basis, and a statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for an enterprise fund type which is organized on a fund type basis.

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

General Fund The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

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 Fund:

Wahkeena Nature Preserve Fund This fund receives monies from the Ohio Historical Connection for the purpose of managing the nature preserve.

Fairfield County Park District
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 – Summary of Significant Accounting Policies (continued)

Fund Accounting (continued)

Capital Project Funds 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:

Rock Mill Restoration Fund This fund receives state grants and donations for the purpose of restoring the grist mill.

Enterprise Funds These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The District had the following significant Enterprise Fund:

Wahkeena Gift Shop Fund This fund main source of revenues is from the sale of items in the museum gift shop.

Basis of Accounting

These financial statements follow 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). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

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 or object level of control, and appropriations may not exceed estimated resources. The District Board of Commissioners must annually approve appropriation measures and subsequent amendments. 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. The County Budget Commission must approve estimated resources.

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 reappropriated.

Fairfield County Park District
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 – Summary of Significant Accounting Policies (continued)

Budgetary Process (continued)

A summary of 2017 budgetary activity appears in Note 3.

Deposit and Investments

As the Ohio Revised Code permits, the Fairfield 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.

Capital Assets

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

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.

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:

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

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.

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.

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.

Fairfield County Park District
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 2 – Summary of Significant Accounting Policies (continued)

Fund Balance (continued)

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.

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,514,531	\$1,417,817	(\$96,714)
Special Revenue	25,660	39,103	13,443
Capital Projects	167,167	160,356	(6,811)
Enterprise	7,500	2,967	(4,533)
Total	\$1,714,858	\$1,620,243	(\$94,615)

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,540,631	\$1,151,366	\$389,265
Special Revenue	105,462	92,615	12,847
Capital Projects	167,167	158,933	8,234
Enterprise	7,800	2,957	4,843
Total	\$1,821,060	\$1,405,871	\$415,189

For December 31, 2017, actual expenditures per the above Budgetary activity do not include the changes in fund structure resulting from the implementation of GASB 54 that are reflected in the Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances (*Regulatory Cash Basis*) all Governmental Fund Types for the fiscal year ended December 31, 2017.

Fairfield County Park District
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 4 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board of Commissioners 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. Public utilities are also taxed on real property located within the District. The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the District.

Note 5 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; employee injuries, and natural disaster. By contracting with the County Risk Sharing Authority (CORSA) for liability, property, and crime insurance, the District has addressed these various types of risk.

The CORSA program has a \$5,000 deductible which is applicable to all insured coverages, including property, automobile, and a \$25,000 deductible for insured liability coverages, including general and professional liability, except for employee dishonesty/faithful performance which has no deductible. General liability insurance is maintained in the amount of \$1,000,000 for each occurrence, no annual aggregate. Other liability insurance includes \$1,000,000 for Ohio Stop Gap, which provides additional coverage beyond the State Workers' Compensation program, \$1,000,000 for errors and omissions liability wrongful acts, \$1,000,000 for automobile liability, \$1,000,000 for employee benefit liability, \$250,000 for uninsured/under insured motorist liability, and \$10,000,000 in excess liability (except for crime coverage and cyber liability). Crime insurance for potential employee dishonesty is held in the amount of \$1,000,000.

Cyber liability coverage is included in the amount of \$4,000,000 per cyber occurrence with an annual aggregate of \$4,000,000 per member. Coverage does contain some sub limits, which are included in aggregate for \$500,000 privacy response expense, \$250,000 for claims expense, regulatory proceedings, penalties, and \$250,000 for PCI-DSS assessments.

Self-Insurance

Effective January 1, 2017, the County established a limited risk health insurance and prescription insurance program for employees. Premiums for the County plan are paid into the Self-Funded Health Insurance Internal Service Fund by other funds that are available to pay claims, claim reserves, and administrative costs. The County's Self-Funded Health Insurance Internal Service Fund makes monthly payments directly to the third party administrator. Health is provided by United Health Care and drug is provided by OptumRX.

Fairfield County Park District
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 6 - Public Entity Risk Pool

County Risk Sharing Authority, Inc. (CORSA)

The County Risk Sharing Authority, Inc. (CORSA) is a shared risk pool among sixty-five counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/ Self Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. The coverage includes comprehensive general liability, automobile liability, certain property insurance, and public officials' errors and omissions liability insurance.

