



**PRESERVATION PARKS OF DELAWARE COUNTY  
DELAWARE COUNTY**

**REGULAR AUDIT**

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



PRESERVATION PARKS OF DELAWARE COUNTY  
DELAWARE COUNTY

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## REPORT OF INDEPENDENT ACCOUNTANTS

Preservation Parks of Delaware County  
Delaware County  
2656 Hogback Road  
Sunbury, Ohio 43074

To the Board of Commissioners:

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

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the District as of December 31, 1999 and December 31, 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2000 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of the management and Board of 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

May 17, 2000



**PRESERVATION PARKS OF DELAWARE COUNTY  
DELAWARE COUNTY**

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

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Grants	\$111,967	\$39,530	\$151,497
Investment Income	9,044	0	9,044
Gifts and Donations	3,140	0	3,140
Other Receipts	8,895	0	8,895
Total Cash Receipts	133,046	39,530	172,576
<b>Cash Disbursements:</b>			
Current:			
Salaries - Employees	60,549	0	60,549
Supplies	2,797	0	2,797
Materials	315	0	315
Land & Equipment	19,214	0	19,214
Contracts - Repair	266	0	266
Contracts - Services	10,050	0	10,050
Rentals	2,962	0	2,962
Advertising and Printing	1,594	0	1,594
Travel	1,059	0	1,059
Public Employees Retirement	7,809	0	7,809
Workers' Compensation	773	0	773
Capital Outlay	11,523	0	11,523
Project Expenses	0	39,061	39,061
Debt:			
Payment of Principal	12,858	0	12,858
Payment of Interest	3,192	0	3,192
Line of Credit Payments	16,021	0	16,021
Interest Payments	12,670	0	12,670
Other	12,161	0	12,161
Total Cash Disbursements	175,813	39,061	214,874
Total Cash Receipts Over/(Under) Cash Disbursements	(42,767)	469	(42,298)
<b>Other Financing Receipts/(Disbursements):</b>			
Proceeds from Sale of Public Debt:			
Line of Credit Proceeds	27,339	0	27,339
Advances-In	30,910	30,441	61,351
Advances-Out	(30,441)	(30,910)	(61,351)
Total Other Financing Receipts/(Disbursements)	27,808	(469)	27,339
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(14,959)	0	(14,959)
Fund Cash Balances, January 1, 1999	189,190	0	189,190
<b>Fund Cash Balances, December 31, 1999</b>	<b>\$174,231</b>	<b>\$0</b>	<b>\$174,231</b>
Reserves for Encumbrances, December 31, 1999	\$0	\$0	\$0

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

**PRESERVATION PARKS OF DELAWARE COUNTY  
DELAWARE COUNTY**

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

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Grants	\$101,338	\$35,367	\$136,705
Investment Income	9,653	0	9,653
Gifts and Donations	17,561	0	17,561
Other Receipts	7,762	0	7,762
<b>Total Cash Receipts</b>	<u>136,314</u>	<u>35,367</u>	<u>171,681</u>
<b>Cash Disbursements:</b>			
Current:			
Salaries - Employees	58,070	0	58,070
Supplies	1,474	0	1,474
Materials	128	0	128
Land & Equipment	16,953	0	16,953
Contracts - Repair	241	0	241
Contracts - Services	4,992	0	4,992
Rentals	9,351	0	9,351
Advertising and Printing	1,544	0	1,544
Travel	2,859	0	2,859
Public Employees Retirement	7,469	0	7,469
Workers' Compensation	191	0	191
Project Expenses	0	36,321	36,321
Debt:			
Line of Credit Payments	35,457	0	35,457
Interest Payments	12,668	0	12,668
Other	5,443	0	5,443
<b>Total Cash Disbursements</b>	<u>156,840</u>	<u>36,321</u>	<u>193,161</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>(20,526)</u>	<u>(954)</u>	<u>(21,480)</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Proceeds from Sale of Public Debt:			
Line of Credit Proceeds	26,157	0	26,157
Advances-In	0	30,910	30,910
Advances-Out	(30,910)	0	(30,910)
Other Sources	1,188	0	1,188
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(3,565)</u>	<u>30,910</u>	<u>27,345</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(24,091)</u>	<u>29,956</u>	<u>5,865</u>
<b>Fund Cash Balances As Restated, January 1, 1998</b>	<u>213,281</u>	<u>(29,956)</u>	<u>183,325</u>
<b>Fund Cash Balances, December 31, 1998</b>	<u><b>\$189,190</b></u>	<u><b>\$0</b></u>	<u><b>\$189,190</b></u>
<b>Reserves for Encumbrances, December 31, 1998</b>	<u><b>\$11,524</b></u>	<u><b>\$0</b></u>	<u><b>\$11,524</b></u>

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



**PRESERVATION PARKS OF DELAWARE COUNTY  
DELAWARE COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Preservation Parks of Delaware County, Delaware County, Ohio (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a three-member Board of Commissioners appointed by the probate judge of Delaware 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 District may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of same as the District deems conducive to the general welfare.

