



Mary Taylor, CPA  
Auditor of State



SANDUSKY COUNTY PARK DISTRICT

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

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 Sandusky County Park District (the District), as of and for the year ended December 31, 2008, 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 1, 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 Sandusky County Park District as of December 31, 2008, and the respective changes in cash financial position and the budgetary comparison for the General Fund thereof for the year then ended in conformity with the basis of accounting Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 7, 2009, 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.

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.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The federal awards expenditures schedule is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. We subjected the federal awards expenditures schedule to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

August 7, 2009

**SANDUSKY COUNTY PARK DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**UNAUDITED**

The discussion and analysis of Sandusky County Park District's (the District) financial performance provides an over all review of the District's financial activities for the year ended December 31, 2008. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

**Key Financial Highlights for 2008 are as follows:**

- Received \$11,253 from the USDA for 2007 Conservation Reserve Program (CRP).
- Paid \$500 to Hazcorp for asbestos inspection on the North Coast Inland Trail Fremont-Elmore Project.
- Paid \$2,299 to Midwest Environmental Control for asbestos removal on the North Coast Inland Trail Fremont-Elmore Project.
- Received a \$3,289 Community Development Block Grant from the Sandusky County Commissioners for the handicap access walkway project at White Star Park.
- Purchased a riding lawnmower from Propower Equipment at a cost of \$13,049.
- Purchased a chipper from Vermeer at a cost of \$24,214.
- Purchased eight canoes from Burroughs Marine for a total cost of \$5,835.
- Received payment of \$20,000 from Rich Synovic, Divers Inc. in accordance with White Star Park Scuba Station Agreement.
- Purchased a pick-up truck with snow plow package from Advantage Ford for a total cost of \$24,620.
- Purchased a pick-up truck with snow plow package and dump bed from Advantage Ford for a total cost of \$36,568.
- Paid \$6,050 to DGL Consulting Engineers for Creek Bend Farm bridge design work.
- Received a Clean Ohio Trail Grant Payment of \$257,850 from the Ohio Department of Natural Resources for the Fremont-Elmore North Coast Inland Trail Construction Project.
- Received a \$10,000 donation from the Sandusky County Sportsman's Club for the Ringneck Ridge Wildlife Area acquisition project.
- Paid Attorney Ladd Beck a total of \$68,183 as closing agent for the Ringneck Ridge Wildlife Area Acquisition Project. Payment represents the local share for the project.
- Received \$9,101 from the USDA for 2008 Conservation Reserve Program (CRP).
- Received \$1,167 from the USDA for 2008 Conservation Reserve Program (CRP).

**SANDUSKY COUNTY PARK DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**UNAUDITED**  
**(Continued)**

Received a \$431,489 grant from the Ohio Public Works Commission Clean Ohio Conservation Program for the Ringneck Ridge Wildlife Area Acquisition Project. Grant payment made directly to closing agent and memo posted in ledger.

- Paid the following amounts for the North Coast Inland Trail Fremont-Lindsey-Elmore Project:

<u>Contractor</u>	<u>Local Share</u>	<u>Federal Share</u>
K.E. McCartney & Associates, Inc.	\$22,272	\$89,088
Helms & Sons Excavating, Inc.	379,266	1,517,065
Totals	<u>\$401,538</u>	<u>\$1,606,153</u>

**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 District's cash basis of accounting.

**Report Components**

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

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the District as a way to segregate money whose 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 determine when financial events are recorded. The 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 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.



**SANDUSKY COUNTY PARK DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**UNAUDITED**  
**(Continued)**

**Reporting the District as a Whole**

The statement of net assets and the statement of activities reflect how the District did financially during 2008, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental activities of the 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 District's general receipts.

These statements report the 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 District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, you should also consider other nonfinancial factors as well such as the District's property tax base, the condition of the District's capital assets and infrastructure, the extent of the 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 and income taxes.

In the statement of net assets and the statement of activities, we show the District's governmental activities:

Governmental activities – The District's conservation and recreation services are reported here. 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 District's Most Significant Funds**

Fund financial statements provide detailed information about the District's major funds – not the District as a whole. The District establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the District are all reported as governmental.

