



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, 2009 and 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 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, 2009 and 2008, and the respective changes in cash financial position and the 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 February 18, 2010, 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

February 18, 2010

Medina County Park District
Management's Discussion and Analysis
For the Years Ended December 31, 2009 and 2008
Unaudited

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, 2009 and December 31, 2008 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 2009 are as follows:

Net assets of governmental activities decreased \$990,813, or 16.49 percent, from the previous year. The Park District acquired 84.78 acres of land which was partially funded by a grant from the Clean Ohio Fund. In addition, a number of planned capital development projects were completed in 2009 further reducing cash balances.

The Park District's general receipts are primarily property taxes and grants and entitlements not related to specific projects. These receipts represent respectively 66.53 and 28.03 percent of the total cash received from governmental activities during the year. Property tax receipts increased slightly from 2008.

The Park District continued to make transfers to capital accounts from its General Fund. Transfers in 2009 amounted to \$780,000 directed to six different capital improvement accounts which are utilized for projects such as outdoor education, capital equipment purchases and park improvements.

The Park District began making payments on a bond issued in 2008 for land acquisition and park development. During the year, the Park District acquired three parcels of land totaling 84.78 acres in Litchfield Township. The receipt of a grant from the Clean Ohio Fund assisted with the purchase along with a partial donation of the value of the land from the previous owner.

The Park District completed a number of significant park construction projects in 2009. Paving was completed on a new entry drive and parking lot at Buffalo Creek Retreat in Hubbard Valley Park along with the installation of new parking lot lighting and entrance gate security system. A new entry drive and parking lot were paved at Letha House park. At Buckeye Woods Park, the entry drive and parking lots off State Route 162 were repaired and repaved along with a new parking lot located on State Route 42. A portion of Chippewa Inlet Trail, which has subsided since its construction, was also repaved. A new entry drive and parking lot were paved at the site of the planned park at Chippewa Lake which enable the Park District to open a new enclosed shelter located at that site. The Park District also began work on an update of the Allardale Master Plan.

The Park District continued to increase the number of programs offered to the public in 2009. The popular Young Naturalist Camp program nearly doubled its scheduled classes. The fall hiking program, started in 2007, continued to received many positive comments.

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Key highlights for 2008 are as follows:

Net assets of governmental activities were \$6,009,078. This represents an increase in net assets of \$3,546,154 or 143.98 percent. This increase in net assets was anticipated due to the issuance of a \$6,000,000 general obligation bond. Other income for the Park District remained stable from the previous year.

The Park District's general receipts are primarily property taxes and grants and entitlements not restricted to specific programs. These receipts represent respectively 25.56 and 10.47 percent of the total cash received for governmental activities during the year. General obligation bond proceeds of \$6,000,000 represented 56.23 percent of the Park District's 2008 cash receipts. Property tax receipts decreased slightly from 2007 due to decreasing development activity in the county and changes in the tax code enacted by the state legislature.

The Park District continued to make transfers to capital accounts from its General Fund. Transfers in 2008 amounted to \$735,000 directed to six different capital improvement accounts which are utilized for projects such as land acquisition and park improvements.

A number of planned capital improvement projects were initiated in 2008. A new building for Hidden Hollow Park was constructed using funds primarily generated through a stream mitigation on the property. New entry drives and parking lots were begun at Chippewa Lake, Buckeye Woods Park, and Buffalo Creek Retreat at Hubbard Valley Park. In addition, a new entrance with expanded rest rooms was constructed at Buffalo Creek Retreat.

The Park District began to make payments on a \$6,000,000 bond issued in 2008 for land acquisition and park development. The balance due on the \$3,000,000 tax anticipation note issued in 2007 was paid, and the balance of the funds was deposited in the land acquisition and capital improvement accounts. In addition to the capital improvement projects listed above, the Park District acquired approximately 105 acres of additional land in Lafayette Township for a new park site.

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 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.

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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 modified 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.

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 2009 and 2008, 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.