Each member has one vote on all matters requiring a vote, which will be cast by a designated representative. An elected board of not more than nine trustees manages the affairs of the Corporation. Only County Commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the members' obligations to make coverage payments to CORSA. The participating members have no responsibility for the payment of the certificates. The Authority does not have an equity interest in CORSA.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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. OPERS members contributed 10 percent of their gross salaries and the District contributed an amount equaling 14 percent of participants' gross salaries. The District's contractually required contribution was \$38,034 for year 2017. For 2017, 94% has been contributed with the balance contributed in January 2018.

Note 8 – Postemployment Benefits

OPERS offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0 percent during calendar year 2017.

Fairfield County Park District
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 9 – Other Employer Benefits

The District also provides dental, vision, and Employee Assistance Program (EAP) for all eligible employees. Dental is provided by Delta Dental, vision is provided by Vision Service Plan, and EAP is provided by United Behavioral Health.

The District provides life insurance, short-term and long-term disability, and accidental death and dismemberment insurance to most employees through the Guardian Life Insurance Company.

Note 10 - Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of resources in the governmental funds. The constraints placed on fund balance for the general fund and all other special revenue and capital project funds for fiscal year ending December 31, 2017 are presented below:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total</u>
<i>Restricted for:</i>				
Wahkeena Nautre Preserve	\$ -	\$ 67,468	\$ -	\$ 67,468
Stebleton Rockmill Park	-	8,846	-	8,846
<i>Total Restricted</i>	-	76,314	-	76,314
<i>Committed to:</i>				
<i>Capital Improvements</i>	-	-	85,503	85,503
<i>Assigned to</i>				
Purchases on Order	51,021	-	-	51,021
<i>Unassigned</i>	922,300	-	-	922,300
<i>Total Fund Balances</i>	\$ 973,321	\$ 76,314	\$ 85,503	\$ 1,135,138

On April 10, 2017, the Park District Board of Commissioners approved a resolution to target a minimum unassigned fund balance in the General fund of \$170,160. The minimum fund balance is to protect against revenue shortfalls and/or unanticipated expenditures. This policy is established to provide financial stability, cash flow for operations, and the assurance that the District will be able to respond to emergencies with fiscal strength. It is the Park District's Board of Commissioner's philosophy to support long-term financial strategies, where fiscal sustainability is its first priority, while also building funds for future growth. It is essential to maintain adequate levels of fund balances to serve as a financial buffer against current and future risks and to ensure tax rates. Fund balance levels are also crucial consideration in long-term financial planning.

Fairfield County Park District
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 11 - Other Commitments

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At fiscal year ended December 31, 2017, the District's commitments for encumbrances in the governmental funds were as follows:

Fund	Encumbrances
General	\$ 51,021
Special Revenue	1,999
Capital Projects	20,826
Total	\$ 73,846

Note 12 – Related Organization

Fairfield County

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

Note 13 – Contingent Liabilities

The District is undergoing a special audit conducted by the Auditor of State's Public Integrity Assurance Team Division. Although management cannot presently determine the outcome of this special audit, management and legal counsel believes that the resolution of this matter will not materially adversely affect the District's financial condition.

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor.

**FAIRFIELD COUNTY PARK DISTRICT
FAIRFIELD COUNTY**

Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2016

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property Taxes	\$1,189,065	\$ -	\$ -	\$1,189,065
Charges for Services	4,450	22,720	-	27,170
Intergovernmental	181,982	-	36,073	218,055
Recreation Fees, Permits and Fines	375	-	-	375
Gifts and Donations	1,346	8,357	-	9,703
Rent	12,700	3,300	-	16,000
Interest	1,824	-	-	1,824
Miscellaneous	14,506	-	-	14,506
<i>Total Cash Receipts</i>	<u>1,406,248</u>	<u>34,377</u>	<u>36,073</u>	<u>1,476,698</u>
Cash Disbursements				
Current disbursements:				
Conservation/Recreation:				
Salaries	321,774	885	-	322,659
Fringe Benefits	104,511	158	-	104,669
Materials and Supplies	27,568	9,673	36,073	73,314
Contractual Services	328,562	16,455	-	345,017
Other	4,000	-	-	4,000
Capital Outlay	318,022	-	227,267	545,289
<i>Total Cash Disbursements</i>	<u>1,104,437</u>	<u>27,171</u>	<u>263,340</u>	<u>1,394,948</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>301,811</u>	<u>7,206</u>	<u>(227,267)</u>	<u>81,750</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	500	-	-	500
Transfers In	-	2,000	90,246	92,246
Transfers Out	(92,246)	-	-	(92,246)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(91,746)</u>	<u>2,000</u>	<u>90,246</u>	<u>500</u>
<i>Net Change in Fund Cash Balances</i>	210,065	9,206	(137,021)	82,250
<i>Fund Cash Balances, January 1</i>	<u>445,784</u>	<u>52,121</u>	<u>266,775</u>	<u>764,680</u>
Fund Cash Balances, December 31				
Restricted	-	61,327	-	61,327
Committed	112,101	-	129,754	241,855
Assigned	45,010	-	-	45,010
Unassigned	498,738	-	-	498,738
<i>Fund Cash Balances, December 31</i>	<u>\$655,849</u>	<u>\$61,327</u>	<u>\$129,754</u>	<u>\$846,930</u>

See accompanying notes to the basic financial statements.