Governmental Funds - The District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the 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 District's programs. The District's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The District's major governmental funds are the General, North Coast Inland Trail, and OPWC Funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**SANDUSKY COUNTY PARK DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**UNAUDITED**  
**(Continued)**

**Government-Wide Financial Analysis**

The table below provides a summary of the District's net assets for 2008 and 2007:

(Table 1)  
**Net Assets**

	Governmental Activities	
	2008	2007
<b>Assets</b>		
Cash and Cash Equivalents	\$1,279,791	\$628,988
Total Assets	\$1,279,791	\$628,988
 <b>Net Assets</b>		
Restricted for:		
Other Purposes	108,319	196,990
Unrestricted	1,171,472	431,998
Total Net Assets	\$1,279,791	\$628,988

Over time, net assets can serve as a useful indicator of a government's financial position. The District's finances remained strong during 2008 despite the decline in the economy.

**SANDUSKY COUNTY PARK DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**UNAUDITED**  
**(Continued)**

Table 2 reflects the changes in net assets for 2008 and 2007:

(Table 2)  
**Changes in Net Assets**

	Governmental Activities	
	2008	2007
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$123,404	\$130,907
Operating Grants and Contributions	9,927	6,557
Capital Grants and Contributions	2,295,492	5,951
Total Program Receipts	<u>2,428,823</u>	<u>143,415</u>
General Receipts:		
Property Taxes Levied for General Purposes	1,356,406	420,065
Grants and Entitlements Not Restricted to Specific Programs	306,099	257,054
Interest	30,377	23,790
Miscellaneous	87,190	990
Total General Receipts	<u>1,780,072</u>	<u>701,899</u>
Total Receipts	<u>4,208,895</u>	<u>845,314</u>
Disbursements:		
Conservation and Recreation	<u>3,558,092</u>	<u>939,254</u>
Change in Net Assets	650,803	(93,940)
Net Assets, January 1	<u>628,988</u>	<u>722,928</u>
Net Assets, December 31	<u>\$1,279,791</u>	<u>\$628,988</u>

**Governmental Activities**

For 2008, net assets of the District's governmental activities increased \$650,803. Total governmental expenditures of \$3,558,092 were offset by program revenues of \$2,428,823 and general revenue of \$1,780,072. Program revenues supported 68.3% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property tax and capital grants and contributions receipts. These revenue sources represent 86.8% of total governmental revenue.

Conservation and Recreation services expenses totaled \$3,558,092 or 100% of total governmental expenses for 2008.

The Statement of Activities shows the cost of program services and operating grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2008 and 2007. That is, it identifies the cost of these services supported by contributions and unrestricted State grants and entitlements.

**SANDUSKY COUNTY PARK DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**UNAUDITED**  
**(Continued)**

(Table 3)

**Governmental Activities**

	Total Cost Of Services 2008	Net Cost of Services 2008	Total Cost Of Services 2007	Net Cost of Services 2007
Conservation and Recreation	<u>\$3,558,092</u>	<u>\$1,129,269</u>	<u>\$939,254</u>	<u>\$795,839</u>

**The District's Funds**

The District's governmental funds reported a combined fund balance of \$1,279,791, which is \$650,803 more than last years' total of \$628,988. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2008 and 2007.

(Table 4)

**Governmental Fund Balances**

	Fund Balance, December 31		Increase (Decrease)	Change
	2008	2007		
General	\$1,171,472	\$431,998	\$739,474	171.18%
Other Governmental	108,319	196,990	(88,671)	-45.01%
Total Fund Balance	<u>\$1,279,791</u>	<u>\$628,988</u>	<u>\$650,803</u>	<u>103.47%</u>

**The District's General Fund Budgeting Highlights**

The 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.

During 2008, the District amended its General Fund budget as needed. Final budgeted receipts of \$1,910,922 reflect an increase of \$89,500 from the original budgeted amount of \$1,821,422. This was the result of higher than anticipated donations and other receipts. The difference between final budgeted receipts and actual receipts was not significant.

Final disbursements and other financing use including prior year carryover appropriations were budgeted at \$1,695,646 while actual amounts were \$551,133 lower at \$1,144,513. The difference is the result of the District practice to budget all available resources while being conservative when making actual expenditures.