Medina County Park District
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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 and Major Park Development Funds. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

The Park District as a Whole

Table 1 provides a summary of the Park District's net assets for 2009 compared to 2008 and 2007 on a modified cash basis:

(Table 1)

Net Assets

Asset	Governmental Activities		
	2009	2008	2007
Equity in Pooled Cash and Cash Equivalents	\$5,018,265	\$6,009,078	\$2,462,924
 Net Assets			
Restricted for:			
Capital Projects	1,164,645	1,624,881	732,242
Unrestricted	3,853,620	4,384,197	1,730,682
Total Net Assets	\$5,018,265	\$6,009,078	\$2,462,924

In 2009, the net assets of governmental activities decreased by \$990,813 or 16.49 percent. The primary reason contributing to the decrease was the number of capital improvement projects undertaken in 2009.

As mentioned previously, net assets of governmental activities increased \$3,546,154 or 143.98 percent during 2008. The primary reason contributing to the increase in assets was the receipt of \$6,000,000 from a general obligation bond issued by the Park District in 2008. The proceeds were utilized to pay the balance due on a tax anticipation note issued in 2007, and the balance was divided between the Major Park Development Fund and General Fund's Land acquisition account.

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Table 2 reflects the changes in net assets in 2009, 2008 and 2007.

(Table 2)
Changes in Net Assets

	Governmental Activities 2009	Governmental Activities 2008	Governmental Activities 2007
Receipts:			
Program Cash Receipts:			
Charges for Services and Sales	\$72,350	\$73,133	\$97,591
Operating Grants and Contributions	7,921	11,910	62,373
Capital Grants and Contributions			1,198,341
Total Program Cash Receipts	80,271	85,043	1,358,305
General Receipts:			
Property Taxes Levied for General Park Purposes	2,819,487	2,727,088	2,785,402
Grants and Entitlements Not Restricted	1,206,009	1,116,927	1,332,045
Investment Income	136,710	193,903	111,453
Bond Proceeds		6,000,000	3,000,000
Miscellaneous	59,844	547,554	40,963
Total General Receipts	4,222,050	10,585,472	7,269,863
Total Cash Receipts	4,302,321	10,670,515	8,628,168
Cash Disbursements:			
Salaries - Employees	1,044,999	984,094	878,823
Workers' Compensation	18,209	21,861	13,310
Public Employees Retirement	149,614	140,510	123,709
Medicare	14,213	13,365	11,880
Hospitalization	158,180	147,098	136,908
Supplies	19,070	25,672	19,080
Materials	246,080	80,726	115,809
Equipment	101,927	148,658	98,406
Equipment - Rental	5,377	5,351	4,891
Contracts - Repair	2,152	3,767	4,861
Contracts - Services	1,003,237	974,724	1,287,881
Advertising and Printing	24,005	26,230	25,547
Travel	31,639	45,572	36,593
Rent	360	260	260
Capital Outlay	1,429,799	765,831	3,683,593
Debt Service:			
Payment of Principal	734,905	3,281,092	639,080
Payment of Interest	192,680	335,873	28,416
Other	116,688	123,677	74,785
Total Cash Disbursements	5,293,134	7,124,361	7,183,832
Change in Net Assets	(990,813)	3,546,154	1,444,336
Net Assets, January 1	6,009,078	2,462,924	1,018,588
Net Assets, December 31	\$5,018,265	\$6,009,078	\$2,462,924

Program cash receipts represented 1.87 percent of total receipts in 2009 and included receipts such as picnic-shelter rentals and instructional program fees. Program cash receipts represented .08 percent of total receipts in 2008 and included receipts such as picnic-shelter rentals and instructional program fees.

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Management's Discussion and Analysis
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In 2009, general receipts represented 98.13 percent of the Park District's total receipts, and, of this amount, 66.78 percent were local taxes. State and federal grants and entitlements accounted for 28.56 percent of the general receipts. In 2008, general receipts represented 99.2 percent of the park district's total receipts, and, of this amount, 25.76 percent were local taxes. A general obligation bond issued in 2008 for land acquisition and capital improvement projects represented 56.68 percent of general receipts. State and federal grants and entitlements made up 10.55 percent of general receipts in 2008.

