



**MEDINA COUNTY PARK DISTRICT
MEDINA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

Medina County Park District
Medina County
6364 Deerview Lane
Medina, Ohio 44256

To the Board of Commissioners:

We have audited the accompanying financial statements of Medina County Park District, Medina County, Ohio, (the District) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

As described in Note 1, the District prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Medina County Park District, Medina County, as of December 31, 1999 and 1998, 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 10, 2000 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.

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 Section 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 10, 2000

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
General Property Tax - Real Estate	\$1,019,918		\$1,019,918
Tangible Personal Property Tax	128,758		128,758
Intergovernmental Receipts	700,966	\$36,000	736,966
Investment Income	137,066	83,726	220,792
Gifts and Donations	1,940	1,043	2,983
Fees	8,445	25,500	33,945
Sales	1,641		1,641
Other Receipts	7,200	800	8,000
Total Cash Receipts	<u>2,005,934</u>	<u>147,069</u>	<u>2,153,003</u>
Cash Disbursements:			
Current:			
Salaries - Employees	378,411		378,411
Supplies	7,343		7,343
Materials	31,470	30,774	62,244
Equipment	63,200	6,875	70,075
Equipment - Rental	2,002	2,579	4,581
Contracts - Repairs	1,517		1,517
Contracts - Services	185,768	677,373	863,141
Rentals	95		95
Advertising and Printing	7,106	153	7,259
Travel	10,732		10,732
Public Employees Retirement	52,434		52,434
Workers' Compensation	3,027		3,027
Medicare	4,604		4,604
Hospitalization	63,780		63,780
Capital Outlay - Land	1,524,871		1,524,871
Debt:			
Payment of Principal	166,670		166,670
Other	26,769		26,769
Total Cash Disbursements	<u>2,529,799</u>	<u>717,754</u>	<u>3,247,553</u>
Total Cash Receipts (Under) Cash Disbursements	<u>(523,865)</u>	<u>(570,685)</u>	<u>(1,094,550)</u>
Other Financing Receipts/(Disbursements):			
Proceeds from Sale of Public Debt:			
Sale of Bonds	3,800,000	500,000	4,300,000
Transfers-In		840,000	840,000
Transfers-Out	(840,000)		(840,000)
Refunds	1,506	658	2,164
Reimbursements	102		102
Total Other Financing Receipts/(Disbursements)	<u>2,961,608</u>	<u>1,340,658</u>	<u>4,302,266</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	<u>2,437,743</u>	<u>769,973</u>	<u>3,207,716</u>
Fund Cash Balances, January 1	<u>741,058</u>	<u>856,315</u>	<u>1,597,373</u>
Fund Cash Balances, December 31	<u>\$3,178,801</u>	<u>\$1,626,288</u>	<u>\$4,805,089</u>
Reserves for Encumbrances, December 31	<u>\$24,958</u>	<u>\$94,694</u>	<u>\$119,652</u>

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
General Property Tax - Real Estate	\$639,715		\$639,715
Tangible Personal Property Tax	130,770		130,770
Intergovernmental Receipts	616,060		616,060
Investment Income	39,710	\$48,504	88,214
Gifts and Donations	6,061	9,261	15,322
Fees	6,834		6,834
Sales	6,143		6,143
Other Receipts	8,019		8,019
Total Cash Receipts	<u>1,453,312</u>	<u>57,765</u>	<u>1,511,077</u>
Cash Disbursements:			
Current:			
Salaries - Employees	344,355		344,355
Supplies	11,990		11,990
Materials	34,736	40,779	75,515
Equipment	70,474	1,823	72,297
Equipment - Rental	1,570	2,037	3,607
Contracts - Repairs	7,198		7,198
Contracts - Services	72,325	326,547	398,872
Rentals	90		90
Advertising and Printing	13,642	86	13,728
Travel	10,552		10,552
Public Employees Retirement	47,238		47,238
Workers' Compensation	3,844		3,844
Medicare	4,169		4,169
Hospitalization	58,653		58,653
Capital Outlay	45,704		45,704
Debt:			
Payment of Principal	166,670		166,670
Other	38,356		38,356
Total Cash Disbursements	<u>931,566</u>	<u>371,272</u>	<u>1,302,838</u>
Total Receipts Over/(Under) Disbursements	<u>521,746</u>	<u>(313,507)</u>	<u>208,239</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		455,000	455,000
Transfers-Out	(455,000)		(455,000)
Refunds	1,461		1,461
Reimbursements	483		483
Total Other Financing Receipts/(Disbursements)	<u>(453,056)</u>	<u>455,000</u>	<u>1,944</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	68,690	141,493	210,183
Fund Cash Balances, January 1	672,368	714,822	1,387,190
Fund Cash Balances, December 31	<u>\$741,058</u>	<u>\$856,315</u>	<u>\$1,597,373</u>
Reserves for Encumbrances, December 31	<u>\$28,516</u>	<u>\$5,370</u>	<u>\$33,886</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 and 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Medina County Park District, Medina 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 Medina County. The District acquires land for conversion into forest reserves and for the conservation of the natural resources, including streams, lakes, submerged lands and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of same as the Board deems conducive to the general welfare.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

