



**MEDINA COUNTY PARK DISTRICT  
MEDINA COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2007-2006**



**Mary Taylor, CPA**  
Auditor of State



**MEDINA COUNTY PARK DISTRICT  
MEDINA COUNTY**

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Medina County Park District  
Medina County  
6364 Deerview Lane  
Medina, Ohio 44256

To the Board of Commissioners:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Medina County Park District, Medina County, Ohio, (the District) as of and for the years ended December 31, 2007 and 2006, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Medina County Park District, Medina County, Ohio, as of December 31, 2007 and 2006, and the respective changes in cash financial position and the respective budgetary comparisons for the General Fund thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2008, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

April 2, 2008

Medina County Park District  
Management's Discussion and Analysis  
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This discussion and analysis of the Medina County Park District's (the Park District) financial performance provides an overall review of the Park District's financial activities for the years ended December 31, 2007 and 2006 within the limitations of the Park District's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Park District's financial performance.

**Highlights**

Key highlights for 2007 are as follows:

Net assets of governmental activities increased \$1,444,336, or 141.75 percent, a significant increase from the previous year. The Park District passed a new tax levy in 2006 which replaced the ½ mill levy with a new ½ mill levy and added ¼ mill resulting in a total collection rate of ¾ mill. Since the old levy had been replaced, the new levy resulted in the increase in the tax collections.

The Park District's general receipts are primarily property taxes and grants and entitlements not related to specific projects. These receipts represent respectively 32.3 percent and 15.4 percent of the total cash received from governmental activities during the year

The Park District continued to make transfers to capital accounts from its General Fund. Transfers in 2007 amounted to \$820,000 directed to three different capital improvement accounts which are utilized for projects such as outdoor education and park improvements.

The Park District made the final payments on bonds issued in 1999 for land acquisition and park development. During the year, the Park District acquired two major parcels of land. The receipt of a grant from the Clean Ohio Fund made it possible for the Park District to acquire Chippewa Lake, over 350 acres of land and water in Lafayette and Westfield Townships. Just over 38 acres of land was added to Hubbard Valley Park in Guilford Township. This property included a large conference center which will be rented to the public and used for Park District events.

To assist with the land acquisition projects, a tax-anticipation note in the amount of \$3,000,000 was issued by the Park District. It is anticipated that the note will be paid in 2008 with the issuance of bonds to be retired over a longer period of time.

The Park District continued to increase the number of programs offered to the public in 2007. A special self-guided hiking program was introduced to encourage residents to explore the county parks and was well received by the public.

Key highlights for 2006 are as follows:

Net assets of governmental activities were \$1,018,588. This represents a decrease in net assets of \$1,195,400 or 54 percent. This decrease in net assets was anticipated due to the age of the Park District's levy and continued capital investments in land and facilities.

The Park District's general receipts are primarily property taxes and grants and entitlements not restricted to specific programs. These receipts represent respectively 60.9 percent and 30.4 percent of the total cash received for governmental activities during the year. Property tax receipts for 2006 increased by 5.28 percent compared to 2005 as residential development within the Medina County has continued to be strong.

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The Park District continued to make transfers to capital accounts from its General Fund. Transfers in 2006 amounted to \$217,500 directed to three different capital improvement accounts which are utilized for projects such as land acquisition and park improvements.

The Park District updated its master plan in 2006. The park staff developed a plan for the period 2007 through 2016 and presented it to the public through a series of meetings held around the county. The board of commissioners placed a ½ mill replacement levy with a ¼ mill increase on the November ballot to fund the new master plan. That issue was passed by 54 percent of the voters and resulted in increased collections for 2007.

The Park District continued to make payments on bonds issued in 1999 for land acquisition and park development. Work began on two major trail projects at Buckeye Woods Park and the Chippewa Rail Trail. Both projects are supported by grants from the Ohio Department of Transportation and the Ohio Department of Natural Resources, Division of Real Estate. These projects will add almost five miles of additional trails to the Park District's system.

### **Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Park District's cash basis of accounting.

#### **Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the Park District as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Park District as a way to segregate money that its use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

#### **Basis of Accounting**

The basis of accounting is a set of guidelines that determines when financial events are recorded. The Park District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally-accepted accounting principles. Under the Park District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.



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**Reporting the Park District as a Whole**

The Medina County Park District is organized under Section 1545 of the Ohio Revised Code. Established by order of the Probate Court in 1965, its area includes all of Medina County with the exception of Hinckley Township which is part of the Cleveland Metroparks District.

The statement of net assets and the statement of activities reflect how the Park District did financially during 2007 and 2006, within the limitations of cash-basis accounting. The statement of net assets presents the cash balances and investments of the governmental-type activities of the Park District at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Park District's general receipts.

These statements report the Park District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Park District's financial health. Over time, increases or decreases in the Park District's cash position is one indicator of whether the Park District's financial health is improving or deteriorating. When evaluating the Park District's financial condition, you should also consider other nonfinancial factors as well such as the Park District's property tax base, the condition of the Park District's capital assets and infrastructure, the extent of the Park District's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the statement of net assets and the statement of activities, the Park District has one type of activity:

Governmental activities. All of the Park District's basic services are reported here, including operations, construction and land acquisition. State and federal grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**Reporting the Park District's Most Significant Funds**

Fund financial statements provide detailed information about the Park District's major funds – not the Park District as a whole. The Park District establishes separate funds to better manage its many activities and to help demonstrate that money is being spent for the intended purposes.

Governmental Funds – All of the Park District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Park District's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Park District's programs. The Park District's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds with activity or balances that are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Park District's major governmental funds are the General, Major Park Development, Allardale Development, Outdoor Education and Grants Funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

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**The Park District as a Whole**

Table 1 provides a summary of the Park District's net assets for 2007 compared to 2006 and 2005 on a cash basis:

(Table 1)  
**Net Assets**

Asset	Governmental Activities		
	2007	2006	2005
Equity in Pooled Cash and Cash Equivalents	\$2,462,924	\$1,018,588	\$ 2,213,989
<b>Net Assets</b>			
Restricted for:			
Capital Projects	732,242	630,376	735,806
Unrestricted	1,730,682	388,212	1,478,183
Total Net Assets	\$2,462,924	\$1,018,588	\$2,213,989

In 2007, the net assets of governmental activities increased by \$1,444,336 or 141.75 percent. The primary reason contributing to the increase was the passage of a new levy by the Park District in 2006. The Park District replaced its ½ mill levy with a new ¾ mill levy which resulted in an increase tax collections in 2007.