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 Governmental Activities (Table 3) on Page 9, 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 19.74 percent of all governmental disbursements in 2009 and 13.81 percent in 2008. Capital outlay also represents a significant portion of disbursements for the Park District in 2009 at 27.01 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 Park District 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 and unrestricted grants and entitlements. 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.

Medina County Park District
Management's Discussion and Analysis
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(Table 3)

	Governmental Activities					
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2009	2009	2008	2008	2007	2007
Salaries - Employees	\$1,044,999	\$1,024,075	\$984,094	\$971,222	\$878,823	\$863,909
Workers' Compensation	18,209	17,844	21,861	21,573	13,310	13,084
Public Employees Retirement	149,614	146,618	140,510	138,672	123,709	121,610
Medicare	14,213	13,928	13,365	13,191	11,880	11,678
Hospitalization	158,180	155,012	147,098	145,175	136,908	134,584
Supplies	19,070	18,811	25,672	24,915	19,080	(48,372)
Materials	246,080	244,902	80,726	79,736	115,809	105,719
Equipment	101,927	100,204	148,658	146,980	98,406	94,347
Equipment - Rental	5,377	5,292	5,351	5,286	4,891	4,680
Contracts - Repair	2,152	2,109	3,767	3,718	4,861	4,779
Contracts - Services	1,003,237	1,000,877	974,724	968,965	1,287,881	808,369
Advertising and Printing	24,005	23,549	26,230	25,899	25,547	25,113
Travel	31,639	31,006	45,572	44,976	36,593	35,972
Rent	360	353	260	257	260	255
Capital Outlay	1,429,799	1,401,170	765,831	755,816	3,683,593	2,931,855
Debt Service:						
Principal Retirement	734,905	723,133	3,281,092	3,238,913	639,080	616,872
Payment of Interest	192,680	189,593	335,873	331,954	28,416	27,557
Other	116,688	114,387	123,677	122,070	74,785	73,516
Total Expenses	<u>\$5,293,134</u>	<u>\$5,212,863</u>	<u>\$7,124,361</u>	<u>\$7,039,318</u>	<u>\$7,183,832</u>	<u>\$5,825,527</u>

The dependence upon property-tax receipts is apparent as 54.09 percent of governmental activities in 2009 were supported through these general receipts, 38.74 percent in 2008 and 47.81 percent in 2007. (It should be noted that 56.68 percent of general receipts in 2008 represented income from a general obligation bond which will be paid in the future with property-tax receipts. In 2007, 41.27 percent of general receipts were from a tax anticipation note.)

The Park District's Funds

In 2009, total Park District funds had receipts of \$4,302,321 and disbursements of \$5,293,134 (excluding inter-fund transfers.) The greatest change within governmental funds occurred within the capital outlay funds as a result of the purchase of real estate and several major capital improvement projects listed earlier.

Disbursements in the General Fund exceeded receipts by \$530,577. The fund balance of the General Fund decreased by that amount. The decrease in the General Fund can largely be attributed to the capital projects in 2009. The financial plan created for the Park District, which supported the levy passed by the voters, anticipated this decrease in the General Fund balance.

In 2008, total Park District funds had receipts of \$10,670,515 and disbursements of \$7,124,361 (excluding inter-fund transfers). The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund increased \$2,653,515 largely due to \$5,000,000 in receipts from a general obligation bond issued in 2008. Proceeds of the bond were used to retire a tax anticipation note issued in 2007 with the balance being placed in the land acquisition and park improvement accounts. This change was anticipated in the Park District plans.

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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 2009, final receipts were budgeted at \$3,773,466 and final actual receipts were \$4,255,831. The variance between the budget and actual relate to additional intergovernmental and various other receipts being received. Final disbursements were budgeted at \$7,559,066 while actual disbursements were \$4,817,882. The reduction in expenditures was related to lower capital outlay and various other expenditures. Some budgeted positions were not filled at the beginning of the year and hospitalization costs were lower than anticipated. In addition, the cost of gasoline, natural gas, and propane fell from 2008 levels creating savings in several line items. The unencumbered balance at the end of 2009 decreased to \$3,822,146 from the previous year's balance of \$4,318,049.

