



OHIO AUDITOR OF STATE  
**KEITH FABER**





**NATIONAL TRAIL PARKS AND RECREATION DISTRICT  
CLARK COUNTY  
DECEMBER 31, 2019 AND 2018**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

National Trail Parks and Recreation District  
Clark County  
1301 Mitchell Boulevard  
Springfield, Ohio 45503

To the Board of Trustees:

### ***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 National Trail Parks and Recreation District, Clark County, Ohio (the District) as of and for the years ended December 31, 2019 and 2018.

### ***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 1 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, 2019 and 2018, and the respective changes in financial position 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 National Trail Parks and Recreation District, Clark County as of December 31, 2019 and 2018, 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 1.

***Emphasis of Matter***

As discussed in Note 6 to the financial statements, during 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. We did not modify our opinion regarding this matter.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2020, 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.



Keith Faber  
Auditor of State  
Columbus, Ohio

September 23, 2020

**NATIONAL TRAIL PARKS AND RECREATION DISTRICT  
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

|  | <u>Governmental Fund Type</u> |                            |                             | <b>Totals<br/>(Memorandum<br/>Only)</b> |
|--|-------------------------------|----------------------------|-----------------------------|---|
|  | <u>General</u>                | <u>Special<br/>Revenue</u> | <u>Capital<br/>Projects</u> |   |
| <b>Cash Receipts:</b>                              |                               |                            |                             |   |
| Intergovernmental                                  | \$ 720,000                    | 1,239,351                  | -                           | \$ 1,959,351                            |
| Charges for Services                               | 202,885                       | -                          | -                           | 202,885                                 |
| Investment Income                                  | 5,327                         | 3,006                      | 1,176                       | 9,509                                   |
| Gifts and Donations                                | -                             | 100,122                    | 4,125                       | 104,247                                 |
| Fees   | 172,405                       | -                          | -                           | 172,405                                 |
| Rental Income                                      | 61,440                        | -                          | -                           | 61,440                                  |
| Other Receipts                                     | <u>22,133</u>                 | <u>10,908</u>              | -                           | <u>33,041</u>                           |
| <br>Total Cash Receipts                            | <br><u>1,184,190</u>          | <br><u>1,353,387</u>       | <br><u>5,301</u>            | <br><u>2,542,878</u>                    |
| <b>Cash Disbursements:</b>                         |                               |                            |                             |   |
| Current:   |                               |                            |                             |   |
| Salaries - Employees                               | 694,509                       | 879,197                    | -                           | 1,573,706                               |
| Public Employees Retirement                        | 74,872                        | 91,180                     | -                           | 166,052                                 |
| Supplies and Materials                             | 39,071                        | 210,841                    | 2,249                       | 252,161                                 |
| Contracts - Services                               | 124,674                       | 279,992                    | -                           | 404,666                                 |
| Miscellaneous Fees                                 | 15,817                        | 4,415                      | -                           | 20,232                                  |
| Travel and Training                                | 1,586                         | 1,519                      | -                           | 3,105                                   |
| Capital Outlay                                     | <u>-</u>                      | <u>-</u>                   | <u>736</u>                  | <u>736</u>                              |
| <br>Total Cash Disbursements                       | <br><u>950,529</u>            | <br><u>1,467,144</u>       | <br><u>2,985</u>            | <br><u>2,420,658</u>                    |
| <br>Excess of Receipts Over/(Under) Disbursements  | <br><u>233,661</u>            | <br><u>(113,757)</u>       | <br><u>2,316</u>            | <br><u>122,220</u>                      |
| <b>Other Financing Receipts/(Disbursements):</b>   |                               |                            |                             |   |
| Insurance Recoveries                               | -                             | -                          | 8,642                       | 8,642                                   |
| Transfers In                                       | -                             | 150,000                    | -                           | 150,000                                 |
| Transfers Out                                      | (240,000)                     | -                          | -                           | (240,000)                               |
| Reimbursements                                     | <u>11,599</u>                 | <u>5,094</u>               | -                           | <u>16,693</u>                           |
| <br>Total Other Financing Receipts/(Disbursements) | <br><u>(228,401)</u>          | <br><u>155,094</u>         | <br><u>8,642</u>            | <br><u>(64,665)</u>                     |
| <br>Net Change in Fund Cash Balances               | <br><u>5,260</u>              | <br><u>41,337</u>          | <br><u>10,958</u>           | <br><u>57,555</u>                       |
| <br>Fund Cash Balances, January 1                  | <br><u>243,598</u>            | <br><u>261,905</u>         | <br><u>50,424</u>           | <br><u>555,927</u>                      |
| Restricted   | -                             | 303,242                    | 61,382                      | 364,624                                 |
| Assigned   | 144,311                       | -                          | -                           | 144,311                                 |
| Unassigned   | <u>104,547</u>                | <u>-</u>                   | <u>-</u>                    | <u>104,547</u>                          |
| <br><b>Fund Cash Balances, December 31</b>         | <br><b>\$ <u>248,858</u></b>  | <br><b><u>303,242</u></b>  | <br><b><u>61,382</u></b>    | <br><b>\$ <u>613,482</u></b>            |