As mentioned previously, net assets of governmental activities decreased \$1,195,400 or 54 percent during 2006. The primary reasons contributing to the decreases in cash balances are as follows:

- Continued investment in capital projects including land acquisition and park developments. In 2006, the Park District received \$1,422,393 less in capital grants and contributions.
- Fringe benefit costs to the Park District continued to increase with rising workers' compensation costs and a required increase in the cost of the contributions to the Ohio public employee retirement system.

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Table 2 reflects the changes in net assets in 2007, 2006 and 2005.

	(Table 2) Changes in Net Assets		
	Governmental Activities 2007	Governmental Activities 2006	Governmental Activities 2005
Receipts:			
Program Cash Receipts:			
Charges for Services and Sales	\$97,591	\$20,607	\$19,941
Operating Grants and Contributions	62,373	5,785	7,619
Capital Grants and Contributions	1,198,341	85,600	1,507,993
Total Program Cash Receipts	<u>1,358,305</u>	<u>111,992</u>	<u>1,535,553</u>
General Receipts:			
Property Taxes Levied for General Park Purposes	2,785,402	1,457,240	1,384,037
Grants and Entitlements Not Restricted	1,332,045	727,137	745,996
Investment Income	111,453	56,001	64,431
Sale of Capital Assets			1,800
Note Proceeds	3,000,000		
Miscellaneous	40,963	41,003	62,777
Total General Receipts	<u>7,269,863</u>	<u>2,281,381</u>	<u>2,259,041</u>
Total Cash Receipts	<u>8,628,168</u>	<u>2,393,373</u>	<u>3,794,594</u>
Cash Disbursements:			
Salaries - Employees	878,823	809,084	784,318
Workers' Compensation	13,310	8,091	3,922
Public Employees Retirement	123,709	112,636	107,825
Medicare	11,880	10,915	10,613
Hospitalization	136,908	121,984	116,726
Supplies	19,080	17,380	17,023
Materials	115,809	57,080	106,837
Equipment	98,406	95,412	91,541
Equipment - Rental	4,891	3,743	7,011
Contracts - Repair	4,861	1,012	852
Contracts - Services	1,287,881	376,622	305,850
Advertising and Printing	25,547	22,368	25,282
Travel	36,593	29,719	29,293
Rent	260	130	130
Capital Outlay	3,683,593	1,071,077	1,514,632
Debt Service:			
Payment of Principal	639,080	691,861	665,802
Payment of Interest	28,416	53,984	82,443
Other	74,785	105,676	62,602
Total Cash Disbursements	<u>7,183,832</u>	<u>3,588,774</u>	<u>3,932,702</u>
Change in Net Assets	1,444,336	(1,195,401)	(138,108)
Net Assets, January 1	<u>1,018,588</u>	<u>2,213,989</u>	<u>2,352,097</u>
Net Assets, December 31	<u>\$2,462,924</u>	<u>\$1,018,588</u>	<u>\$2,213,989</u>

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Program cash receipts represented 15.7 percent of total receipts in 2007 and included receipts such as picnic-shelter rentals, instructional program fees and grants for land acquisition. Program cash receipts represented 4.7 percent of total receipts in 2006 and included receipts such as picnic-shelter rentals, and instructional program fees.

In 2007, general receipts represented 84.3 percent of the Park District's total receipts, and, of this amount, 38.3 percent were local taxes. State and federal grants and entitlements accounted for 18.3 percent of the general receipts. A tax anticipation note issued in 2007 for land acquisition projects represented 41.3 percent of general receipts. In 2006, general receipts represented 95.3 percent of the Park District's total receipts, and, of this amount, 63.9 percent were local taxes. State and federal grants and entitlements made up the balance of the Park District's general receipts (31.8 percent) in 2006. Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for Government Activities represent the overhead costs of running the Park District and the support services provided for the other Park District activities. These include the costs of personnel, materials, and supplies for the operation of the Park District.

**Governmental Activities**

If you look at the Statement of Activities on pages 16 through 19, you will see that the first column lists the major services provided by the Park District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for personnel to maintain the parks and provide public programs, which accounts for 16.2 percent of all governmental disbursements in 2007 and 29.6 percent in 2006. Capital outlay also represents a major portion of expenses for the Park District in 2007 at 51.3 percent of all government disbursements. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Government that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented in Table 2 on page 7. A comparison between the total cost of services and the net cost is presented in Table 3.

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(Table 3)

	<b>Governmental Activities</b>					
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2007	2007	2006	2006	2005	2005
Salaries - Employees	\$878,823	\$863,909	\$809,084	\$802,420	\$784,318	\$773,051
Workers' Compensation	13,310	13,084	8,091	8,025	3,922	3,866
Public Employees Retirement	123,709	121,610	112,636	111,709	107,825	106,276
Medicare	11,880	11,678	10,915	10,825	10,613	10,460
Hospitalization	136,908	134,584	121,984	120,979	116,726	115,049
Supplies	19,080	(48,372)	17,380	17,282	17,023	16,700
Materials	115,809	105,719	57,080	56,758	106,837	105,592
Equipment	98,406	94,347	95,412	94,641	91,541	90,043
Equipment - Rental	4,891	4,680	3,743	3,713	7,011	6,966
Contracts - Repair	4,861	4,779	1,012	1,002	852	840
Contracts - Services	1,287,881	808,369	376,622	375,345	305,850	303,080
Advertising and Printing	25,547	25,113	22,368	22,189	25,282	24,877
Travel	36,593	35,972	29,719	29,474	29,293	28,872
Rent	260	255	130	129	130	127
Capital Outlay	3,683,593	2,931,855	1,071,077	1,062,255	1,514,632	97,752
Debt Service:						
Principal Retirement	639,080	616,872	691,861	607,426	665,802	578,395
Payment of Interest	28,416	27,557	53,984	48,033	82,443	73,501
Other	74,785	73,516	105,676	104,576	62,602	61,702
Total Expenses	<u>\$7,183,832</u>	<u>\$5,825,527</u>	<u>\$3,588,774</u>	<u>\$3,476,781</u>	<u>\$3,932,702</u>	<u>\$2,397,149</u>

The dependence upon property-tax receipts is apparent as 38.8 percent of governmental activities in 2007 were supported through these general receipts, 40.6 percent in 2006 and 35.2 percent in 2005. (It should be noted that 34.8 percent of general receipts in 2007 represented income from a tax anticipation note which will be paid in the future with property-tax receipts.)

