



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



WOOD COUNTY PARK DISTRICT

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**REPORT OF INDEPENDENT ACCOUNTANTS**

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

To the Board of Commissioners:

We have audited the accompanying financial statements of the Wood County Park District (the District) as of and for the years ended December 31, 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 fund cash balance and reserve for encumbrances of the District as of December 31, 2001 and 2000, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2002 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, the Board of Park Commissioners and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

**Jim Petro**  
Auditor of State

June 13, 2002

**WOOD COUNTY PARK DISTRICT**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGE IN FUND CASH BALANCE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<b>General</b>
<b>Cash Receipts:</b>	
General Property Tax - Real Estate	\$1,144,421
Tangible Personal Property Tax	202,359
Grants	69,483
Investment Income	58,073
Gifts and Donations	11,407
Fees	31,139
Sales	1,850
Refunds	15,078
Other Receipts	12,156
 Total Cash Receipts	 1,545,966
<b>Cash Disbursements:</b>	
Current:	
Salaries - Employees	519,100
Supplies	38,562
Materials	5,922
Equipment	96,751
Contracts - Repair	16,542
Contracts - Services	174,412
Grants	65,776
Rentals	7,633
Advertising and Printing	9,609
Travel and Expenses	10,033
Public Employees Retirement	70,111
Workers' Compensation	9,347
Unemployment Compensation	2,940
Medicare	7,527
Capital Improvements	43,298
Land Acquisition	225,836
Other	27,193
 Total Cash Disbursements	 1,330,592
 Total Receipts Over Disbursements	 215,374
 Fund Cash Balance, January 1	 1,208,607
 <b>Fund Cash Balance, December 31</b>	 <b>\$1,423,981</b>
 Reserve for Encumbrances, December 31	 \$33,280

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

**WOOD COUNTY PARK DISTRICT**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGE IN FUND CASH BALANCE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<b>General</b>
<b>Cash Receipts:</b>	
General Property Tax - Real Estate	\$1,121,952
Tangible Personal Property Tax	228,241
Grants	104,969
Investment Income	61,945
Gifts and Donations	17,998
Fees	32,401
Sales	2,038
Refunds	858
Other Receipts	11,715
 Total Cash Receipts	 1,582,117
<b>Cash Disbursements:</b>	
Current:	
Salaries - Employees	483,701
Supplies	36,190
Materials	4,486
Equipment	79,277
Contracts - Repair	12,679
Contracts - Services	136,564
Grants	75,000
Rentals	7,525
Advertising and Printing	12,023
Travel and Expenses	7,027
Public Employees Retirement	60,228
Workers' Compensation	8,665
Medicare	7,014
Capital Improvements	133,201
Other	24,952
 Total Cash Disbursements	 1,088,532
 Total Receipts Over Disbursements	 493,585
 Fund Cash Balance, January 1	 715,022
 <b>Fund Cash Balance, December 31</b>	 <b>\$1,208,607</b>
 Reserve for Encumbrances, December 31	 \$22,348

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



**WOOD COUNTY PARK DISTRICT**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Wood County Park District (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a three-member Board of Commissioners appointed by the probate judge of Wood County. The District acquires lands for conversion into forest reserves and for the conservation of the natural resources, including streams, lakes, submerged lands and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of same as the Board deems conducive to the general welfare.

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

**B. Basis of Accounting**

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

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

**C. Cash and Investments**

As permitted by the Ohio Revised Code, the Wood County Treasurer holds the District's cash as custodian for the District. 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 fund into the following type:

**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.

**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 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

**WOOD COUNTY PARK DISTRICT**

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

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.

**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 2001 and 2000 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. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the basis of accounting the District uses.

**2. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,422,608	\$1,545,966	\$123,358

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,050,427	\$1,363,872	\$686,555

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,545,032	\$1,582,117	\$37,085

**WOOD COUNTY PARK DISTRICT**

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

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	<u>\$1,695,783</u>	<u>\$1,110,880</u>	<u>\$584,903</u>

For the fiscal year ended December 31, 2001 and 2000, the District's fiscal officer did not certify all funds prior to a purchase commitment being incurred.

**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.

**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 2001 and 2000, members of PERS and Law Enforcement PERS contributed 8.5% and 10.1% of their gross salaries respectively. The District contributed an amount equal to 13.55% for PERS and 16.7% for Law Enforcement participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13% for PERS and 14.7% for Law Enforcement effective July 1, 2000 through December 31, 2000. Starting January of 2001 PERS established a new classification - Public Service PERS. The members of Public Service PERS contributed 9% and the District contributed an amount equal to 16.7% participants' gross salaries for 2001. The District has paid all contributions required through December 31, 2001.

**5. RISK MANAGEMENT**

**Risk Pool Membership**

The District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty insurance for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund

**WOOD COUNTY PARK DISTRICT**

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

PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

PEP retains casualty risks up to \$250,000 per occurrence. Claims exceeding \$250,000 are reinsured with APEEP up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000, from the General Reinsurance Corporation.

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to a per-occurrence limit of \$2,000,000.

Property Coverage

PEP retains property risks, including automobile physical damage up to \$100,000 on any specific loss. The Travelers Indemnity Company reinsures specific losses exceeding \$100,000. The Travelers Indemnity Company also provides aggregate excess coverage for property including automobile physical damage subject to an annual stop loss. When the stop loss is reached in any year, The Travelers Indemnity Company provides coverage in excess of \$10,000.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31:

<u>Casualty Coverage</u>	<u>2001</u>	<u>2000</u>
Assets	\$19,358,458	\$17,112,129
Liabilities	(8,827,588)	(7,715,035)
Retained Earnings	\$10,530,870	\$9,397,094

  

<u>Property Coverage</u>	<u>2001</u>	<u>2000</u>
Assets	\$1,890,323	\$1,575,614
Liabilities	(469,100)	(281,561)
Retained Earnings	\$1,421,223	\$1,294,053

The District also provides health and life insurance, prescription, vision and dental coverage to full-time employees. This coverage is obtained through Wood County.



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

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

To the Board of Commissioners:

We have audited the accompanying financial statements of Wood County 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2001-60187-001. We also noted an immaterial instance 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.

Wood County Park District  
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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large loop at the end of the last name.

**Jim Petro**  
Auditor of State

June 13, 2002

**WOOD COUNTY PARK DISTRICT**

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

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

**FINDING NUMBER 2001-60187-001**

**Noncompliance Citation**

Ohio Revised Code § 5705.41(D) states that 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. Further, contracts and orders for expenditures lacking prior certification should be null and void.

This section also provides two exceptions to the above requirement:

- A. Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was appropriated and free of any previous encumbrance, the Board 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, if such expenditure is otherwise valid.
- B. If the amount involved is less than \$1,000 the fiscal officer may authorize it to be paid without the affirmation of the Park Board, if such expenditure is otherwise valid.

Fifty-seven percent of the transactions tested were not properly certified. Prior certification is not only required by Ohio law but is a key control in the disbursement process to assure that purchase commitments receive prior approval, and to help reduce the possibility of District funds being over expended or exceeding budgetary spending limitations as set by the Board.

We recommend the Park District obtain proper certification for all disbursements. Where prior certification is not feasible, we recommend the District utilize then and now certificates.

WOOD COUNTY PARK DISTRICT

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2001 AND 2000

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
1999-60187-001	ORC § 5705.41(D), failure to certify funds	No	will repeat as finding 2001-60187-001





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**WOOD COUNTY PARK DISTRICT**

**WOOD COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 23, 2002**