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

**NATIONAL TRAIL PARKS AND RECREATION DISTRICT  
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGE IN FUND CASH BALANCE  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2019**

|   | <u>Proprietary<br/>Fund Type</u> |
|---|----------------------------------|
|   | <u>Enterprise</u>                |
| <b>Operating Cash Receipts:</b>   |                                  |
| Charges for Services  | \$ 181,197                       |
| Miscellaneous   | <u>24,851</u>                    |
| Total Operating Cash Receipts   | <u>206,048</u>                   |
| <b>Operating Cash Disbursements:</b>  |                                  |
| Salaries  | 169,910                          |
| Public Employees Retirement   | 23,013                           |
| Contracts - Services  | 57,101                           |
| Supplies and Materials  | <u>27,128</u>                    |
| Total Operating Cash Disbursements  | <u>277,152</u>                   |
| Excess of Operating Receipts Over / (Under)<br>Operating Disbursements          | (71,104)                         |
| <b>Other Financing Receipts:</b>  |                                  |
| Transfers In  | <u>90,000</u>                    |
| Total Other Financing Receipts  | <u>90,000</u>                    |
| Excess of Cash Receipts and Other Financing Receipts Over<br>Cash Disbursements | 18,896                           |
| <b>Non-Operating Cash Receipts:</b>   |                                  |
| Interest  | <u>1,343</u>                     |
| Total Non-Operating Cash Receipts   | 1,343                            |
| Net Receipts Over Disbursements   | 20,239                           |
| Fund Cash Balance, January 1  | <u>52,622</u>                    |
| <b>Fund Cash Balance, December 31</b>   | <b>\$ <u><u>72,861</u></u></b>   |

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



**NATIONAL TRAIL PARKS AND RECREATION DISTRICT  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the National Trail Parks and Recreation District, Clark County, (the District) as a body corporate and politic. The District is directed by a seven-member Board of Trustees: four are appointed by the City of Springfield, two by the Clark County Board of County Commissioners, and the seventh member to be selected by the first six. The District equips, operates and maintains parks, playgrounds, swimming pools, recreation centers, bikeways, tennis facilities, and other related activities and facilities within the County owned or managed by the Board of County Commissioners of Clark County, Ohio and the City of Springfield, Ohio.

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

**B. Basis of Accounting**

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

**C. Cash and Investments**

As the Ohio Revised Code permits, the City of Springfield Treasurer holds the District's deposits as the District's custodian. The City holds the District's assets in its investment pool, 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. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District classifies its funds into the following types:

**NATIONAL TRAIL PARKS AND RECREATION DISTRICT  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Continued)**

**1. General Fund**

The General Fund accounts for and reports all financial resources except those required to be accounted for 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.