**The Park District's Funds**

In 2007, total Park District funds had receipts of \$8,628,168 and disbursements of \$7,183,832. The greatest change within governmental funds occurred within the capital outlay funds as a result of the purchase of several parcels of real estate. The receipt of grants in the amount of \$701,124 assisted with the purchase of real estate in 2007.

Receipts and other sources in the General Fund exceeded disbursements and other uses by \$1,342,470. The fund balance of the General Fund increased by that amount. The increase in the General fund can largely be attributed to the increased tax receipts from the new levy passed in 2006. The financial plan created for the Park District which supported the levy passed by the voters anticipated this increase in the General Fund balance.

In 2006, total Park District funds had receipts of \$2,393,373 and disbursements of \$3,588,774. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund decreased \$1,089,971 largely due to \$1,071,077 in capital outlay costs for park improvements and land acquisition. This decrease was anticipated.

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The levy supporting the Park District was eight years old in 2006. After review of projected needs and with community input, the board of commissioners sought additional funding for the Park District with a ballot issue in November of 2006. That levy was approved and will result in a positive impact on the general fund in the future.

The Major Park Development Fund provides funding for capital development projects within the Park District. Activities such as road and parking lot construction, construction of shelters and other park amenities are funded through this account. The Park District transfers funds from the General Fund each year to this account. A grant received for the construction of the Chippewa Rail Trail and another grant for the construction of the Chippewa Inlet Trail boosted the Park District's ability to make park improvements. Both of these grants overlapped 2007 and 2006. The cash balance carryover at the beginning at the end of 2007 was down slightly from 2006. Anticipated construction projects contributed to this decline. The final payment of \$79,250 was made in 2007 to repay funds borrowed in 1999 bonds for park construction. At the end of 2006, the cash balance in the fund grew from \$232,450 to \$313,832. Delay in the start of a construction project at Hidden Hollow Park led to this increase.

The Allardale Development Fund was established by the board to fund park improvements on land donated by the Allard family. Transfers are made to this fund each year from the General Fund to build reserves for construction projects. At the end of 2007, the balance in the fund grew slightly from 2006. No major construction activities took place in 2007. At the end of 2006, the balance grew by just over \$35,000 as a result of a delayed transfer to the account from the General Fund. Again, no major projects were undertaken by this account in 2006.

The Outdoor Education Fund set aside monies for projects and operations of the Wolf Creek Environmental Center. Since the opening of the facility in 2000, funds from this account are used for capital improvements and materials and supplies for the outdoor education program. The cash carryover balance in this fund dropped to \$98,836 in 2007 from \$283,242 in 2006. This change was due to the construction of a new maintenance facility and was anticipated. Other expenditures in 2007 from this fund were routine in nature. In 2006, fund were utilized for the construction project which was ninety percent (90%) completed by the end of the year.

The Grants Fund was established to track funding received by the Park District for capital improvement projects. In 2007, \$1,062,644 was attributed to this fund for the receipt of grants for the purchase of land and the construction of the Chippewa Rail Trail. In 2006, \$85,600 was received to make the final payment on the purchase of a parcel of land funded through a wetland mitigation project managed by the North Coast Regional Council of Park Districts.

### **General Fund Budgeting Highlights**

The Park District's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

In 2007, receipts were budgeted at \$4,135,199, and final receipts were \$4,307,418. The increased income was primarily due to an increase in actual tax receipts from the new levy as well as a slight increase in the local government fund. Final disbursements were budgeted at \$6,270,004 while actual disbursements were \$5,175,460. The reduction in expenditures was related to savings in employee costs and less capital outlay. Some budgeted positions were not filled at the beginning of the year and hospitalization costs were lower than anticipated. The Park District kept spending very close to budgeted amounts as demonstrated by the minor reported variances. The unencumbered balance at the end of 2007 increased to \$1,702,679 from the previous year's balance of \$362,060.

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In 2006, receipts were budgeted at \$4,032,321, and final receipts were \$2,252,600. An anticipated transfer from another governmental agency did not occur, resulting in the variance. Final disbursements were budgeted at \$4,036,582 while actual disbursements were \$3,153,423. The variance is attributed to a reduction in operational expenses in both personnel general expenses, and capital outlay. The unencumbered balance at the end of 2006 was \$362,060, a decrease from 2005 when the balance at the end of the year was \$1,436,839. This decrease was anticipated in the budgeting process.

**Debt Administration**

**Debt**

At December 31, 2007, the Park District's outstanding debt included \$3,000,000 in a tax anticipation note for land acquisition projects. During 2007, the final payments for a bond issued by the Park District in 1999 were made.

At December 31, 2006, the Park District's outstanding debt included \$639,079 in general obligation bonds issued for land acquisition and park improvements.

For further information regarding the Park District's debt, refer to note 8 of the basic financial statements.

**Current Issues**

The Park District has enjoyed solid support from the citizens of Medina County and is known for its well-maintained parks and facilities. Passage of a new levy for the Park District in 2006 to replace the levy set to expire at the end of 2007 ensures funding for operation of the Park District through 2016. Careful financial planning will be important with the projected loss of tangible personal property tax in the coming years along with continued slow growth of the local government fund. The Park District will continue to work on the expansion of park facilities as well as additional land acquisition.

**Contacting the Park District's Financial Management**

This financial report is designed to provide our citizens and creditors with a general overview of the Park District's finances and to reflect the Park District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Thomas K. James, Director, Medina County Park District, 6364 Deerview Lane, Medina, Ohio 44256.