**Capital Assets and Debt Administration**

Capital Assets

The District does not include capital assets on its financial statements under the cash basis of accounting.

Debt

The District had no outstanding debt at December 31, 2008.

**SANDUSKY COUNTY PARK DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**UNAUDITED**  
**(Continued)**

**Current Issues**

The Sandusky County Park 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 Park District receives the majority of its funding from property taxes, state and federal grants and charges for services (park fees). The District employs eleven full time employees and 10-15 seasonal employees. The Board periodically reviews park fees to help offset the costs of park operations.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the 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 Steve Gruner, Director, Sandusky County Park District, 1970 Countryside Place, Fremont, Ohio 43420-8750.

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**SANDUSKY COUNTY PARK DISTRICT**

STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31,2008

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and Cash Equivalents	<u>\$1,279,791</u>
<b>Net Assets:</b>	
Restricted for:	
Other Purposes	\$108,319
Unrestricted	<u>1,171,472</u>
Total Net Assets	<u>\$1,279,791</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SANDUSKY COUNTY PARK DISTRICT**

STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2008

	Program Revenues			Net (Disbursements) Receipts and Changes in Net Assets	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>					
Conservation and Recreation	\$3,558,092	\$123,404	\$9,927	\$2,295,492	(\$1,129,269)
<b>General Receipts:</b>					
Property Taxes Levied for General Purposes					1,356,406
Grants and Entitlements not Restricted to Specific Programs					306,099
Interest					30,377
Miscellaneous					87,190
Total General Receipts					<u>1,780,072</u>
Change in Net Assets					650,803
<b>Net Assets Beginning of Year</b>					<u>628,988</u>
<b>Net Assets End of Year</b>					<u>\$1,279,791</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**SANDUSKY COUNTY PARK DISTRICT**

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2008

	<b>General</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>			
Cash and cash equivalents	\$1,171,472	\$108,319	\$1,279,791
<b>Fund Balances:</b>			
Reserved for Encumbrances	5,303		5,303
Undesignated, Unreserved, Reported in:			
General Fund	1,166,169		1,166,169
Special Revenue Funds		108,319	108,319
 Total Fund Balances	 \$1,171,472	 \$108,319	 \$1,279,791

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SANDUSKY COUNTY PARK DISTRICT**

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND  
CHANGES IN CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008

	<b>General</b>	<b>North Coast Inland Trail</b>	<b>OPWC</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Receipts:</b>					
Property Taxes	\$1,356,406				\$1,356,406
Charges for Services	114,096			\$9,308	123,404
Intergovernmental	306,099	\$1,873,930	\$431,489		2,611,518
Investment Income	30,377				30,377
Other	71,706			15,484	87,190
<b>Total Receipts</b>	<b>1,878,684</b>	<b>1,873,930</b>	<b>431,489</b>	<b>24,792</b>	<b>4,208,895</b>
<b>Disbursements:</b>					
Conservation and Recreation	1,139,210	\$1,873,930	\$431,489	113,463	3,558,092
<b>Net Change in Fund Balances</b>	<b>739,474</b>			<b>(88,671)</b>	<b>650,803</b>
<b>Fund Balances Beginning of Year</b>	<b>431,998</b>			<b>196,990</b>	<b>628,988</b>
<b>Fund Balances End of Year</b>	<b>\$1,171,472</b>			<b>\$108,319</b>	<b>\$1,279,791</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SANDUSKY 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, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and Other Local Taxes	\$1,322,866	\$1,322,866	\$1,356,406	\$33,540
Charges for Services	147,500	147,500	114,096	(33,404)
Intergovernmental	325,556	325,556	306,099	(19,457)
Interest	20,500	30,000	30,377	377
Other	5,000	85,000	71,706	(13,294)
	<u>1,821,422</u>	<u>1,910,922</u>	<u>1,878,684</u>	<u>(32,238)</u>
<b>Disbursements</b>				
Current:				
Conservation-Recreation	<u>1,138,824</u>	<u>1,465,646</u>	<u>1,144,513</u>	<u>321,133</u>
<i>Excess of Receipts Over Disbursements</i>	<u>682,598</u>	<u>445,276</u>	<u>734,171</u>	<u>288,895</u>
<b>Other Financing Uses</b>				
Transfers out	<u>(455,000)</u>	<u>(230,000)</u>		<u>230,000</u>
<i>Net Change in Fund Balance</i>	<u>227,598</u>	<u>215,276</u>	<u>734,171</u>	<u>518,895</u>
<i>Fund Balance Beginning of Year</i>	<u>394,776</u>	<u>394,776</u>	<u>394,776</u>	
Prior Year Encumbrances Appropriated	<u>37,222</u>	<u>37,222</u>	<u>37,222</u>	
<i>Fund Balance End of Year</i>	<u><u>\$659,596</u></u>	<u><u>\$647,274</u></u>	<u><u>\$1,166,169</u></u>	<u><u>\$518,895</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**SANDUSKY COUNTY PARK DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