**2. Special Revenue Funds**

These funds account for and report proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted or committed to expenditure for specific purposes. The District had the following significant Special Revenue Funds:

**Dog Park Fund** – This fund receives money from gifts and donations for the purpose of construction and maintenance of dog parks.

**Sponsorship Fund** – This fund receives gifts and donations to purchase equipment and supplies for parks, sports, and other activities.

**Fireworks Trust Fund** – This fund receives money from gifts and donations for the payment of fireworks displays.

**Tournament Incentive Fund** – This fund provides up-front money for tournament expenses that is repaid by the event organizers.

**Countywide Levy Fund** – This fund receives money from the Clark County Park District as part of a countywide property tax levy for the purpose of operations and maintenance of parks, greenspace, and bike trails.

**3. Capital Projects 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 Projects Fund:

**Capital Fund** – This fund receives money from restricted grants, gifts, and donations to be used for various park and facility improvements.

**4. Enterprise Funds**

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

**Aquatic Center Fund** – This fund accounts for charges for services to provide an aquatic center for the general public.

**NATIONAL TRAIL PARKS AND RECREATION DISTRICT  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(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, and object level of control, and appropriations may not exceed estimated resources. Appropriation authority includes current year appropriations plus encumbrances carried over from the prior year (if any). The Board must annually approve appropriation measures and subsequent amendments. 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 individual commitments are made. Encumbrances outstanding at year-end are carried over and need not be re-appropriated.

A summary of budgetary activity appears in Note 2.

**F. 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:

**1. Nonspendable**

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

**2. 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.

**NATIONAL TRAIL PARKS AND RECREATION DISTRICT  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Continued)**

**3. Committed**

District Board members can commit amounts via formal action (resolution). The District must adhere to these commitments unless the District Board members 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.

**4. 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 Board members, a District official delegated that authority by resolution, or by State Statute.

**5. 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.

**G. Property, Plant and Equipment**

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

**H. 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.

**2. BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2019 follows:

**NATIONAL TRAIL PARKS AND RECREATION DISTRICT  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Continued)**

| <u>2019 Budgeted vs. Actual Receipts</u> |                              |                            |                 |
|--|------------------------------|----------------------------|-----------------|
| <u>Fund Type</u>                         | <u>Budgeted<br/>Receipts</u> | <u>Actual<br/>Receipts</u> | <u>Variance</u> |
| General                                  | \$ 1,184,018                 | 1,195,789                  | \$ 11,771       |
| Special Revenue                          | 1,513,566                    | 1,508,481                  | (5,085)         |
| Capital Projects                         | 14,118                       | 13,943                     | (175)           |
| Enterprise                               | 297,599                      | 297,391                    | (208)           |
| Total                                    | <u>\$ 3,009,301</u>          | <u>3,015,604</u>           | <u>\$ 6,303</u> |

| <u>2019 Budgeted vs. Actual Budgetary Basis Expenditures</u> |                                    |                                   |                   |
|--|------------------------------------|-----------------------------------|-------------------|
| <u>Fund Type</u>   | <u>Appropriation<br/>Authority</u> | <u>Budgetary<br/>Expenditures</u> | <u>Variance</u>   |
| General  | \$ 1,289,214                       | 1,204,702                         | \$ 84,512         |
| Special Revenue  | 1,592,187                          | 1,493,513                         | 98,674            |
| Capital Projects   | 30,000                             | 3,008                             | 26,992            |
| Enterprise   | 303,424                            | 277,705                           | 25,719            |
| Total  | <u>\$ 3,214,825</u>                | <u>2,978,928</u>                  | <u>\$ 235,897</u> |

**3. DEFINED BENEFIT PENSION PLAN**

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. For 2019, OPERS members contributed 10.0% of their gross salaries, and the District contributed an amount equal to 14.0% of participants' gross salaries. The District has paid all contributions required through December 31, 2019.

**4. POSTEMPLOYMENT BENEFITS**

OPERS offers a cost-sharing multiple-employer defined benefit postemployment plan, which includes 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. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during 2019.