**FAIRFIELD COUNTY PARK DISTRICT
FAIRFIELD COUNTY**

Statement of Receipts, Disbursements
and Changes in Fund Balances (Cash Basis)
Enterprise Fund
For the Year Ended December 31, 2016

Operating Cash Receipts	
Charges for Services	\$ 2,877
General Sales and Use Taxes	195
Miscellaneous	<u>53</u>
<i>Total Operating Cash Receipts</i>	3,125
Operating Cash Disbursements	
Contracted Services	308
Materials and Supplies	<u>1,670</u>
<i>Total Operating Cash Disbursements</i>	<u>1,978</u>
Operating Income	1,147
Fund Cash Balances, January 1	<u>7,658</u>
Fund Cash Balances, December 31	<u><u>\$ 8,805</u></u>

See accompanying notes to the basic financial statements.

Fairfield County Park District
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 1 - Reporting Entity

Created in 1981 under the Chapter 1545 of the Ohio Revised Code, the Historical Parks District (the District), Fairfield County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The probate judge of Fairfield 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 Commissioners 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 Board of Commissioners exercises total control over the operation of the District, including budgeting, appropriation, and contracting. The Board of Commissioners appoints the Director/Secretary to operate the District. The Fairfield County Auditor is the Fiscal Officer for the District.

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

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (cash basis) for all enterprise fund types which are organized on a fund type basis.

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

General Fund The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

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:

Wahkeena Nature Preserve Fund This fund receives monies from the Ohio Historical Connection for the purpose of managing the nature preserve.

Fairfield County Park District
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Accounting (continued)

Capital Project Funds 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 funds:

Rock Mill Restoration Fund This fund receives state grants and donations for the purpose of restoring the grist mill.

Parks Construction Facilities Fund This fund receives transfers from the General Fund for the various parks construction projects.

Enterprise Funds These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The District had the following significant Enterprise Fund:

Wahkeena Gift Shop Fund This fund main source of revenues is from the sale of items in the museum gift shop.

Basis of Accounting

These financial statements follow 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). 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

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 or object level of control, and appropriations may not exceed estimated resources. The District 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.

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.

Fairfield County Park District
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 2 - Summary of Significant Accounting Policies (continued)

Budgetary Process (continued)

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 reappropriated.

A summary of 2016 budgetary activity appears in Note 3.

Deposit and Investments

As the Ohio Revised Code permits, the Fairfield 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.

Capital Assets

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

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.

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:

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

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.

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.

Fairfield County Park District
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Balance (continued)

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 the Commissioners or a District official delegated that authority by resolution, or by State Statute.

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.

Note 3 - Budgetary Activity

Budgetary activity for the year ending December 31, 2016 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,486,400	\$1,406,748	(\$79,652)
Special Revenue	27,260	36,377	9,117
Capital Projects	126,319	126,319	-
Enterprise	7,350	3,125	(4,225)
Total	\$1,647,329	\$1,572,569	(\$74,760)

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,507,779	\$1,353,793	\$153,986
Special Revenue	44,698	27,916	16,782
Capital Projects	374,440	330,840	43,600
Enterprise	7,505	2,080	5,425
Total	\$1,934,422	\$1,714,628	\$219,794

Fairfield County Park District
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 4 – Public Risk Pool

The County Risk Sharing Authority, Inc. (CORSA) is a shared risk pool among sixty-five counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/ Self Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. The coverage includes comprehensive general liability, automobile liability, certain property insurance, and public officials' errors and omissions liability insurance.

Each member has one vote on all matters requiring a vote, which will be cast by a designated representative. An elected board of not more than nine trustees manages the affairs of the Corporation. Only County Commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the members' obligations to make coverage payments to CORSA. The participating members have no responsibility for the payment of the certificates. The District does not have an equity interest in CORSA.

Note 5 – Property Taxes

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.

Public utilities are also taxed on personal and real property located within the District.

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

Note 6 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; employee injuries, and natural disaster. By contracting with the County Risk Sharing Authority (CORSA) for liability, property, and crime insurance, the District has addressed these various types of risk.

