



**SANDUSKY PARK DISTRICT
SANDUSKY 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

Sandusky Park District
Sandusky County
1970 Countryside Drive
Fremont, Ohio 43420-8750

To the Board of Trustees:

We have audited the accompanying financial statements of the Sandusky Park District, Sandusky County, Ohio, (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 April 24, 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 Trustees, 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". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

April 24, 2000

**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 Type</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
General Property Tax - Real Estate	\$265,248		\$265,248
Tangible Personal Property Tax	78,982		78,982
Grants	95,142		95,142
Investment Income	17,485		17,485
Gifts and Donations	6,511		6,511
Fees	129,409		129,409
Sales	12,284		12,284
Other Receipts	24,721	\$2,489	27,210
Total Cash Receipts	<u>629,782</u>	<u>2,489</u>	<u>632,271</u>
Cash Disbursements:			
Current:			
Salaries - Employees	272,705		272,705
Supplies	39,385	79,818	119,203
Materials	9,695		9,695
Equipment	39,088		39,088
Contracts - Repair	5,475		5,475
Contracts - Services	88,024	17,846	105,870
Rentals	6,462		6,462
Advertising and Printing	11,150		11,150
Travel	4,864		4,864
Public Employees Retirement	60,202		60,202
Workers' Compensation	1,221		1,221
Medicare	3,007		3,007
Grants	10,000		10,000
Other	12,003		12,003
Total Cash Disbursements	<u>563,281</u>	<u>97,664</u>	<u>660,945</u>
Total Receipts Over/(Under) Disbursements	<u>66,501</u>	<u>(95,175)</u>	<u>(28,674)</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		68,000	68,000
Transfers-Out	(68,000)		(68,000)
Total Other Financing Receipts/(Disbursements)	<u>(68,000)</u>	<u>68,000</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts (Under) Cash Disbursements and Other Financing Disbursements	(1,499)	(27,175)	(28,674)
Fund Cash Balances, January 1	202,002	116,382	318,384
Fund Cash Balances, December 31	<u>\$200,503</u>	<u>\$89,207</u>	<u>\$289,710</u>
Reserves for Encumbrances, December 31	<u>\$5,405</u>	<u>\$0</u>	<u>\$5,405</u>

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

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

	<u>Governmental Fund Type</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
General Property Tax - Real Estate	\$263,645	\$0	\$263,645
Tangible Personal Property Tax	75,792		75,792
Grants	26,658	2,000	28,658
Investment Income	14,446		14,446
Gifts and Donations	6,766	11,049	17,815
Fees	122,045		122,045
Sales	11,256		11,256
Other Receipts	20,934		20,934
Total Cash Receipts	<u>541,542</u>	<u>13,049</u>	<u>554,591</u>
Cash Disbursements:			
Current:			
Salaries - Employees	265,239		265,239
Supplies	40,434	14,718	55,152
Materials	7,342		7,342
Equipment	31,148		31,148
Contracts - Repair	5,631	461	6,092
Contracts - Services	56,235	11,990	68,225
Rentals	4,485		4,485
Advertising and Printing	11,933		11,933
Travel	8,521		8,521
Public Employees Retirement	56,385		56,385
Workers' Compensation	382		382
Medicare	2,927		2,927
Grants	10,000		10,000
Other	16,525		16,525
Total Cash Disbursements	<u>517,187</u>	<u>27,169</u>	<u>544,356</u>
Total Receipts Over/(Under) Disbursements	<u>24,355</u>	<u>(14,120)</u>	<u>10,235</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		28,362	28,362
Transfers-Out	(28,362)		(28,362)
Total Other Financing Receipts/(Disbursements)	<u>(28,362)</u>	<u>28,362</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(4,007)	14,242	10,235
Fund Cash Balances, January 1	206,009	102,140	308,149
Fund Cash Balances, December 31	<u>\$202,002</u>	<u>\$116,382</u>	<u>\$318,384</u>
Reserves for Encumbrances, December 31	<u>\$2,632</u>	<u>\$0</u>	<u>\$2,632</u>

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

In accordance with Ohio Revised Code, the District's cash is held and invested by the Sandusky 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.

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:

Park Trail Fund - This fund receives grant monies and donations for constructing and maintaining the Park Trail.

NatureWorks Fund - This fund receives grant monies to improve the parks.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 or object level of control, and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

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 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.

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. 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	\$544,466	\$629,782	\$85,316
Special Revenue	65,000	70,489	5,489
Total	\$609,466	\$700,271	\$90,805

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

2. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$678,203	\$636,686	\$41,517
Special Revenue	167,000	97,664	69,336
Total	<u>\$845,203</u>	<u>\$734,350</u>	<u>\$110,853</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$472,502	\$541,542	\$69,040
Special Revenue	152,897	41,411	(111,486)
Total	<u>\$625,399</u>	<u>\$582,953</u>	<u>(\$42,446)</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$627,807	\$548,181	\$79,626
Special Revenue	263,478	27,169	236,309
Total	<u>\$891,285</u>	<u>\$575,350</u>	<u>\$315,935</u>

3. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Park Commissioners. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the District.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the District.

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

4. RETIREMENT SYSTEM

The District's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PERS contributed 8.5% of their gross salaries for full-time employees and 9% for law enforcement employees. The District picks up the full-time employees' share and 8.5% of the full-time law enforcement employees portion. The law enforcement employees contribute .5%. Seasonal employees contribute 8.5%. The District contributed an amount equal to 13.55% of the full-time employees' and 16.7% of law enforcement employee's gross salaries. The District has paid all contributions required through December 31, 1999.

5. RISK MANAGEMENT

The District is a member of the County Risk Sharing Authority, Inc. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- General liability and casualty
- Vehicles
- Public official's 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**

Sandusky Park District
Sandusky County
1970 Countryside Drive
Fremont, Ohio 43420-8750

To the Board of Trustees:

We have audited the accompanying financial statements of Sandusky Park District, Sandusky County, Ohio, (the District) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated April 24, 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Sandusky Park District in a separate letter dated April 24, 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 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 April 24, 2000.

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

April 24, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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SANDUSKY PARK DISTRICT

SANDUSKY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 9, 2000**