**NOTE 1 – REPORTING ENTITY**

The Sandusky County Park District (the District) is a body politic and corporate 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 Sandusky County. The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure the financial statements are not misleading.

**A. Primary Government**

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. 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 Sandusky County Auditor acts as fiscal agent for the District and the Sandusky County Treasurer acts as custodian of all funds.

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

**B. Component Units**

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the District is obligated for the debt of the organization. The District is also financially accountable for any organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the District, are accessible to the District and are significant in amount to the District. The District has no component units.

**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 District's accounting policies.

**SANDUSKY COUNTY PARK DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**(Continued)**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**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.

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, except for fiduciary funds. The statements show those activities of the District that are governmental. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

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 with program receipts for each of the District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the District is responsible. 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, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the District's general receipts.

**Fund Financial Statements**

During the year, the District segregates transactions related to certain District functions or activities in separate funds 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. Major funds are presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

**B. Fund Accounting**

The District uses fund accounting 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. Funds are used to segregate resources that are restricted as to use.

**Governmental Funds**

The District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The District's major governmental funds are the General Fund, North Coast Inland Trail Fund, and OPWC Fund. The General Fund is used to account 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. The North Coast Inland Trail Fund receives grants and other resources for the construction and maintenance of the District's North Coast Inland Trail. The OPWC Fund receives grants and other resources for the acquisition, restoration and maintenance of District property. The other governmental funds of the District account for grants and other resources whose use is restricted to a particular purpose.

**SANDUSKY COUNTY PARK DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**(Continued)**

**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 are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, 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 District may appropriate.

The appropriations ordinance is the District's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the District. The legal level of control has been established 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 District.

The appropriations ordinance 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 ordinance 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 District during the year.

**E. Cash and Investments**

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

Individual fund integrity is maintained through District records. Interest in the pool is presented as "Cash and Cash Equivalents".

Following Ohio statutes, interest is credited to the general fund. Interest receipts credited to the general fund during 2008 was \$30,377.

**SANDUSKY COUNTY PARK DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**(Continued)**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**F. Restricted Assets**

Cash, cash equivalents and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The District had no restricted assets.

**G. 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.

**H. 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.

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

The District recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**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. Net assets restricted for other purposes include resources restricted for grants for specific purposes.

The District's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

**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 and undesignated fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.



**SANDUSKY COUNTY PARK DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**(Continued)**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**L. Interfund Transactions**

Transfers between governmental on the government-wide financial statements are reported in the same manner as general receipts.

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. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

**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 Statements of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary 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 cash disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$5,303 for the General Fund.

**NOTE 4 – DEPOSITS AND INVESTMENTS**

The Sandusky County Treasurer maintains a cash pool used by all funds, including those of the District. The Ohio Revised Code prescribes allowable deposits and investments. The District's carrying amount of cash on deposit with the County at December 31, 2008, was \$1,279,791. The Sandusky County Treasurer, as fiscal agent for the District, is responsible for maintaining adequate depository collateral for all funds in the County's pooled and deposit accounts.

**NOTE 5 – PROPERTY TAXES**

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the County. Real property taxes and public utility taxes are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by state law at 35% of appraised market value. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at 25% of true value for all other taxable property. Tangible personal property taxes attach as a lien and are levied on January 1 of the current year. Tangible personal property assessments are 18.75% of true value. The assessed value upon which the 2008 taxes were collected was \$1,138,088,399. The full tax rate for all County operations applied to real property for the year ended December 31, 2008, was \$.50 per \$1,000 of assessed valuation.