**NATIONAL TRAIL PARKS AND RECREATION DISTRICT  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(Continued)**

**5. RISK MANAGEMENT**

**Commercial Insurance**

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

**6. SUBSEQUENT EVENT**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**NATIONAL TRAIL PARKS AND RECREATION DISTRICT  
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

|  | <u>Governmental Fund Type</u> |                            |                             | <b>Totals<br/>(Memorandum<br/>Only)</b> |
|--|-------------------------------|----------------------------|-----------------------------|---|
|  | <u>General</u>                | <u>Special<br/>Revenue</u> | <u>Capital<br/>Projects</u> |   |
| <b>Cash Receipts:</b>                              |                               |                            |                             |   |
| Intergovernmental                                  | \$ 550,000                    | 1,233,576                  | -                           | \$ 1,783,576                            |
| Charges for Services                               | 193,300                       | -                          | -                           | 193,300                                 |
| Investment Income                                  | 4,449                         | 2,368                      | 615                         | 7,432                                   |
| Gifts and Donations                                | -                             | 111,917                    | 1,056                       | 112,973                                 |
| Fees   | 153,582                       | -                          | -                           | 153,582                                 |
| Rental Income                                      | 75,831                        | -                          | -                           | 75,831                                  |
| Other Receipts                                     | <u>26,996</u>                 | <u>26,370</u>              | -                           | <u>53,366</u>                           |
| <br>Total Cash Receipts                            | <br><u>1,004,158</u>          | <br><u>1,374,231</u>       | <br><u>1,671</u>            | <br><u>2,380,060</u>                    |
| <b>Cash Disbursements:</b>                         |                               |                            |                             |   |
| Current:   |                               |                            |                             |   |
| Salaries - Employees                               | 666,726                       | 884,702                    | -                           | 1,551,428                               |
| Public Employees Retirement                        | 72,255                        | 89,428                     | -                           | 161,683                                 |
| Supplies and Materials                             | 35,981                        | 198,915                    | 544                         | 235,440                                 |
| Contracts - Services                               | 130,978                       | 275,992                    | -                           | 406,970                                 |
| Miscellaneous Fees                                 | 18,883                        | 4,765                      | -                           | 23,648                                  |
| Travel and Training                                | <u>753</u>                    | <u>1,343</u>               | -                           | <u>2,096</u>                            |
| <br>Total Cash Disbursements                       | <br><u>925,576</u>            | <br><u>1,455,145</u>       | <br><u>544</u>              | <br><u>2,381,265</u>                    |
| <br>Excess of Receipts Over/(Under) Disbursements  | <br><u>78,582</u>             | <br><u>(80,914)</u>        | <br><u>1,127</u>            | <br><u>(1,205)</u>                      |
| <b>Other Financing Receipts/(Disbursements):</b>   |                               |                            |                             |   |
| Sale of Assets                                     | -                             | -                          | 4,627                       | 4,627                                   |
| Transfers In                                       | -                             | 122,116                    | -                           | 122,116                                 |
| Transfers Out                                      | (185,000)                     | -                          | -                           | (185,000)                               |
| Reimbursements                                     | <u>8,889</u>                  | <u>11,737</u>              | <u>(231)</u>                | <u>20,395</u>                           |
| <br>Total Other Financing Receipts/(Disbursements) | <br><u>(176,111)</u>          | <br><u>133,853</u>         | <br><u>4,396</u>            | <br><u>(37,862)</u>                     |
| <br>Net Change in Fund Cash Balances               | <br><u>(97,529)</u>           | <br><u>52,939</u>          | <br><u>5,523</u>            | <br><u>(39,067)</u>                     |
| <br>Fund Cash Balances, January 1                  | <br><u>341,127</u>            | <br><u>208,966</u>         | <br><u>44,901</u>           | <br><u>594,994</u>                      |
| Restricted   | -                             | 261,905                    | 50,424                      | 312,329                                 |
| Assigned   | 113,597                       | -                          | -                           | 113,597                                 |
| Unassigned   | <u>130,001</u>                | -                          | -                           | <u>130,001</u>                          |
| <br><b>Fund Cash Balances, December 31</b>         | <br><b>\$ <u>243,598</u></b>  | <br><b><u>261,905</u></b>  | <br><b><u>50,424</u></b>    | <br><b>\$ <u>555,927</u></b>            |