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**Medina County Park District**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2007*

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	<u>Governmental Activities</u>
<b>Asset</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$2,462,924</u>
<b>Net Assets</b>	
Restricted for:	
Capital Projects	\$732,242
Unrestricted	<u>1,730,682</u>
<i>Total Net Assets</i>	<u>\$2,462,924</u>

See accompanying notes to the basic financial statements

**Medina County Park District**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2006*

	<u>Governmental Activities</u>
<b>Asset</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$1,018,588</u>
<b>Net Assets</b>	
Restricted for:	
Capital Projects	\$630,376
Unrestricted	<u>388,212</u>
<i>Total Net Assets</i>	<u>\$1,018,588</u>

See accompanying notes to the basic financial statements

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**Medina County Park District**  
*Statement of Activities - Cash Basis*  
For the Year Ended December 31, 2007

	Program Cash Receipts			
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
Current:				
Salaries - Employees	\$878,823	\$5,223	\$9,691	
Workers' Compensation	13,310	79	147	
Public Employees Retirement	123,709	735	1,364	
Medicare	11,880	71	131	
Hospitalization	136,908	814	1,510	
Supplies	19,080	67,065	387	
Materials	115,809	257	1,172	\$8,661
Equipment	98,406	469	1,018	2,572
Equipment - Rental	4,891	19	51	141
Contracts - Repair	4,861	29	53	
Contracts - Services	1,287,881	794	5,911	472,807
Advertising and Printing	25,547	152	282	
Travel	36,593	217	404	
Rent	260	2	3	
Capital Outlay	3,683,593	17,725	32,889	701,124
Debt Service:				
Payment of Principal	639,080	3,342	6,248	12,618
Payment of Interest	28,416	154	287	418
Other	74,785	444	825	
<b>Total Governmental Activities</b>	<b>\$7,183,832</b>	<b>\$97,591</b>	<b>\$62,373</b>	<b>\$1,198,341</b>

**General Receipts**

Property Taxes Levied for  
General Park District Purposes  
Grants and Entitlements not Restricted to Specific Programs  
Investment Income  
Note Proceeds  
Miscellaneous

*Total General Receipts*

Change in Net Assets

*Net Assets Beginning of Year*

*Net Assets End of Year*

See accompanying notes to the basic financial statements

Net (Cash Disbursements)  
Cash Receipts and Changes  
in Net Assets

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Governmental  
Activities

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(\$863,909)  
(13,084)  
(121,610)  
(11,678)  
(134,584)  
48,372  
(105,719)  
(94,347)  
(4,680)  
(4,779)  
(808,369)  
(25,113)  
(35,972)  
(255)  
(2,931,855)

(616,872)  
(27,557)  
(73,516)

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(\$5,825,527)

2,785,402  
1,332,045  
111,453  
3,000,000  
40,963

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7,269,863

1,444,336

1,018,588

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\$2,462,924

**Medina County Park District**  
*Statement of Activities - Cash Basis*  
For the Year Ended December 31, 2006

	Program Cash Receipts			
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
Current:				
Salaries - Employees	\$809,084	\$5,331	\$1,332	
Workers' Compensation	8,091	53	13	
Public Employees Retirement	112,636	742	185	
Medicare	10,915	72	18	
Hospitalization	121,984	804	201	
Supplies	17,380	75	23	
Materials	57,080	251	71	
Equipment	95,412	616	155	
Equipment - Rental	3,743	24	6	
Contracts - Repair	1,012	7	3	
Contracts - Services	376,622	786	491	
Advertising and Printing	22,368	143	36	
Travel	29,719	196	49	
Rent	130	1		
Capital Outlay	1,071,077	7,058	1,764	
Debt Service:				
Payment of Principal	691,861	3,548	887	\$80,000
Payment of Interest	53,984	281	70	5,600
Other	105,676	619	481	
<i>Total Governmental Activities</i>	<u>\$3,588,774</u>	<u>\$20,607</u>	<u>\$5,785</u>	<u>\$85,600</u>

**General Receipts**

Property Taxes Levied for  
General Park District Purposes  
Grants and Entitlements not Restricted to Specific Programs  
Investment Income  
Miscellaneous

*Total General Receipts*

Change in Net Assets

*Net Assets Beginning of Year*

*Net Assets End of Year*

See accompanying notes to the basic financial statements

Net (Cash Disbursements)  
Cash Receipts and Changes  
in Net Assets

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Governmental  
Activities

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(\$802,421)  
(8,025)  
(111,709)  
(10,825)  
(120,979)  
(17,282)  
(56,758)  
(94,641)  
(3,713)  
(1,002)  
(375,345)  
(22,189)  
(29,474)  
(129)  
(1,062,255)

(607,426)  
(48,033)  
(104,576)

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(\$3,476,782)

1,457,240  
727,137  
56,001  
41,003

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2,281,381

(1,195,401)

2,213,989

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\$1,018,588

**Medina County Park District**  
*Statement of Cash Basis Assets and Fund Balances*  
 Governmental Funds  
 December 31, 2007

	General	Major Park Development	Allardale Development	Outdoor Education	Other Governmental Funds	Total Governmental Funds
<b>Asset</b>						
Equity in Pooled Cash and Cash Equivalents	\$1,730,682	\$326,936	\$143,491	\$94,921	\$166,894	\$2,462,924
<b>Fund Balances</b>						
Reserved:						
Reserved for Encumbrances	28,003	47,934		11,136		87,073
Unreserved:						
Undesignated, Reported in:						
General Fund	1,702,679					1,702,679
Capital Projects Funds		279,002	143,491	83,785	166,894	673,172
<b>Total Fund Balances</b>	<u>\$1,730,682</u>	<u>\$326,936</u>	<u>\$143,491</u>	<u>\$94,921</u>	<u>\$166,894</u>	<u>\$2,462,924</u>

See accompanying notes to the basic financial statements



**Medina County Park District**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2006*

	General	Major Park Development	Allardale Development	Outdoor Education	Other Governmental Funds	Total Governmental Funds
<b>Asset</b>						
Equity in Pooled Cash and Cash Equivalents	\$388,212	\$325,496	\$110,336	\$119,992	\$74,552	\$1,018,588
<b>Fund Balances</b>						
Reserved:						
Reserved for Encumbrances	26,153	11,664	214	21,156		59,187
Unreserved:						
Undesignated, Reported in:						
General Fund	362,059					362,059
Capital Projects Funds		313,832	110,122	98,836	74,552	597,342
<i>Total Fund Balances</i>	<u>\$388,212</u>	<u>\$325,496</u>	<u>\$110,336</u>	<u>\$119,992</u>	<u>\$74,552</u>	<u>\$1,018,588</u>

See accompanying notes to the basic financial statements

**Medina County Park District**  
*Statement of Cash Receipts, Cash Disbursements and  
Changes in - Cash Basis Fund Balances Governmental Funds  
For the Year Ended December 31, 2007*