**SANDUSKY COUNTY PARK DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**(Continued)**

**NOTE 5 – PROPERTY TAXES – (CONTINUED)**

The assessed values of real and tangible personal property upon which 2007 property tax receipts were based are as follows:

<u>Real Property</u>	
Agricultural/Residential	\$870,808,540
Commercial/Industrial/Mineral	185,889,790
Tangible Personal Property	41,859,349
<u>Public Utility</u>	
Real	594,020
Personal	<u>38,936,700</u>
Total Assessed Value	<u><u>\$1,138,088,399</u></u>

Real property taxes are payable annually or semi-annually. If paid annually, payment is due March 1. If paid semi-annually, the first payment is due March 1 and the remainder payable July 15. Under certain circumstances, State statute permits earlier or later payment dates to be established.

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected. Collections of the taxes and remittance of them to the taxing districts are accounted for in various agency funds of the County. Tangible personal property taxes for unincorporated and single county businesses are due semi-annually, with the first payment due May 10 and the remainder payable by September 20. Due dates are normally extended an additional 30 days. The due date for the entire tax for inter-county businesses is September 20 or the extended date. The first \$10,000 of taxable value is exempt from taxation for each business by state law.

The lien date is either December 31 or the end of their fiscal year (for incorporated businesses in operation more than one year). Since each business must file a return to the County Auditor, the tangible personal taxes are not known until all the returns are received.

"Real estate and other taxes" receivable represents delinquent real and tangible personal property and public utility taxes outstanding as of December 31 (net of allowances for estimated uncollectibles) and real and public utility taxes which were measurable as of the year end.

Since the current levy is not intended to finance 2008 operations, the receivable is offset by a credit to "deferred revenue". The delinquent real, public utility and tangible personal property taxes that will become available to the County within the first sixty days of 2009 are shown as 2008 revenue; the remainder is shown as "deferred revenue". The eventual collection of significantly all real and public utility property taxes (both current and delinquent) is reasonably assured due to the County's ability to force foreclosure of the properties on which the taxes are levied.

**SANDUSKY COUNTY PARK DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**(Continued)**

**NOTE 6 – RISK MANAGEMENT**

**A. General Insurance**

The District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2008, the County Commissioners on behalf of County Departments including District, contracted with County Risk Sharing Authority (CORSA) for liability insurance. The CORSA program has a \$2,500 deductible. Coverages provided by CORSA are as follows:

<u>Type of Coverage</u>	<u>Amount</u>
General Liability (per occurrence)	\$ 1,000,000
Crime Insurance:	
Faithful Performance	1,000,000
Depositor's Forgery	1,000,000

With the exceptions of health insurance, life insurance, and workers' compensation, all insurance is held with CORSA. There has been no significant reduction in coverage from prior year, and settled claims have not exceeded limits of coverage in the past three years.

**B. Insurance Purchasing Pool**

For 2008, the County Commissioners participated in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool. The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Plan is limited to counties that can meet the Plan's selection criteria. The firm of Comp Management, Inc. provides administrative, cost controls, and actuarial services to the Plan. Each year, the County Commissioners pays an enrollment fee to the Plan to cover the costs of administering the program.

The County Commissioners may withdraw from the Plan if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal, and any participant leaving the Plan allows representatives of the Plan to access loss experience for three years following the last year of participation.

**C. Health Insurance**

The County Commissioners provides comprehensive health and vision insurance coverage to the District employee through a traditionally funded plan. The County Commissioners purchase commercial health insurance coverage through Community Health Plan of Ohio. The County pays 87 percent of the monthly premium while the employee pays 13 percent. The entire risk of loss transfers to the commercial insurance carrier.

**SANDUSKY COUNTY PARK DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**(Continued)**

**NOTE 7 – DEFINED BENEFIT PENSION PLAN**

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 OPERS 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 publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2008, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 10 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary. The employer contribution rate for pension benefits for 2008 was 14 percent, except for those plan members in law enforcement or public safety. For those classifications, the employer's pension contributions were 17.40 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006, were \$67,302, \$54,274, and \$54,342, respectively. The full amount has been contributed for 2008, 2007, and 2006.

