



**WOOD COUNTY PARK DISTRICT
WOOD 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

Wood County Park District
18729 Mercer Road
Bowling Green, Ohio 43402-9688

To the Board of Commissioners:

We have audited the accompanying financial statements of the Wood County Park District (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 audit.

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 District 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 June 22, 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 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

June 22, 2000

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**WOOD COUNTY PARK DISTRICT
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPE
 FOR THE YEAR ENDED DECEMBER 31, 1999**

| | <u>Governmental Fund Type</u> | | | <u>Fiduciary Fund Type</u> | Totals (Memorandum Only) |
|---|-------------------------------|----------------------------|-----------------------------|--------------------------------|---|
| | <u>General</u> | <u>Special Revenue</u> | <u>Capital Projects</u> | <u>Expendable Trust</u> | |
| Cash Receipts: | | | | | |
| General Property Tax - Real Estate | \$1,113,759 | | | | \$1,113,759 |
| Tangible Personal Property Tax | 211,038 | | | | 211,038 |
| Grants | 49,465 | \$577,855 | \$28,000 | | 655,320 |
| Investment Income | 38,225 | | | | 38,225 |
| Gifts and Donations | 26,065 | | | | 26,065 |
| Fees | 32,573 | | | | 32,573 |
| Sales | 63,143 | | | | 63,143 |
| Other Receipts | 26,737 | 189,290 | | | 216,027 |
| | <u>1,561,005</u> | <u>767,145</u> | <u>28,000</u> | | <u>2,356,150</u> |
| Cash Disbursements: | | | | | |
| Current: | | | | | |
| Salaries - Employees | 452,458 | | | | 452,458 |
| Supplies | 28,059 | | | | 28,059 |
| Materials | 3,782 | | | | 3,782 |
| Equipment | 100,840 | | | | 100,840 |
| Contracts - Repair | 10,254 | | | | 10,254 |
| Contracts - Services | 118,928 | | | | 118,928 |
| Grants | 67,000 | | | | 67,000 |
| Rentals | 8,046 | | | | 8,046 |
| Advertising and Printing | 10,588 | | | | 10,588 |
| Travel | 5,610 | | | | 5,610 |
| Public Employees Retirement | 65,430 | | | | 65,430 |
| Workers' Compensation | 13,482 | | | | 13,482 |
| Capital Outlay | | | | | |
| Capital Improvements | 142,067 | 577,855 | 28,000 | | 747,922 |
| Land Acquisition | 96,155 | | | \$197,104 | 293,259 |
| Medicare | 6,561 | | | | 6,561 |
| Other | 22,870 | 189,290 | | | 212,160 |
| | <u>1,152,130</u> | <u>767,145</u> | <u>28,000</u> | <u>197,104</u> | <u>2,144,379</u> |
| Total Receipts Over/(Under) Disbursements | 408,875 | | | (197,104) | 211,771 |
| Fund Cash Balances, January 1 | 306,147 | | | 197,104 | 503,251 |
| Fund Cash Balances, December 31 | <u>\$715,022</u> | | | | <u>\$715,022</u> |
| Reserves for Encumbrances, December 31 | <u>\$25,129</u> | | | | <u>\$25,129</u> |

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

**WOOD COUNTY PARK DISTRICT
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1998**

| | <u>Governmental Fund Type</u> | | <u>Fiduciary Fund Type</u> | Totals (Memorandum Only) |
|---|-------------------------------|----------------------------|--------------------------------|---|
| | <u>General</u> | <u>Special Revenue</u> | <u>Expendable Trust</u> | |
| Cash Receipts: | | | | |
| General Property Tax - Real Estate | \$612,184 | | | \$612,184 |
| Tangible Personal Property Tax | 141,004 | | | 141,004 |
| Grants | 34,886 | \$70,647 | | 105,533 |
| Investment Income | 25,370 | | | 25,370 |
| Gifts and Donations | 30,219 | | | 30,219 |
| Fees | 26,775 | | | 26,775 |
| Sales | 2,006 | | | 2,006 |
| Contracts - Services | 37,478 | | | 37,478 |
| Devises and Bequests | | | \$197,104 | 197,104 |
| Other Receipts | 2,043 | | | 2,043 |
| | <u>911,965</u> | <u>70,647</u> | <u>197,104</u> | <u>1,179,716</u> |
| Total Cash Receipts | | | | |
| Cash Disbursements: | | | | |
| Current: | | | | |
| Salaries - Employees | 376,684 | | | 376,684 |
| Supplies | 23,715 | | | 23,715 |
| Materials | 3,744 | | | 3,744 |
| Equipment | 78,222 | | | 78,222 |
| Contracts - Repair | 8,795 | | | 8,795 |
| Contracts - Services | 110,456 | | | 110,456 |
| Grants | 66,640 | | | 66,640 |
| Rentals | 7,508 | | | 7,508 |
| Advertising and Printing | 12,041 | | | 12,041 |
| Travel | 5,357 | | | 5,357 |
| Travel | 49,589 | | | 49,589 |
| Public Employees Retirement | 11,234 | | | 11,234 |
| Workers' Compensation | 19,335 | | | 19,335 |
| Capital Outlay: | | | | |
| Capital Improvements | 102,186 | 70,647 | | 172,833 |
| Land Acquisition | 62,976 | | | 62,976 |
| Medicare | 5,462 | | | 5,462 |
| | <u>943,944</u> | <u>70,647</u> | | <u>1,014,591</u> |
| Total Cash Disbursements | | | | |
| Total Receipts Over/(Under) Disbursements | (31,979) | | 197,104 | 165,125 |
| Fund Cash Balances, January 1 | 338,126 | | | 338,126 |
| Fund Cash Balances, December 31 | <u>\$306,147</u> | | <u>\$197,104</u> | <u>\$503,251</u> |
| Reserves for Encumbrances, December 31 | <u>\$849</u> | | | <u>\$849</u> |