	General	Major Park Development	Allardale Development	Outdoor Education	Grants	Other Governmental Funds	Total Governmental Funds
<b>Cash Receipts</b>							
Property Taxes	\$2,785,402						\$2,785,402
Intergovernmental	1,332,045	\$135,677			\$1,062,664		2,530,386
Investment Income	79,742	14,270	\$6,330	\$5,161		\$5,950	111,453
Sales	3,133						3,133
Fees	27,458					67,000	94,458
Gifts and Donations	56,763	500		5,110			62,373
Other Receipts	22,875	600	6,600	8,342			38,417
<i>Total Cash Receipts</i>	<u>4,307,418</u>	<u>151,047</u>	<u>12,930</u>	<u>18,613</u>	<u>1,062,664</u>	<u>72,950</u>	<u>5,625,622</u>
<b>Cash Disbursements</b>							
Current:							
Salaries - Employees	878,823						878,823
Workers' Compensation	13,310						13,310
Public Employees Retirement	123,709						123,709
Medicare	11,880						11,880
Hospitalization	136,908						136,908
Supplies	10,999			7,473		608	19,080
Materials	43,267	52,639	1,272	18,631			115,809
Equipment	78,866	15,635		3,905			98,406
Equipment - Rental	3,281	860	321	429			4,891
Contracts - Repair	4,861						4,861
Contracts - Services	133,633	676,280	3,182	113,246	361,540		1,287,881
Advertising and Printing	25,547						25,547
Travel	36,593						36,593
Rent	260						260
Capital Outlay	2,982,469				701,124		3,683,593
Debt Service:							
Payment of Principal	562,390	76,690					639,080
Payment of Interest & Fees	25,876	2,540					28,416
Other	74,785						74,785
<i>Total Cash Disbursements</i>	<u>5,147,457</u>	<u>824,644</u>	<u>4,775</u>	<u>143,684</u>	<u>1,062,664</u>	<u>608</u>	<u>7,183,832</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>(840,039)</u>	<u>(673,597)</u>	<u>8,155</u>	<u>(125,071)</u>		<u>72,342</u>	<u>(1,558,210)</u>
<b>Other Financing Sources (Uses)</b>							
Transfers In		675,000	25,000	100,000		20,000	820,000
Transfers Out	(820,000)						(820,000)
Refunds	2,138	37					2,175
Reimbursements	371						371
Note Proceeds	3,000,000						3,000,000
<i>Total Other Financing Sources (Uses)</i>	<u>2,182,509</u>	<u>675,037</u>	<u>25,000</u>	<u>100,000</u>		<u>20,000</u>	<u>3,002,546</u>
<i>Net Change in Fund Balances</i>	<u>1,342,470</u>	<u>1,440</u>	<u>33,155</u>	<u>(25,071)</u>		<u>92,342</u>	<u>1,444,336</u>
<i>Fund Balances Beginning of Year</i>	<u>388,212</u>	<u>325,496</u>	<u>110,336</u>	<u>119,992</u>		<u>74,552</u>	<u>1,018,588</u>
<i>Fund Balances End of Year</i>	<u>\$1,730,682</u>	<u>\$326,936</u>	<u>\$143,491</u>	<u>\$94,921</u>	<u>\$0</u>	<u>\$166,894</u>	<u>\$2,462,924</u>

See accompanying notes to the basic financial statements

**Medina County Park District**  
*Statement of Cash Receipts, Cash Disbursements and  
 Changes in - Cash Basis Fund Balances Governmental Funds  
 For the Year Ended December 31, 2006*

	General	Major Park Development	Allardale Development	Outdoor Education	Grants	Other Governmental Funds	Total Governmental Funds
<b>Cash Receipts</b>							
Property Taxes	\$1,457,240						\$1,457,240
Intergovernmental	727,137				\$85,600		812,737
Investment Income	24,854	\$12,632	\$4,342	\$10,961		\$3,212	56,001
Sales	9,755						9,755
Fees	10,852						10,852
Gifts and Donations	5,150		500	135			5,785
Other Receipts	17,612	1,200	14,600	1,275			34,687
<i>Total Cash Receipts</i>	<u>2,252,600</u>	<u>13,832</u>	<u>19,442</u>	<u>12,371</u>	<u>85,600</u>	<u>3,212</u>	<u>2,387,057</u>
<b>Cash Disbursements</b>							
Current:							
Salaries - Employees	809,084						809,084
Workers' Compensation	8,091						8,091
Public Employees Retirement	112,636						112,636
Medicare	10,915						10,915
Hospitalization	121,984						121,984
Supplies	11,435			5,945			17,380
Materials	38,060	10,938	211	4,622		3,249	57,080
Equipment	93,428			1,984			95,412
Equipment - Rental	3,580			163			3,743
Contracts - Repair	1,012						1,012
Contracts - Services	119,350	46,644	6,020	204,582		26	376,622
Advertising and Printing	21,820	348		200			22,368
Travel	29,719						29,719
Rent	130						130
Capital Outlay	1,071,077						1,071,077
Debt Service:							
Payment of Principal	538,438	73,423			80,000		691,861
Payment of Interest & Fees	42,578	5,806			5,600		53,984
Other	93,934		11,742				105,676
<i>Total Cash Disbursements</i>	<u>3,127,271</u>	<u>137,159</u>	<u>17,973</u>	<u>217,496</u>	<u>85,600</u>	<u>3,275</u>	<u>3,588,774</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>(874,671)</u>	<u>(123,327)</u>	<u>1,469</u>	<u>(205,125)</u>		<u>(63)</u>	<u>(1,201,717)</u>
<b>Other Financing Sources (Uses)</b>							
Transfers In		197,500	10,000	10,000			217,500
Transfers Out	(217,500)						(217,500)
Refunds	1,845						1,845
Reimbursements	355	4,110		6			4,471
<i>Total Other Financing Sources (Uses)</i>	<u>(215,300)</u>	<u>201,610</u>	<u>10,000</u>	<u>10,006</u>			<u>6,316</u>
<i>Net Change in Fund Balances</i>	<u>(1,089,971)</u>	<u>78,283</u>	<u>11,469</u>	<u>(195,119)</u>		<u>(63)</u>	<u>(1,195,401)</u>
<i>Fund Balances Beginning of Year</i>	<u>1,478,183</u>	<u>247,213</u>	<u>98,867</u>	<u>315,111</u>		<u>74,615</u>	<u>2,213,989</u>
<i>Fund Balances End of Year</i>	<u>\$388,212</u>	<u>\$325,496</u>	<u>\$110,336</u>	<u>\$119,992</u>	<u>\$0</u>	<u>\$74,552</u>	<u>\$1,018,588</u>