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

**NATIONAL TRAIL PARKS AND RECREATION DISTRICT  
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGE IN FUND CASH BALANCE  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2018**

|   | <u>Proprietary<br/>Fund Type</u> |
|---|----------------------------------|
|   | <u>Enterprise</u>                |
| <b>Operating Cash Receipts:</b>   |                                  |
| Charges for Services  | \$ 168,217                       |
| Miscellaneous   | <u>30,396</u>                    |
| Total Operating Cash Receipts   | <u>198,613</u>                   |
| <b>Operating Cash Disbursements:</b>  |                                  |
| Salaries  | 156,012                          |
| Public Employees Retirement   | 21,069                           |
| Contracts - Services  | 53,457                           |
| Supplies and Materials  | <u>27,527</u>                    |
| Total Operating Cash Disbursements  | <u>258,065</u>                   |
| Excess of Operating Receipts (Under)<br>Operating Disbursements   | (59,452)                         |
| <b>Other Financing Receipts / (Disbursements):</b>  |                                  |
| Transfers In  | 65,000                           |
| Transfers Out   | <u>(2,116)</u>                   |
| Total Other Financing Receipts / (Disbursements)  | <u>62,884</u>                    |
| Excess of Cash Receipts and Other Financing Receipts Over Cash<br>Disbursements and Other Financing Disbursements | 3,432                            |
| <b>Non-Operating Cash Receipts:</b>   |                                  |
| Interest  | <u>838</u>                       |
| Total Non-Operating Cash Receipts   | 838                              |
| Net Receipts Over Disbursements   | 4,270                            |
| Fund Cash Balance, January 1  | <u>48,352</u>                    |
| <b>Fund Cash Balance, December 31</b>   | <b>\$ <u><u>52,622</u></u></b>   |

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



**NATIONAL TRAIL PARKS AND RECREATION DISTRICT  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the National Trail Parks and Recreation District, Clark County, (the District) as a body corporate and politic. The District is directed by a seven-member Board of Trustees: four are appointed by the City of Springfield, two by the Clark County Board of County Commissioners, and the seventh member to be selected by the first six. The District equips, operates and maintains parks, playgrounds, swimming pools, recreation centers, bikeways, tennis facilities, and other related activities and facilities within the County owned or managed by the Board of County Commissioners of Clark County, Ohio and the City of Springfield, Ohio.

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

**B. Basis of Accounting**

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

**C. Cash and Investments**

As the Ohio Revised Code permits, the City of Springfield Treasurer holds the District's deposits as the District's custodian. The City holds the District's assets in its investment pool, 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. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District classifies its funds into the following types:

**NATIONAL TRAIL PARKS AND RECREATION DISTRICT  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(Continued)**

**1. General Fund**

The General Fund accounts for and reports all financial resources except those required to be accounted for 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.

**2. Special Revenue Funds**

These funds account for and report proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted or committed to expenditure for specific purposes. The District had the following significant Special Revenue Funds:

**Dog Park Fund** – This fund receives money from gifts and donations for the purpose of construction and maintenance of dog parks.

**Sponsorship Fund** – This fund receives gifts and donations to purchase equipment and supplies for parks, sports, and other activities.

**Fireworks Trust Fund** – This fund receives money from gifts and donations for the payment of fireworks displays.

**Tournament Incentive Fund** – This fund provides up-front money for tournament expenses that is repaid by the event organizers.

**Countywide Levy Fund** – This fund receives money from the Clark County Park District as part of a countywide property tax levy for the purpose of operations and maintenance of parks, greenspace, and bike trails.

**3. Capital Projects 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 Projects Fund:

**Capital Fund** – This fund receives money from restricted grants, gifts, and donations to be used for various park and facility improvements.

