



**GEAUGA COUNTY PARK DISTRICT  
GEAUGA COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



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STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

Lausche Bldg  
615 W Superior Ave  
Floor 12  
Cleveland OH 44113 - 1801  
Telephone 216-787-3665  
800-626-2297  
Facsimile 216-787-3361  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

Geauga County Park District  
Geauga County  
9160 Robinson Road  
Chardon, Ohio 44024

To the Board of Park Commissioners:

We have audited the accompanying financial statements of the Geauga County Park District, Geauga County, Ohio, (the District) as of and for the years ended December 31, 1999 and December 31, 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 discussed 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 Geauga County Park District, Geauga County, as of December 31, 1999 and December 31, 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 17, 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, 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.

A handwritten signature in black ink, appearing to read "Jim Petro".

**Jim Petro**  
Auditor of State

March 17, 2000



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

	Governmental Fund Type			Totals (Memorandum Only)
	General	Debt Service	Capital Projects	
<b>Cash Receipts:</b>				
General Property Tax - Real Estate	\$2,675,656	\$750,000		\$3,425,656
Tangible Personal Property Tax	364,314			364,314
Intergovernmental	555,962		\$63,956	619,918
Investment Income	49,438	25,048	100,525	175,011
Gifts and Donations	59,856		604,711	664,567
Fees	10,158			10,158
Other Receipts	53,808		13,003	66,811
	3,769,192	775,048	782,195	5,326,435
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
Salaries - Employees	1,104,759			1,104,759
Supplies	50,968			50,968
Materials	59,138			59,138
Equipment	276,688			276,688
Contracts - Repair	13,752			13,752
Contracts - Services	270,076		79,134	349,210
Rentals	140			140
Advertising and Printing	4,576			4,576
Travel	4,607			4,607
Public Employees Retirement	140,329			140,329
Workers' Compensation	16,739			16,739
Unemployment Compensation	1,223			1,223
Hospitalization	121,793			121,793
Capital Outlay			1,452,288	1,452,288
Debt:				
Payment of Principal		1,650,000		1,650,000
Payment of Interest		57,260		57,260
Other	24,704			24,704
	2,089,492	1,707,260	1,531,422	5,328,174
<b>Total Cash Disbursements</b>				
Total Receipts Over/(Under) Disbursements	1,679,700	(932,212)	(749,227)	(1,739)
<b>Other Financing Receipts/(Disbursements):</b>				
Proceeds from Sale of Public Debt:				
Sale of Notes		900,000		900,000
Transfers-In		30,000	1,450,000	1,480,000
Transfers-Out	(1,480,000)			(1,480,000)
	(1,480,000)	930,000	1,450,000	900,000
<b>Total Other Financing Receipts/(Disbursements)</b>				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	199,700	(2,212)	700,773	898,261
Fund Cash Balances, January 1	474,738	5,103	1,566,359	2,046,200
<b>Fund Cash Balances, December 31</b>	<b>\$674,438</b>	<b>\$2,891</b>	<b>\$2,267,132</b>	<b>\$2,944,461</b>
Reserves for Encumbrances, December 31	\$53,917	\$0	\$451,661	\$505,578

*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 TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Type</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
General Property Tax - Real Estate	\$2,375,104	\$1,000,000		\$3,375,104
Tangible Personal Property Tax	353,127			353,127
Intergovernmental	548,301		\$93,638	641,939
Investment Income	48,559	30,669	133,717	212,945
Gifts and Donations	172		269,477	269,649
Fees	10,435			10,435
Sales	558			558
Other Receipts	60,186		2,463	62,649
<b>Total Cash Receipts</b>	<u>3,396,442</u>	<u>1,030,669</u>	<u>499,295</u>	<u>4,926,406</u>
<b>Cash Disbursements:</b>				
Current:				
Salaries - Employees	996,257			996,257
Supplies	47,878			47,878
Materials	71,720			71,720
Equipment	129,097			129,097
Contracts - Repair	13,399			13,399
Contracts - Services	210,921		40,532	251,453
Rentals	130			130
Advertising and Printing	3,596			3,596
Travel	4,520			4,520
Public Employees Retirement	135,590			135,590
Workers' Compensation	5,665			5,665
Unemployment Compensation	3,219			3,219
Hospitalization	121,850			121,850
Capital Outlay			2,316,790	2,316,790
Debt:				
Payment of Principal		3,350,000		3,350,000
Payment of Interest		136,300		136,300
Other	17,288			17,288
<b>Total Cash Disbursements</b>	<u>1,761,130</u>	<u>3,486,300</u>	<u>2,357,322</u>	<u>7,604,752</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>1,635,312</u>	<u>(2,455,631)</u>	<u>(1,858,027)</u>	<u>(2,678,346)</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Proceeds from Sale of Public Debt:				
Sale of Notes		1,650,000		1,650,000
Transfers-In		787,189	1,527,000	2,314,189
Transfers-Out	(2,027,000)		(287,189)	(2,314,189)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(2,027,000)</u>	<u>2,437,189</u>	<u>1,239,811</u>	<u>1,650,000</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(391,688)</u>	<u>(18,442)</u>	<u>(618,216)</u>	<u>(1,028,346)</u>
<b>Fund Cash Balances, January 1</b>	<u>866,426</u>	<u>23,545</u>	<u>2,184,575</u>	<u>3,074,546</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$474,738</b></u>	<u><b>\$5,103</b></u>	<u><b>\$1,566,359</b></u>	<u><b>\$2,046,200</b></u>
<b>Reserves for Encumbrances, December 31</b>	<u><b>\$2,181</b></u>	<u><b>\$0</b></u>	<u><b>\$1,091,772</b></u>	<u><b>\$1,093,953</b></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**