In 2008, final receipts were budgeted at \$8,832,566, and final actual receipts were \$9,520,531. The variance between the budget and actual related to additional intergovernmental and various other receipts being received. Final disbursements were budgeted at \$9,978,005 while actual disbursements were \$6,933,164. The variance is attributed to a reduction in expenditures for capital outlay and various other expenditures. The unencumbered balance at the end of 2008 was \$4,318,049; an increase from 2007 when the balance at the end of the year was \$1,702,679.

Debt Administration

Debt

At December 31, 2009, the Park District's outstanding debt was \$4,984,003 in a general obligation bond issued in 2008 for land acquisition and capital improvement projects.

At December 31, 2008, the Park District's outstanding debt was \$5,718,908 in a general obligation bond issued for land acquisition and park improvements. Also during 2008, a tax anticipation note in the amount of \$3,000,000 issued in 2007 was retired using the proceeds of the bond.

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. The continued weakness of the economy in the State of Ohio may be the cause of further reduction of the local government fund in the coming year. The projected budget deficit at the state level may result in a significant reduction of this fund.

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.

Medina County Park District

*Statement of Net Assets - Cash Basis
December 31, 2009*

	<u>Governmental Activities</u>
Asset	
Equity in Pooled Cash and Cash Equivalents	<u>\$5,018,265</u>
Net Assets	
Restricted for:	
Capital Projects	\$1,164,645
Unrestricted	<u>3,853,620</u>
<i>Total Net Assets</i>	<u>\$5,018,265</u>

See accompanying notes to the basic financial statements

Medina County Park District

*Statement of Net Assets - Cash Basis
December 31, 2008*

	<u>Governmental Activities</u>
Asset	
Equity in Pooled Cash and Cash Equivalents	<u>\$6,009,078</u>
Net Assets	
Restricted for:	
Capital Projects	\$1,624,881
Unrestricted	<u>4,384,197</u>
<i>Total Net Assets</i>	<u>\$6,009,078</u>

See accompanying notes to the basic financial statements

Medina County Park District

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2009*

	Program Cash Receipts			Net (Cash Disbursements) Cash Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Current:				
Salaries - Employees	\$1,044,999	\$18,871	\$2,053	(\$1,024,075)
Workers' Compensation	18,209	329	36	(17,844)
Public Employees Retirement	149,614	2,702	294	(146,618)
Medicare	14,213	257	28	(13,928)
Hospitalization	158,180	2,857	311	(155,012)
Supplies	19,070	231	28	(18,811)
Materials	246,080	1,060	118	(244,902)
Equipment	101,927	1,549	174	(100,204)
Equipment - Rental	5,377	77	8	(5,292)
Contracts - Repair	2,152	39	4	(2,109)
Contracts - Services	1,003,237	2,095	265	(1,000,877)
Advertising and Printing	24,005	411	45	(23,549)
Travel	31,639	571	62	(31,006)
Rent	360	6	1	(353)
Capital Outlay	1,429,799	25,820	2,809	(1,401,170)
Debt Service:				
Payment of Principal	734,905	10,617	1,155	(723,133)
Payment of Interest	192,680	2,784	303	(189,593)
Other	116,688	2,074	227	(114,387)
<i>Total Governmental Activities</i>	<u>\$5,293,134</u>	<u>\$72,350</u>	<u>\$7,921</u>	<u>(5,212,863)</u>
General Receipts				
Property Taxes Levied for				
General Park District Purposes				2,819,487
Grants and Entitlements not Restricted to				
Specific Programs				1,206,009
Investment Income				136,710
Miscellaneous				59,844
<i>Total General Receipts</i>				4,222,050
Change in Net Assets				(990,813)
<i>Net Assets Beginning of Year</i>				6,009,078
<i>Net Assets End of Year</i>				<u>\$5,018,265</u>