The CORSA program has a \$5,000 deductible which is applicable to all insured coverages, including property, automobile, and a \$25,000 deductible for insured liability coverages, including general and professional liability, except for employee dishonesty/faithful performance which has no deductible.

General liability insurance is maintained in the amount of \$1,000,000 for each occurrence, no annual aggregate. Other liability insurance includes \$1,000,000 for Ohio Stop Gap, which provides additional coverage beyond the State Workers' Compensation program, \$1,000,000 for errors and omissions liability

Fairfield County Park District
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 6 – Risk Management (continued)

wrongful acts, \$1,000,000 for automobile liability, \$1,000,000 for employee benefit liability, \$250,000 for uninsured/under insured motorist liability, and \$10,000,000 in excess liability (except for crime coverage and cyber liability). Crime insurance for potential employee dishonesty is held in the amount of \$1,000,000. Excess liability insurance increased \$1,000,000 of coverage from the prior year.

Cyber liability coverage is included in the amount of \$4,000,000 per cyber occurrence with an annual aggregate of \$4,000,000 per member. Coverage does contain some sub limits, which are included in aggregate for \$500,000 privacy notification expense, \$250,000 for claims expense, and \$250,000 for fines and penalties.

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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. OPERS members contributed 10%, of their gross salaries and the District contributed an amount equaling 14%, of participants’ gross salaries.

The District’s contractually required contribution was \$45,325 for year 2016. For 2016, 94% has been contributed with the balance contributed in January 2017.

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>OPERS – Local</i>	<i>2012- 2016</i>	<i>10%</i>	<i>14%</i>

Note 8 - Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. OPERS contributes 2 percent of the employer contribution to fund these benefits.

Note 9 – Other Employer Benefits

The District also provides health, drug, dental, vision, and Employee Assistance Program (EAP) family and single insurance coverage purchased through the Franklin County Cooperative for all eligible employees. Health is provided by United HealthCare, drug is provided by OptumRX, dental is provided by Aetna, vision is provided by Vision Service Plan, and EAP is provided by United Behavioral Health. The District pays monthly premiums for employees at varying percentages based on employee contracts.

Fairfield County Park District
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 9 – Other Employer Benefits (continued)

The District provides life insurance and accidental death and dismemberment insurance to most employees through The Standard Insurance Company January – June and Dearborn Insurance Company July - December.

Note 10 - Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of resources in the governmental funds. The constraints placed on fund balance for the general fund and all other special revenue and capital project funds for fiscal year ending December 31, 2016 are presented below:

Fund Balances	General	Special Revenue Funds	Capital Project Funds	Total
<i>Restricted for:</i>				
Wahkeena Nautre Preserve	\$ -	\$ 58,229	\$ -	\$ 58,229
Rockmill Park	-	3,098	-	3,098
<i>Total Restricted</i>	-	61,327	-	61,327
<i>Committed to:</i>				
Capital Improvements	-	-	129,754	129,754
Purchases on Order	112,101	-	-	112,101
<i>Total Committed</i>	112,101	-	129,754	241,855
<i>Assigned to</i>				
Purchases on Order	45,010	-	-	45,010
<i>Unassigned</i>	498,738	-	-	498,738
<i>Total Fund Balances</i>	\$ 655,849	\$ 61,327	\$ 129,754	\$ 846,930

Note 11 - Other Commitments

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At fiscal year ended December 31, 2016, the District's commitments for encumbrances in the governmental funds were as follows:

Fund	Encumbrances
General	\$ 157,111
Special Revenue	744
Capital Projects	67,500
Total	\$ 225,355

Fairfield County Park District
Fairfield County
Notes to the Financial Statements
For the Year Ended December 31, 2016

Note 12 – Related Organization

Fairfield County

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

Note 13 – Contingent Liabilities

The District is currently not party to any litigation.

Note 14 – Subsequent Events

Effective January 1, 2017, the County established a limited risk health insurance and prescription insurance program for employees. Premiums for the County plan are paid into the Self-Funded Health Insurance Internal Service Fund by other funds that are available to pay claims, claim reserves, and administrative costs. The Self-Funded Health Insurance Internal Service Fund makes monthly payments directly to the third party administrator.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Fairfield County Park District
Fairfield County
407 E Main Street
Lancaster, Ohio 43130

To the Board of Park 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 cash balances, receipts, and disbursements by fund type of the Fairfield County Park District, Fairfield County, (the District) as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements and have issued our report thereon dated October 4, 2018, 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 opinion 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*.

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 report is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

October 4, 2018



Dave Yost • Auditor of State

FAIRFIELD COUNTY PARK DISTRICT

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
DECEMBER 13, 2018**