See accompanying notes to the basic financial statements

**Medina County Park District**  
*Statement of Receipts, Disbursements and*  
*Changes in Fund Balance - Budget and Actual - Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$3,029,059	\$3,029,059	\$2,785,402	(\$243,657)
Intergovernmental	968,077	968,077	1,332,045	363,968
Investment Income	57,953	57,953	79,742	21,789
Sales	2,277	2,277	3,133	856
Fees	19,955	19,955	27,458	7,503
Gifts and Donations	41,253	41,253	56,763	15,510
Other Receipts	16,625	16,625	22,875	6,250
<i>Total Receipts</i>	4,135,199	4,135,199	4,307,418	172,219
<b>Disbursements</b>				
Current:				
Salaries - Employees	913,688	908,388	878,823	29,565
Workers' Compensation	9,140	14,440	13,310	1,130
Unemployment	3,000	3,000		3,000
Public Employees Retirement	128,570	128,570	123,709	4,861
Medicare	13,248	13,248	11,880	1,368
Hospitalization	148,900	148,900	136,908	11,992
Supplies	15,722	17,222	11,367	5,855
Materials	50,221	52,221	45,391	6,830
Equipment	118,759	118,759	81,502	37,257
Equipment - Rental	7,370	7,370	3,281	4,089
Contracts - Repair	4,950	4,950	4,861	89
Contracts - Services	214,594	207,594	147,852	59,742
Advertising and Printing	32,620	32,620	27,798	4,822
Travel	36,351	38,851	38,362	489
Rent	275	275	260	15
Capital Outlay	3,879,960	3,879,960	2,982,469	897,491
Debt Service:				
Payment of Principal	562,500	562,500	562,390	110
Payment of Interest & Fees	19,500	26,000	25,876	124
Other	107,636	105,136	79,421	25,715
<i>Total Disbursements</i>	6,267,004	6,270,004	5,175,460	1,094,544
<i>Excess of Receipts Under Disbursements</i>	(2,131,805)	(2,134,805)	(868,042)	1,266,763
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(820,000)	(820,000)	(820,000)	
Refunds	1,554	1,554	2,138	584
Reimbursements	270	270	370	100
Note Proceeds	3,000,000	3,000,000	3,000,000	
<i>Total Other Financing Sources (Uses)</i>	2,181,824	2,181,824	2,182,508	684
<i>Net Change in Fund Balances</i>	50,019	47,019	1,314,466	1,267,447
Prior Year Encumbrances Appropriated	26,153	26,153	26,153	
<i>Fund Balances Beginning of Year</i>	362,060	362,060	362,060	
<i>Fund Balances End of Year</i>	\$438,232	\$435,232	\$1,702,679	\$1,267,447

See accompanying notes to the basic financial statements

**Medina County Park District**  
*Statement of Receipts, Disbursements and*  
*Changes in Fund Balance - Budget and Actual -Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2006*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$1,558,000	\$1,558,000	\$1,457,240	(\$100,760)
Intergovernmental	2,262,084	2,262,084	727,137	(1,534,947)
Investment Income	77,319	77,319	24,854	(52,465)
Sales	30,347	30,347	9,755	(20,592)
Fees	33,760	33,760	10,852	(22,908)
Gifts and Donations	16,021	16,021	5,150	(10,871)
Other Receipts	54,790	54,790	17,612	(37,178)
<i>Total Receipts</i>	4,032,321	4,032,321	2,252,600	(1,779,721)
<b>Disbursements</b>				
Current:				
Salaries - Employees	827,672	827,672	809,083	18,589
Workers' Compensation	8,272	8,272	8,091	181
Unemployment	3,000	3,000		3,000
Public Employees Retirement	114,370	114,370	112,636	1,734
Medicare	11,994	11,994	10,915	1,079
Hospitalization	125,925	125,925	121,984	3,941
Supplies	16,748	16,748	11,557	5,191
Materials	47,640	47,640	39,931	7,709
Equipment	101,273	101,373	94,987	6,386
Equipment - Rental	6,776	6,776	3,750	3,026
Contracts - Repair	4,898	4,898	1,012	3,886
Contracts - Services	167,880	177,780	131,219	46,561
Advertising and Printing	39,770	39,770	23,140	16,630
Travel	34,275	34,275	32,070	2,205
Rent	275	275	130	145
Capital Outlay	1,837,771	1,827,771	1,076,037	751,734
Debt Service:				
Payment of Principal	539,000	539,000	538,438	562
Payment of Interest & Fees	43,000	43,000	42,578	422
Other	106,043	106,043	95,865	10,178
<i>Total Disbursements</i>	4,036,582	4,036,582	3,153,423	883,159
<i>Excess of Receipts Under Disbursements</i>	(4,261)	(4,261)	(900,823)	(896,562)
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(520,000)	(520,000)	(217,500)	302,500
Refunds	5,740	5,740	1,845	(3,895)
Reimbursements	1,104	1,104	355	(749)
<i>Total Other Financing Sources (Uses)</i>	(513,156)	(513,156)	(215,300)	297,856
<i>Net Change in Fund Balances</i>	(517,417)	(517,417)	(1,116,123)	(598,706)
Prior Year Encumbrances Appropriated	41,344	41,344	41,344	
<i>Fund Balances Beginning of Year</i>	1,436,839	1,436,839	1,436,839	
<i>Fund Balances End of Year</i>	\$960,766	\$960,766	\$362,060	(\$598,706)

See accompanying notes to the basic financial statements

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Medina County Park District  
Medina County  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Medina County Park District, Medina County, Ohio, (the District) as a body corporate and politic. The probate judge of Medina County appoints a three-member Board of Commissioners to govern the District. The Commissioners are authorized to acquire, develop, protect, maintain, and improve park lands and facilities. The Commissioners may convert acquired land into forest reserves. The Commissioners are also responsible for activities related to conserving 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 these assets conducive to the general welfare.

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

**Note 2 - Summary of Significant Accounting Policies**

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Park District's accounting policies.

**A. Basis of Presentation**

The District's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. These statements usually distinguish between those activities of the District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no business-type activities.

The statement of net assets presents the cash balance of the governmental activities of the District at year end. The statement of activities compares disbursements and program receipts for each program or object of the District's governmental activities. Disbursements are reported by object.

Medina County Park District  
Medina County  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 2 - Summary of Significant Accounting Policies** (continued)

Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program.

Receipts which are not classified as program receipts are presented as general receipts of the District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the District.

**Fund Financial Statements**

During the year, the District segregates transactions related to certain District objects or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

**B. Fund Accounting**

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. All of the District's funds are presented as governmental funds. The District's major funds are as follows:

*General Fund* - The General Fund accounts for 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.

*Major Park Development Fund* - The Major Park Development Fund accounts for financial resources that are used for the capital development of park facilities.