In accordance with Ohio Revised Code, the District's cash is held and invested by the Medina County Treasurer, who acts as custodian for District monies. The District's assets are held in the County's cash and investment pool, and are valued at the Treasurer's reported carrying amount.

D. Fund Accounting

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

General Fund

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

Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The District had the following significant Capital Projects Funds:

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

Outdoor Education Fund - This fund is used to account for outdoor educational programs that are ongoing at the District.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 and 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board 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 also approve estimated resources.

3. Encumbrances

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

A summary of 1999 and 1998 budgetary activity appears in Note 2.

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. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the District.

2. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$5,957,900	\$5,807,542	(\$150,358)
Capital Projects	1,143,750	1,487,727	343,977
Total	<u>\$7,101,650</u>	<u>\$729,269</u>	<u>\$193,619</u>

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 and 1998
(Continued)**

2. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$5,861,994	\$3,369,799	\$2,492,195
Capital Projects	1,645,825	717,754	928,071
Total	\$7,507,819	\$4,087,553	\$3,420,266

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,422,800	\$1,455,256	(\$967,544)
Capital Projects	875,750	512,765	(362,985)
Total	\$3,298,550	\$1,968,021	(\$1,330,529)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,032,644	\$1,386,566	\$646,078
Capital Projects	1,517,400	371,272	1,146,128
Total	\$3,550,044	\$1,757,838	\$1,792,206

3. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Commissioners. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property with the County by each April 30.

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

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 and 1998
(Continued)

4. DEBT

Debt outstanding at December 31, 1999 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Anonymous Loan, 1997	\$166,660	0%
Park District Improvement Bonds, 1999	<u>4,300,000</u>	4.4%
Total	<u>\$4,466,660</u>	

The District issued \$4,300,000 in park improvement bonds during 1999 for the purpose of acquiring and improving lands for use by the District. The bonds will be repaid from the proceeds of a tax levy which was approved by the voters of the County in November of 1998.

In 1997, the District received a \$500,000 interest-free loan from an anonymous donor for the purpose of purchasing land that was adjacent to one of the District parks. This loan will be repaid in semiannual installments, with no interest, over 3 years. Payments will be made to an escrow account established at Old Phoenix National Bank (First Merit Bank).

Amortization of the above debt, including applicable interest, is scheduled as follows:

<u>Year Ending December 31:</u>	<u>Loan</u>	<u>Park Improvement Bonds</u>
2000	\$166,660	\$660,246
2001	0	660,246
2002	0	660,246
2003	0	660,246
2004	0	660,246
Subsequent	<u>0</u>	<u>1,980,737</u>
Total	<u>\$166,660</u>	<u>\$5,281,967</u>

5. RETIREMENT SYSTEMS

The District's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PERS 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, 1999.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 and 1998
(Continued)

6. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

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

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

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

Medina County Park District
Medina County
6364 Deerview Lane
Medina, Ohio 44256

To the Board of Commissioners:

We have audited the financial statements of Medina County Park District, Medina County, Ohio, (the District) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated March 10, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated March 10, 2000.

Internal Control Over Financial Reporting

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

However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated March 10, 2000.

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.

Jim Petro
Auditor of State

March 10, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

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MEDINA COUNTY PARK DISTRICT

MEDINA 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 4, 2000**