**4. Enterprise Funds**

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

**Aquatic Center Fund** – This fund accounts for charges for services to provide an aquatic center for the general public.

**NATIONAL TRAIL PARKS AND RECREATION DISTRICT  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(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, and object level of control, and appropriations may not exceed estimated resources. Appropriation authority includes current year appropriations plus encumbrances carried over from the prior year (if any). The Board must annually approve appropriation measures and subsequent amendments. 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 individual commitments are made. Encumbrances outstanding at year-end are carried over and need not be re-appropriated.

A summary of budgetary activity appears in Note 2.

**F. 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:

**1. Nonspendable**

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

**2. 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.

**NATIONAL TRAIL PARKS AND RECREATION DISTRICT  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(Continued)**

**3. Committed**

District Board members can commit amounts via formal action (resolution). The District must adhere to these commitments unless the District Board members 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.

**4. 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 Board members, a District official delegated that authority by resolution, or by State Statute.

**5. 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.

**G. Property, Plant and Equipment**

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

**H. 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.

**2. BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2018 follows:

**NATIONAL TRAIL PARKS AND RECREATION DISTRICT  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(Continued)**

| <u>2018 Budgeted vs. Actual Receipts</u> |                     |                  |                    |
|--|---------------------|------------------|--------------------|
| <u>Fund Type</u>                         | <u>Budgeted</u>     | <u>Actual</u>    | <u>Variance</u>    |
|  | <u>Receipts</u>     | <u>Receipts</u>  |                    |
| General                                  | \$ 1,020,000        | 1,013,047        | \$ (6,953)         |
| Special Revenue                          | 1,441,000           | 1,508,084        | 67,084             |
| Capital Projects                         | 150,000             | 6,298            | (143,702)          |
| Enterprise                               | <u>273,120</u>      | <u>264,451</u>   | <u>(8,669)</u>     |
| Total                                    | <u>\$ 2,884,120</u> | <u>2,791,880</u> | <u>\$ (92,240)</u> |

| <u>2018 Budgeted vs. Actual Budgetary Basis Expenditures</u> |                      |                     |                   |
|--|----------------------|---------------------|-------------------|
| <u>Fund Type</u>   | <u>Appropriation</u> | <u>Budgetary</u>    | <u>Variance</u>   |
|  | <u>Authority</u>     | <u>Expenditures</u> |                   |
| General  | \$ 1,246,214         | 1,123,231           | \$ 122,983        |
| Special Revenue  | 1,572,753            | 1,490,327           | 82,426            |
| Capital Projects   | 175,000              | 775                 | 174,225           |
| Enterprise   | <u>278,316</u>       | <u>264,827</u>      | <u>13,489</u>     |
| Total  | <u>\$ 3,272,283</u>  | <u>2,879,160</u>    | <u>\$ 393,123</u> |

**3. DEFINED BENEFIT PENSION PLAN**

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. For 2018, OPERS members contributed 10.0% of their gross salaries, and the District contributed an amount equal to 14.0% of participants' gross salaries. The District has paid all contributions required through December 31, 2018.

**4. POSTEMPLOYMENT BENEFITS**

OPERS offers a cost-sharing multiple-employer defined benefit postemployment plan, which includes 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. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during 2018.

**NATIONAL TRAIL PARKS AND RECREATION DISTRICT  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(Continued)**

**5. RISK MANAGEMENT**

**Commercial Insurance**

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

# OHIO AUDITOR OF STATE KEITH FABER



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

National Trail Parks and Recreation District  
Clark County  
1301 Mitchell Boulevard  
Springfield, Ohio 45503

To the Board of Trustees:

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 National Trail Parks and Recreation District, Clark County, (the District) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated September 23, 2020 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. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District.

### ***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 opinions 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.



Keith Faber  
Auditor of State  
Columbus, Ohio

September 23, 2020



# OHIO AUDITOR OF STATE KEITH FABER



**NATIONAL TRAIL PARKS AND RECREATION DISTRICT**

**CLARK COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 10/13/2020**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)