*Allardale Development Fund* - The Allardale Development Fund accounts for the capital development of Allardale Park.

*Outdoor Education Fund* - The Outdoor Education Fund accounts for financial resources that are used for the development and operation of the Wolf Creek Environment Center.

*Grants Fund* - The Grants Fund accounts for financial resources for projects paid on behalf of the District by other agencies.

The other governmental funds of the District account for grants and other resources whose use is restricted for a particular purpose.



Medina County Park District  
Medina County  
Notes to the Financial Statements  
For the Years Ended December 31, 2007 and 2006

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**Note 2 - Summary of Significant Accounting Policies** (continued)

**C. Basis of Accounting**

The District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

**D. Budgetary Process**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Commissioners may appropriate. The appropriations resolution is the Board of Commissioner's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Board of Commissioners. The legal level of control has been established by the Board of Commissioners at the object level for all funds.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the District. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Board of Commissioners.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board of Commissioners during the year.

As part of the formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations at the legal level of budgetary control.

**E. Cash and Investments**

The County Treasurer is the custodian for the District's cash and investments. The County's cash and investment pool holds the District's cash and investments, which are reported at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the County by contacting the Medina County Treasurer, John Burke, 144 North Broadway, Medina, Ohio 44256 or at 330-725-9748.

Medina County Park District  
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For the Years Ended December 31, 2007 and 2006

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**Note 2 - Summary of Significant Accounting Policies** (continued)

**F. Capital Assets**

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

**G. Accumulated Leave**

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

**H. Employer Contributions to Cost-Sharing Pension Plans**

The District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 6 and 7, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**I. Long-Term Obligations**

The District's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid.

**J. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when a disbursement is incurred for purposes for which both restricted and unrestricted resources are available. The District has no Net Assets that are restricted by enabling legislation.

**K. Fund Balance Reserves**

The District reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

**L. Interfund Transactions**

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

Medina County Park District  
Medina County  
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**Note 3 - Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as expenditures (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to:

General Fund, December 31, 2007	\$ 28,003
General Fund, December 31, 2006	26,153

**Note 4 - Property Taxes**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the County. Real property tax receipts received in 2007 and 2006 represent the collection of 2006 and 2005 taxes, respectively. Real property taxes received in 2007 and 2006 were levied after October 1, 2006 and 2005, on the assessed values as of January 1, 2006 and 2005, the lien dates. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility personal property tax received in 2007 and 2006 represent the collection of 2006 and 2005 taxes. Public utility tangible personal property taxes received in 2007 and 2006 became a lien on December 31, 2005 and 2004, were levied after October 1, 2006 and 2005, and are collected in 2007 and 2006 with real property taxes. Public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2007 and 2006 (other than public utility property) represent the collection of 2007 and 2006 taxes. Tangible personal property taxes received in 2007 and 2006 were levied after October 1, 2006 and 2005, on the true value as of December 31, 2006 and 2005. In prior years, tangible personal property was assessed at 25 percent of true value for capital assets and 23 percent for inventory. The tangible personal property tax is being phased out – the assessment percentages for all property including inventory for 2007 and 2006 was 12.5 percent and 18.75 percent, respectively. This will be reduced to 6.25 percent for 2008 and zero for 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portion of the taxes collected. The collection and distribution of taxes for all subdivisions within the County, excluding the County itself, is accounted for through agency funds. The amount of the County's tax collections is accounted for within the applicable funds.

Medina County Park District  
 Medina County  
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 For the Years Ended December 31, 2007 and 2006

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**Note 4 - Property Taxes** (continued)

The full tax rate for all District operations for the year ended December 31, 2007, was \$.75 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2007 property tax receipts were based are as follows:

Real Property	
Residential	\$2,967,623,740
Agriculture	215,623,720
Commercial/Industrial/Mineral	660,468,520
Public Utility Property	
Real	622,840
Personal	96,215,500
Tangible Personal Property	133,009,123
Total Assessed Value	<u>\$4,703,563,443</u>

The full tax rate for all District operations for the year ended December 31, 2006, was \$.75 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2006 property tax receipts were based are as follows:

Real Property	
Residential	\$2,966,548,640
Agriculture	216,386,910
Commercial/Industrial/Mineral	616,999,700
Public Utility Property	
Real	608,870
Personal	106,710,390
Tangible Personal Property	213,764,634
Total Assessed Value	<u>\$4,121,019,144</u>

**Note 5 - Risk Management**

**Risk Pool Membership**

The District is exposed to various risks of property and casualty losses, and injuries to employees.

The District insures against injuries to employees through the Ohio Bureau of Workers' Compensation.

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 coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Medina County Park District  
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**Note 5 - Risk Management** (continued)

Casualty Coverage

For an occurrence prior to January 1, 2006 PEP retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with PEP.

If losses exhaust PEP's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (for claims prior to January 1, 2006) or \$3,000,000 (for claims on or after January 1, 2006) as noted above.

Property Coverage

Through 2004, PEP retained property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding \$100,000 up to \$500 million per occurrence.

Beginning in 2005, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2006 was \$1,901,127.

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.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

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, 2006 and 2005 (the latest information available):

<u>Casualty Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$30,997,868	\$29,719,675
Liabilities	(15,875,741)	(15,994,168)
Retained earnings	<u>\$15,122,127</u>	<u>\$13,725,507</u>

Medina County Park District  
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**Note 5 - Risk Management** (continued)

<u>Property Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$5,125,326	\$4,443,332
Liabilities	<u>(863,163)</u>	<u>(1,068,245)</u>
Retained earnings	<u>\$4,262,163</u>	<u>\$3,375,087</u>

At December 31, 2006 and 2005, respectively, casualty coverage liabilities noted above include approximately \$14.4 million and \$14.3 million of estimated incurred claims payable. The Casualty Coverage assets and retained earnings above also include approximately \$14.4 million and \$14.3 million of unpaid claims to be billed to approximately 447 member governments in the future, as of December 31, 2006 and 2005, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The District's share of these unpaid claims collectible in future years is approximately \$84,786. This payable includes the subsequent year's contribution due if the Government terminates participation, as described in the last paragraph below.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

**Contributions to PEP**

2005	\$31,364
2006	\$36,965
2007	\$37,386

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they give written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Medina County Park District  
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**Note 6 - Defined Benefit Pension Plans**

Ohio Public Employees Retirement System

The District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377.