**NOTE 8 - 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 primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers". 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 2008 employer contribution rate was 14 percent of covered payroll (17.40 percent for public safety and law enforcement); 7 percent of covered payroll was the portion used to fund health care.

**SANDUSKY COUNTY PARK DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**(Continued)**

**NOTE 8 - POSTEMPLOYMENT BENEFITS – (CONTINUED)**

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2007, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees), and an additional increase in total payroll of between .5 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase .50 and 4 percent annually for the next seven years and 4 percent after seven 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 363,503. The number of active contributing participants for both plans used in the December 31, 2007, actuarial valuation was 364,076. Actual employer contributions for 2008 which were used to fund postemployment benefits were \$31,349. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2007, (the latest information available) were \$12.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.8 billion and \$17.0 billion, respectively.

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, 2007, and January 1, 2008, which will allow additional funds to be allocated to the health care plan.

**NOTE 9 – 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.

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**SANDUSKY COUNTY PARK DISTRICT**  
**FEDERAL AWARDS EXPENDITURES SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b>U.S. DEPARTMENT OF TRANSPORTATION</b> <i>Passed Through Ohio Department of Transportation</i>			
Highway Planning and Construction	08-N-07-1	20.205	<u>\$1,606,153</u>
<b>Total Federal Award Expenditures</b>			<b><u><u>\$1,606,153</u></u></b>

*The accompanying notes are an integral part of this schedule.*

**SANDUSKY COUNTY PARK DISTRICT**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED DECEMBER 31, 2008**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Expenditures Schedule (the Schedule) summarizes activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

**NOTE B - MATCHING REQUIREMENTS**

The Federal program required that the District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.





# 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*

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

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 Sandusky County Park District (the District) as of and for the year ended December 31, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated August 7, 2009, wherein we noted the District prepared its statements on the cash basis. 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

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.

We consider finding 2008-001 described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting.

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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe finding number 2008-001 is also material weaknesses.

### **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 an instance of noncompliance that we must report under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2008-001.

We also noted certain noncompliance matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated August 7, 2009.

The District's response to the finding identified in our audit is described in the accompanying Schedule of Findings. We did not audit the District's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of the audit committee, management, the Board of Commissioners, the federal awarding agency and pass-through entity. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

August 7, 2009



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

To the Board of Commissioners:

### Compliance

We have audited the compliance of Sandusky County Park District (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended December 31, 2008. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the Sandusky County Park District complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2008.

### Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

One Government Center / Suite 1420 / Toledo, OH 43604-2246  
Telephone: (419) 245-2811 (800) 443-9276 Fax: (419) 245-2484  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that the District's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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

We intend this report solely for the information and use of the audit committee, management, the Board of Commissioners, the federal awarding agency and pass-through entity. It is not intended for anyone other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

August 7, 2009

**SANDUSKY COUNTY PARK DISTRICT**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2008**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA # 20.205 - Highway Planning and Construction (Federal-Aid Highway Program)
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

**SANDUSKY COUNTY PARK DISTRICT**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2008  
(Continued)**

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

**FINDING NUMBER 2008-001**

**Noncompliance Finding / Material Weakness**

**Ohio Revised Code § 5705.09** states each subdivision must establish a special fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose.

During 2008 the District received a Clean Ohio Grant from the Ohio Public Works Commission for the specified purpose of purchasing the Ringneck Ridge Hunt Club property.

The District failed to establish a separate fund to account for this funding. This resulted in an audit adjustment to the financial statements and the District's accounting records in the amount of \$431,489 to segregate the Clean Ohio Grant funding and related disbursement into a separate fund.

We recommend the District establish separate funds for funding sources which the law or a contractual agreement requires. We also recommend the District follow the guidelines established in Auditor of State Bulletin 2002-005 for Public Works Commission Clean Ohio Grants.

**Officials Response:**

The Director stated care will be taken in the future to assure the above finding is corrected.

**3. FINDINGS FOR FEDERAL AWARDS**

**None**



**Mary Taylor, CPA**  
Auditor of State

**SANDUSKY COUNTY PARK DISTRICT**

**SANDUSKY COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 8, 2009**