



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

WASHINGTON TOWNSHIP REGIONAL PARK DISTRICT
LUCAS COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Washington Township Regional Park District
Lucas County
5319 Hammond Drive
Toledo, Ohio 43611-1523

To the Board of Commissioners:

We have audited the accompanying financial statements of the Washington Township Regional Park District (the District) as of and for the years ended December 31, 2001 and 2000. 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 audit in accordance with auditing standards generally accepted in the United States of America 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 audit 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 audit provides 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 of the District as of December 31, 2001 and 2000, 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 [date of report] 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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.

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Jim Petro
Auditor of State

June 13, 2002

**WASHINGTON TOWNSHIP REGIONAL PARK DISTRICT
LUCAS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000**

	2001	2000
Cash Receipts:		
General Property Tax - Real Estate	\$51,935	\$50,642
Intergovernmental	6,303	6,048
Investment Income	3,823	5,543
Rentals	4,310	2,016
Other Receipts	494	1,091
	66,865	65,340
Cash Disbursements:		
Current:		
Salaries - Employees	4,520	4,480
Equipment	2,644	7,126
Rentals	150	400
Advertising and Printing	68	125
Public Employees Retirement	244	407
Workers' Compensation	518	517
Utilities	4,614	4,032
Insurance	1,930	1,842
Grass Cutting	4,200	3,200
Auditor Fees	734	2,750
Tree Service	1,250	2,570
Trash Service	375	471
Festival Expenses	4,913	1,575
Grant Expenses		1,464
Villamar Repair Expenses	1,560	
Capital Outlay	18,604	25,581
Other	995	898
	47,319	57,438
Total Receipts Over Disbursements	19,546	7,902
Fund Cash Balances, January 1	137,273	129,371
Fund Cash Balances, December 31	\$156,819	\$137,273

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

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**WASHINGTON TOWNSHIP REGIONAL PARK DISTRICT
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Washington Township Regional 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 Lucas County. The District's purpose is to 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. 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 reported in another fund.

D. 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 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. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1.

**WASHINGTON TOWNSHIP REGIONAL PARK DISTRICT
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2002 and 2001 budgetary activity appears in Note 3.

E. 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.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The District maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 was as follows:

	2001	2000
Demand deposits	\$34,151	\$18,418
Savings deposits	122,668	118,855
	\$156,819	\$137,273

Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$171,103	\$66,865	(\$104,238)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$52,200	\$47,319	\$4,881

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$163,201	\$65,340	(\$97,861)

**WASHINGTON TOWNSHIP REGIONAL PARK DISTRICT
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

<u>Fund Type</u>	<u>Authority</u>	<u>Expenditures</u>	<u>Variance</u>
General	\$45,300	\$57,438	(\$12,138)

The District did not always encumber funds for the years ending December 31, 2001 and 2000. Also contrary to Ohio law budgetary expenditures exceeded appropriations by \$12,138 for the year ended December 31, 2000.

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

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 2001 and 2000, members of PERS contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. PERS temporarily reduced employer contributions to 8.13% effective July 1, 2001. The District has paid all contributions required through December 31, 2001.

6. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

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

Washington Township Regional Park District
Lucas County
5319 Hammond Drive
Toledo, Ohio 43611-1523

To the Board of Commissioners:

We have audited the accompanying financial statements of the Washington Township Regional Park District (the District) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated June 13, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2001-40148-001 and 2001-40148-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated June 13, 2002.

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 other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated June 13, 2002.

Washington Township Regional Park District
Lucas County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended solely 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.

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Jim Petro
Auditor of State

June 13, 2002

**WASHINGTON TOWNSHIP REGIONAL PARK DISTRICT
LUCAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2001-40148-001

Noncompliance Citation

Ohio Revised Code § 5705.41(D) states no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

This section also provides two exceptions to the above requirements:

- A. 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 previous encumbrances, the District may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate (a then and now certificate), if such expenditure 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 District.

Seventy percent of the transactions tested did not contain prior certification by the Clerk. Neither of the exceptions was utilized for these transactions. We recommend, where possible, the District certify the availability of funds prior to expenditures being made. Where prior certification is not feasible, we encourage the District to utilize then and now certificates or blanket certificates.

FINDING NUMBER 2001-40148-002

Noncompliance Citation

Ohio Revised Code § 5705.41(B) prohibits a subdivision from making an expenditure unless it has been properly appropriated. Expenditures exceeded appropriations at the fund level, the legal level of control for the following fund:

<u>Fund</u>	<u>Amount</u>
General Fund	<u>\$12,138</u>

The failure to limit spending to only those amounts appropriated by the Board could allow expenditures to exceed available resources and create deficit fund balances. The District could have amended their original appropriation measure.

We recommend the Park Board monitor the line item budgets through-out the year to ensure that all expenditures and encumbrances have been appropriated.



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WASHINGTON TOWNSHIP REGIONAL PARK DISTRICT

LUCAS 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 27, 2002**