See accompanying notes to the basic financial statements

Medina County Park District

*Statement of Activities - Cash Basis
For the Year Ended December 31, 2008*

	Program Cash Receipts			Net (Cash Disbursements) Cash Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Current:				
Salaries - Employees	\$984,094	\$11,737	\$1,135	(\$971,222)
Workers' Compensation	21,861	261	27	(21,573)
Public Employees Retirement	140,510	1,676	162	(138,672)
Medicare	13,365	159	15	(13,191)
Hospitalization	147,098	1,754	169	(145,175)
Supplies	25,672	170	587	(24,915)
Materials	80,726	551	439	(79,736)
Equipment	148,658	1,361	317	(146,980)
Equipment - Rental	5,351	54	11	(5,286)
Contracts - Repair	3,767	45	4	(3,718)
Contracts - Services	974,724	1,975	3,784	(968,965)
Advertising and Printing	26,230	301	30	(25,899)
Travel	45,572	544	52	(44,976)
Rent	260	3		(257)
Capital Outlay	765,831	9,134	881	(755,816)
Debt Service:				
Payment of Principal	3,281,092	38,408	3,771	(3,238,913)
Payment of Interest	335,873	3,535	384	(331,954)
Other	123,677	1,465	142	(122,070)
<i>Total Governmental Activities</i>	<u>\$7,124,361</u>	<u>\$73,133</u>	<u>\$11,910</u>	<u>(7,039,318)</u>

General Receipts

Property Taxes Levied for General Park District Purposes	2,727,088
Grants and Entitlements not Restricted to Specific Programs	1,116,927
Investment Income	193,903
Bond Proceeds	6,000,000
Miscellaneous	547,554
<i>Total General Receipts</i>	10,585,472
Change in Net Assets	3,546,154
<i>Net Assets Beginning of Year</i>	2,462,924
<i>Net Assets End of Year</i>	<u>\$6,009,078</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, 2009*

	General	Major Park Development	Other Governmental Funds	Total Governmental Funds
Asset				
Equity in Pooled Cash and Cash Equivalents	\$3,853,620	\$775,481	\$389,164	\$5,018,265
<i>Total Assets</i>	<u>\$3,853,620</u>	<u>\$775,481</u>	<u>\$389,164</u>	<u>\$5,018,265</u>
Fund Balances				
Reserved:				
Reserved for Encumbrances	\$31,474	\$54,869		\$86,343
Unreserved:				
Undesignated, Reported in:				
General Fund	3,822,146			3,822,146
Capital Projects Funds		720,612	\$389,164	1,109,776
<i>Total Fund Balances</i>	<u>\$3,853,620</u>	<u>\$775,481</u>	<u>\$389,164</u>	<u>\$5,018,265</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, 2008*

	General	Major Park Development	Other Governmental Funds	Total Governmental Funds
Asset				
Equity in Pooled Cash and Cash Equivalents	\$4,384,197	\$1,208,589	\$416,292	\$6,009,078
<i>Total Assets</i>	<u>\$4,384,197</u>	<u>\$1,208,589</u>	<u>\$416,292</u>	<u>\$6,009,078</u>
Fund Balances				
Reserved:				
Reserved for Encumbrances	\$66,148	\$173,414		\$239,562
Unreserved:				
Undesignated, Reported in:				
General Fund	4,318,049			4,318,049
Capital Projects Funds		1,035,175	\$416,292	1,451,467
<i>Total Fund Balances</i>	<u>\$4,384,197</u>	<u>\$1,208,589</u>	<u>\$416,292</u>	<u>\$6,009,078</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, 2009*