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

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**C. Cash and Investments**

In accordance with Ohio Revised Code, the District's cash is held and invested by the Geauga 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 to be accounted for in another fund.

**Debt Service Fund**

The debt service fund is used to accumulate resources for the payment of bonds and note indebtedness:

Park Board Debt - This fund received property tax revenue to service the debt.

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**Capital Project Fund**

This fund is 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 Project Fund:

Park Board Land Improvement Fund - This fund received proceeds of general obligation bonds. The proceeds are being used to acquire and improve land.

**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 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.

**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.

**Encumbrances**

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

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

**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. 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.

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

**2. Budgetary Activity**

Budgetary activity for the years ending 1999 and 1998 was as follows:

1999 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$3,730,057	\$3,769,192	\$39,135
Debt Service	1,705,050	1,705,048	(2)
Capital Projects	<u>2,229,211</u>	<u>2,232,195</u>	<u>2,984</u>
Total	<u>\$7,664,318</u>	<u>\$7,706,435</u>	<u>\$42,117</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$3,877,749	\$3,623,409	\$254,340
Debt Service	1,707,420	1,707,260	160
Capital Projects	<u>2,173,572</u>	<u>1,983,083</u>	<u>190,489</u>
Total	<u>\$7,758,741</u>	<u>\$7,313,752</u>	<u>\$444,989</u>

1998 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$3,390,645	\$3,396,442	\$5,797
Debt Service	3,497,857	3,467,858	(29,999)
Capital Projects	<u>2,041,181</u>	<u>2,026,295</u>	<u>(14,886)</u>
Total	<u>\$8,929,683</u>	<u>\$8,890,595</u>	<u>(\$39,088)</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$4,116,055	\$3,790,311	\$325,744
Debt Service	3,486,680	3,486,300	380
Capital Projects	<u>4,072,883</u>	<u>3,736,283</u>	<u>336,600</u>
Total	<u>\$11,675,618</u>	<u>\$11,012,894</u>	<u>\$662,724</u>

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

**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 Park 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 payment, 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.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to 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.

**4. DEBT**

Debt outstanding at December 31, 1999:

	Principal	Interest Rate
Tax Anticipation Note	<u>\$900,000</u>	4.30%

The District issued a Tax Anticipation Park Improvement Note on December 9, 1999, in the amount of \$900,000 at 4.30% for a term of 1 year to acquire additional park land. Interest and principal payments are due at the end of the note's term to the Huntington National Bank. Notes are collateralized by the taxing authority of the District.

**5. RETIREMENT SYSTEM**

The District's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. 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 1999 and 1998, law enforcement employees contributed 9% of their gross salaries. All other full-time employees contributed 8.5% of their gross salaries. The District contributed an amount equal to 16.9% of participants' gross salaries for law enforcement employees and 13.55% of participants' gross salaries for other full-time employees. 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 is a member of the Public Entities Pool of Ohio (the Pool). The Pool assumes the risk of loss up to the limits of the District's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- General liability and casualty
- Public official's liability
- Vehicles
- Comprehensive property and general liability
- Errors and omissions

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

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OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

Lausche Bldg  
615 W Superior Ave  
Floor 12  
Cleveland OH 44113 - 1801  
Telephone 216-787-3665  
800-626-2297  
Facsimile 216-787-3361  
www.auditor.state.oh.us

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Geauga County Park District  
Geauga County  
9160 Robinson Road  
Chardon, Ohio 44024

To the Board of Park Commissioners:

We have audited the financial statements of the Geauga County Park District, Geauga County, Ohio, (the District) as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated March 17, 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*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted one matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to the management of the District in a separate letter dated March 17, 2000.

This report is intended for the information and use of the Board of Park Commissioners and management and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

March 17, 2000





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**GEAUGA COUNTY PARK DISTRICT**

**GEAUGA 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  
MAY 4, 2000**