By law, the Delaware County Auditor and Treasurer are the fiscal agents of the District.

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

**B. Basis of Accounting**

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

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

**C. Cash and Investments**

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

**D. Fund Accounting**

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

**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.

**PRESERVATION PARKS OF DELAWARE COUNTY  
DELAWARE COUNTY**

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

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

**D. Fund Accounting (Continued)**

**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 District had the following significant Special Revenue Funds:

- Federal Grant Fund: this fund accounts for the receipts and disbursements of the Land & Water Conservation Grant used for the Blues Creek Preserve Project.
- State Grant Fund: this fund accounts for the receipts and disbursements of the Natureworks Grant used for the Blues Creek Preserve Project.

**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 legal level of control, and appropriations may not exceed estimate resources. The Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**3. 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.

**4. Encumbrances**

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

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

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**PRESERVATION PARKS OF DELAWARE COUNTY  
DELAWARE COUNTY**

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

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

**G. Unpaid Vacation and Sick Leave**

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

**2. RESTATEMENT OF BEGINNING FUND BALANCE**

The fund balance of the General and Special Revenue funds as of December 31, 1997, have been restated as of January 1, 1998. In the previous year disbursements made for grant funds were recorded as general fund disbursements. The effect of this adjustment on beginning fund balance is as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Fund balance at December 31, 1997	\$183,325	\$0
Reclassification of disbursements	<u>29,956</u>	<u>(29,435)</u>
Fund balance at January 1, 1998	<u>\$213,281</u>	<u>(\$29,435)</u>

**3. BUDGETARY ACTIVITY**

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

**1999 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$134,767	\$160,385	\$25,618
Special Revenue	<u>38,044</u>	<u>39,530</u>	<u>1,486</u>
Total	<u>\$172,811</u>	<u>\$199,915</u>	<u>\$27,104</u>

**1999 Budgeted vs. Actual Budgetary Basis Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$180,044	\$175,813	\$4,231
Special Revenue	<u>50,119</u>	<u>39,061</u>	<u>11,058</u>
Total	<u>\$230,163</u>	<u>\$214,874</u>	<u>\$15,289</u>

**PRESERVATION PARKS OF DELAWARE COUNTY  
DELAWARE COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

<b>1998 Budgeted vs. Actual Receipts</b>			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$153,364	\$163,659	\$10,295
Special Revenue	48,276	35,367	(12,909)
Total	\$201,640	\$199,026	(\$2,614)

<b>1998 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$182,461	\$168,364	\$14,097
Special Revenue	35,367	36,321	(954)
Total	\$217,828	\$204,685	\$13,143

**4. DEBT**

Debt outstanding at December 31, 1999, was as follows:

	Principal	Interest Rate
Mortgage Agreement	\$43,142	5.70%
Total	\$43,142	

The District entered an agreement on April 13, 1998, in the amount of \$56,000 at 5.70% for a term of four years to acquire additional park land. The Park agreed to purchase the land for \$70,000, pay a down payment at closing in the amount of \$14,000, and make annual principal and interest payments in the amount of \$16,050. Interest and principal payments are due annually to the mortgage holder.

**PRESERVATION PARKS OF DELAWARE COUNTY  
DELAWARE COUNTY**

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

**4. DEBT (Continued)**

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

<u>Year ending December 31:</u>	<u>Mortgage Note</u>
2000	\$16,050
2001	16,050
2002	16,050
Total	<u><u>\$48,150</u></u>

In addition to the debt described above, the District has a line of credit of \$50,000 at an interest rate of 10.5%, which is used for park expansion projects. The amount due at December 31, 1999, was \$16,488; the amount available at December 31, 1999, was \$33,791. Total interest paid during the year ended December 31, 1999, was \$552.

**5. RETIREMENT SYSTEM**

The District's 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 PERS contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries. The District has paid all contributions required through December 31, 1999.

**6. RISK MANAGEMENT**

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Errors and omissions

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

**7. SUBSEQUENT EVENTS**

The District passed a tax levy in November 1999. The District will begin receiving tax revenue from the levy during 2000.

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

Preservation Parks of Delaware County  
Delaware County  
2656 Hogback Road  
Sunbury, Ohio 43074

To the Board of Commissioners:

We have audited the accompanying financial statements of the Preservation Parks of Delaware County, Delaware County, Ohio (the District), as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated May 17, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

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

### Internal Control Over Financial Reporting

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

Preservation Parks of Delaware County  
Delaware County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

This report is intended for the information and use of the management and Board of 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", with a large, stylized flourish at the end.

**JIM PETRO**  
Auditor of State

May 17, 2000





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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**PRESERVATION PARKS OF DELAWARE COUNTY**

**DELAWARE 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  
JULY 6, 2000**