For the years ended December 31, 2007 and 2006, the members of all three plans, except those in law enforcement participating in the traditional plan, were required to contribute 9.5 percent and 9 percent, of their annual covered salaries, respectively. The District's contribution rate for pension benefits for 2007 and 2006 was approximately 8.35 percent and 9.2 percent, respectively. The Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$74,583, \$75,639 and \$74,902 respectively; 100 percent has been contributed for 2007, 2006 and 2005. Contributions to the member-directed plan for 2007 and 2006 are available upon request.

**Note 7 - Postemployment Benefits**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 and 2006 local government The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 and 2006 local government employer contribution rates were 13.85 percent and 13.7 percent of covered payroll, respectively. For 2006, 4.50 percent of covered payroll was the portion that was used to fund health care. For 2007, the rate was 5 percent for January 1, 2007 to June 30, 2007 and 6 percent for July 1, 2007 to December 31, 2007.

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**Note 7 - Postemployment Benefits** (continued)

Benefits are advance-funded using the individual entry age actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care costs were assumed to increase between .50 and 6.00 percent annually for the next nine years and 4.00 percent annually after nine years.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 369,214. The number of active contributing participants for both plans used in the December 31, 2005, actuarial valuation was 358,804. Actual employer contributions for 2007 and 2006 which were used to fund postemployment benefits were \$49,126 and \$36,997, respectively. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. To improve the solvency of the Health Care Fund, OPERS created a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

**Note 8 – Debt**

The District's debt activity for the years ended December 31, 2007 and 2006, was as follows:

	Interest Rate	Balance January 1, 2007	Additions	Reductions	Balance December 31, 2007	Due Within One Year
<u>Governmental Activities</u>						
Park District Improvement Bonds						
1999 Issue	4.4%	\$639,079	\$ -	\$639,079	\$ -	\$ -
Park Improvement Note, Series 2007	5.12%	\$ -	\$3,000,000	\$ -	\$3,000,000	\$3,000,000



Medina County Park District  
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**Note 8 – Debt** (continued)

	Interest Rate	Balance January 1, 2006	Additions	Reductions	Balance December 31, 2006	Due Within One Year
<b>Governmental Activities</b>						
<b>Park District Improvement Bonds</b>						
1999 Issue	4.4%	\$1,250,940	\$ -	\$611,861	\$639,079	\$639,079
Lovas Promissory Note	5% - 7%	\$80,000	\$ -	\$80,000	\$ -	\$ -

The District issued \$4,300,000 in park improvement bonds during 1999 for the purpose of acquiring and improving lands for use by the District. The bonds were repaid from the proceeds of a tax levy which was approved by the voters of the County in November of 1998.

The District signed a promissory note with Mr. Louis Lovas on December 26, 2001, for the purpose of acquiring land for use by the District. This note was paid by the North Coast Regional Council of Park Districts on behalf of the District, in five annual installments of \$80,000, plus accrued interest, beginning December 28, 2002.

The District issued the \$3,000,000 Park Improvement Note on February 1, 2007. The note matures on February 1, 2008 with 5.12 percent interest due. The note was issued in anticipation of bonds. Proceeds will be used for acquiring and improving lands for the District.

**Note 9 - Interfund Transfers**

During 2007 the following transfers were made:

Transfers from the General Fund to:	
Major Park Development Fund	\$675,000
Allardale Development Fund	25,000
Outdoor Education Fund	100,000
Other Governmental Funds	20,000
Total Transfers from the General Fund	<u>\$820,000</u>

During 2006 the following transfers were made:

Transfers from the General Fund to:	
Major Park Development Fund	\$197,500
Allardale Development Fund	10,000
Outdoor Education Fun	10,000
Total Transfers from the General Fund	<u>\$217,500</u>

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Note 10 – Contingent Liabilities**

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Medina County Park District  
Medina County  
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For the Years Ended December 31, 2007 and 2006

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**Note 11 - Jointly Governed Organization**

The District is a member of the North Coast Regional Council of Park Districts (the Council). The Council is a jointly governed organization comprised of four metropolitan park districts, and was formed for the purpose of promoting wetland and stream restoration projects. Each member provided the Council with an initial administrative fee and will pay continual fees to the Council equal to 1% of the wetland mitigation fees they collect.

The Council is under the direction of the Board comprised of two representatives from each member metropolitan park district. The Treasurer of the Lorain County Metropolitan Park District is the fiscal agent for the Council. The Degree of control exercised by members is limited to their representation on the Board. Financial information can be obtained by contacting the Treasurer of the Lorain County Metropolitan Park District at 12882 Diagonal Road, LaGrange, Ohio 44050.

**Note 12 – Cleveland Hopkins Mitigation**

The City of Cleveland was required to set aside money for the restoration of wetlands and streams as a result of a penalty assessed against the City related to the Cleveland Hopkins Airport. A portion of this money was assigned to the District to be used for the Hidden Hollow Stream Restoration Project. The amount allocated to this project was approximately \$5,200,000, and was deposited with the North Coast Regional Council of Park Districts. All debt and additional costs for this project are to be paid by the North Coast Regional Council of Park Districts on behalf of the District. There were no costs in addition to debt that was paid on behalf of the District by the North Coast Regional Council of Park Districts. Once the project is completed, any remaining moneys will be submitted to the District.

**Note 13 – Subsequent Event – Bond Issuance**

On January 31, 2008, the District issued bonds in the amount of \$6,000,000. Proceeds were used to retire the Series 2007, Park Improvement Note and for acquisition and improvement District lands. The bonds are being repaid over 8 years by a .75 mil property tax levy which was approved by the voters of the District in November 2006.



# Mary Taylor, CPA

Auditor of State

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

Medina County Park District  
Medina County  
6364 Deerview Lane  
Medina, Ohio 44256

To the Board of Commissioners:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Medina County Park District, Medina County, Ohio, (the District) as of and for the years ended December 31, 2007 and 2006, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 2, 2008, wherein we noted the District follows the cash basis of accounting. 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 the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain matters that we reported to the District's management in a separate letter dated April 2, 2008.

101 Central Plaza South / 700 Chase Tower / Canton, OH 44702-1509  
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### **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, providing an opinion 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*.

We did note certain noncompliance or other matters that we reported to the District's management in a separate letter dated April 2, 2008.

We intend this report solely for the information and use of management and Board of Commissioners. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

April 2, 2008



**Mary Taylor, CPA**  
Auditor of State

**MEDINA COUNTY PARK DISTRICT**

**MEDINA 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 6, 2008**