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

**WOOD COUNTY PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Wood County Park District (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 Wood 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

Investment functions are handled by the Wood County Auditor's office. Investment procedures are restricted by the provisions of the Revised Code. Purchased investments are valued at cost and are neither charged when purchased nor credited at the time of redemption to their rep

D. Fund Accounting

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

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

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

**WOOD COUNTY PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

Inland Trail Way Fund - This fund accounts for money used to construct a bike path. Monies were received from the Village of Millbury, Village of Walbridge, and Lake Township for the local match portion of federal funds provided through the Ohio Department of Transportation on behalf of the Park District. The Ohio Department of Transportation retained the administration responsibility for the federal monies spent.

3. Capital Project 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 Capital Project Fund:

Park Building Construction Fund - This fund received grants from the Ohio Department of Transportation. The monies were used for capital projects.

4. Fiduciary Fund (Trust Fund)

Trust funds are used to account for resources restricted by legally binding trust agreements. The District had the following significant fiduciary fund:

Betty Bock Fund - This fund received bequest funds from an estate. The proceeds are being used to purchase park land.

E. Budgetary Process

Each fund are 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 annually approves appropriation measures and subsequent amendments. The County Budget Commission also approves 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 also approves estimated resources.

3. Encumbrances

The District reserves (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 3.

**WOOD COUNTY PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

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.

3. BUDGETARY ACTIVITY

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

| 1999 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|--------------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$841,009 | \$1,561,005 | \$719,996 |
| Special Revenue | | 577,855 | 577,855 |
| Capital Projects | | 28,000 | 28,000 |
| Total | <u>\$841,009</u> | <u>\$2,166,860</u> | <u>\$1,325,851</u> |

| 1999 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|--------------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$1,307,527 | \$1,177,259 | \$130,268 |
| Special Revenue | | 577,855 | (577,855) |
| Capital Projects | | 28,000 | (28,000) |
| Fiduciary | 197,104 | 197,104 | |
| Total | <u>\$1,504,631</u> | <u>\$1,980,218</u> | <u>(\$475,587)</u> |

| 1998 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|------------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$643,905 | \$911,965 | \$268,060 |
| Special Revenue | | 70,647 | 70,647 |
| Fiduciary | 197,104 | 197,104 | |
| Total | <u>\$841,009</u> | <u>\$1,179,716</u> | <u>\$338,707</u> |

**WOOD COUNTY PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

| 1998 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|-------------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$985,333 | \$944,793 | \$40,540 |
| Special Revenue | | 70,647 | (70,647) |
| Total | <u>\$985,333</u> | <u>\$1,015,440</u> | <u>(\$30,107)</u> |

The Park District had expenditures that certified prior to expenditure, which is in violation of State law.

4. 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.

5. RETIREMENT SYSTEM

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, members of Law Enforcement PERS contributed 9% of their wages. The District contributed an amount equal to 16.7% of their wages. Other PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries. The District has paid all contributions required through December 31, 1999.

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:

**WOOD COUNTY PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

- General liability and casualty
- Automobile liability
- Official's Liability
- Law Enforcement Liability
- Employee Benefit Liability

The District also provides health insurance and dental and vision 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***

Wood County Park District
18729 Mercer Road
Bowling Green, Ohio 43402-9688

To the Board of Commissioners:

We have audited the accompanying financial statements of the Wood County Park District (the District) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 22, 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as item 1999-60187-001. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Park District in a separate letter dated June 22, 2000.

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 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 June 22, 2000.

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

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

Jim Petro
Auditor of State

June 22, 2000

**WOOD COUNTY PARK DISTRICT
SCHEDULE OF FINDINGS**

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|--|
| FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS |
|--|

FINDING NUMBER 1999-60187-001

Ohio Revised Code § 5705.41(D) states that no subdivision or taxing unit shall make any expenditure of money unless it has been appropriated. Also, no orders or contracts involving the expenditure of money is to be made unless there is attached thereto a certificate of the fiscal officer certifying that the amount required for the order or contract has been lawfully appropriated and is in the treasurer or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be null and void and no warrant shall be issued in payment of any amount due thereon.

This section also provides two “exceptions” to the above requirement:

- A. Then an Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer’s certificate that a sufficient sum was appropriated and free of any encumbrances, the Board may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within thirty days from the receipts of such certificate, if such certificate is otherwise valid.

- B. If the amount involved is less than one thousand dollars, the fiscal officer may authorize it to be paid without the affirmation of the Board.

The County Auditor did not sign certificates prior to expenditure and then and now certificates were not used in seventy-seven percent of the items tested. This procedure is not only required by Ohio law, but it is also a key control in the disbursement process to help assure that purchase commitments receive prior approval and to help reduce the possibility of the Park District funds being over-expended.



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WOOD COUNTY PARK DISTRICT

WOOD 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
AUGUST 10, 2000**