	General	Major Park Development	Other Governmental Funds	Total Governmental Funds
Cash Receipts				
Property Taxes	\$2,819,487			\$2,819,487
Intergovernmental Receipts	1,206,009			1,206,009
Investment Income	103,907	\$23,311	\$9,492	136,710
Sales	9,060			9,060
Fees	63,290			63,290
Gifts and Donations	7,871		50	7,921
Other Receipts	32,069	2,071	11,566	45,706
<i>Total Cash Receipts</i>	<u>4,241,693</u>	<u>25,382</u>	<u>21,108</u>	<u>4,288,183</u>
Cash Disbursements				
Current:				
Salaries	1,044,999			1,044,999
Workers' Compensation	18,209			18,209
Public Employees Retirement System	149,614			149,614
Medicare	14,213			14,213
Hospitalization	158,180			158,180
Supplies	12,799		6,271	19,070
Material	58,684	181,287	6,109	246,080
Equipment	85,754	4,514	11,659	101,927
Equipment - Rental	4,282	1,095		5,377
Contracts - Repair	2,152			2,152
Contracts - Services	116,017	809,850	77,370	1,003,237
Advertising and Printing	22,778	1,227		24,005
Gasoline/Travel	31,639			31,639
Rent	360			360
Capital Outlay	1,429,799			1,429,799
Debt Service:				
Redemption of Principal	587,924	146,981		734,905
Interest and Fiscal Charges	154,144	38,536		192,680
Other	114,861		1,827	116,688
<i>Total Cash Disbursements</i>	<u>4,006,408</u>	<u>1,183,490</u>	<u>103,236</u>	<u>5,293,134</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>235,285</u>	<u>(1,158,108)</u>	<u>(82,128)</u>	<u>(1,004,951)</u>
Other Financing Sources (Uses)				
Transfers In		725,000	55,000	780,000
Transfers Out	(780,000)			(780,000)
Refunds	1,479			1,479
Reimbursements	12,659			12,659
<i>Total Other Financing Sources (Uses)</i>	<u>(765,862)</u>	<u>725,000</u>	<u>55,000</u>	<u>14,138</u>
<i>Net Change in Fund Balances</i>	<u>(530,577)</u>	<u>(433,108)</u>	<u>(27,128)</u>	<u>(990,813)</u>
<i>Fund Balances Beginning of Year</i>	<u>4,384,197</u>	<u>1,208,589</u>	<u>416,292</u>	<u>6,009,078</u>
<i>Fund Balances End of Year</i>	<u>\$3,853,620</u>	<u>\$775,481</u>	<u>\$389,164</u>	<u>\$5,018,265</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, 2008*

	General	Major Park Development	Other Governmental Funds	Total Governmental Funds
Cash Receipts				
Property Taxes	\$2,727,088			\$2,727,088
Intergovernmental	1,116,927			1,116,927
Investment Income	136,144	\$42,797	\$14,962	193,903
Sales	17,160			17,160
Fees	55,973			55,973
Gifts and Donations	7,058	1,000	3,852	11,910
Other Receipts	27,234	13,582	7,989	48,805
<i>Total Cash Receipts</i>	<u>4,087,584</u>	<u>57,379</u>	<u>26,803</u>	<u>4,171,766</u>
Cash Disbursements				
Current:				
Salaries - Employees	984,094			984,094
Workers' Compensation	21,861			21,861
Public Employees Retirement	140,510			140,510
Medicare	13,365			13,365
Hospitalization	147,098			147,098
Supplies	14,223		11,449	25,672
Materials	46,203	27,391	7,132	80,726
Equipment	114,084	31,523	3,051	148,658
Equipment - Rental	4,508	745	98	5,351
Contracts - Repair	3,767			3,767
Contracts - Services	165,565	753,593	55,566	974,724
Advertising and Printing	25,233	997		26,230
Travel	45,572			45,572
Rent	260			260
Capital Outlay	765,831			765,831
Debt Service:				
Payment of Principal	3,220,485	60,607		3,281,092
Payment of Interest & Fees	296,480	39,393		335,873
Other	122,877	800		123,677
<i>Total Cash Disbursements</i>	<u>6,132,016</u>	<u>915,049</u>	<u>77,296</u>	<u>7,124,361</u>
<i>Excess of Cash Receipts Under Cash Disbursements</i>	<u>(2,044,432)</u>	<u>(857,670)</u>	<u>(50,493)</u>	<u>(2,952,595)</u>
Other Financing Sources (Uses)				
Transfers In		675,000	60,000	735,000
Transfers Out	(735,000)			(735,000)
Refunds	2,262		1,479	3,741
Reimbursements	430,685	64,323		495,008
Bond Proceeds	5,000,000	1,000,000		6,000,000
<i>Total Other Financing Sources (Uses)</i>	<u>4,697,947</u>	<u>1,739,323</u>	<u>61,479</u>	<u>6,498,749</u>
<i>Net Change in Fund Balances</i>	2,653,515	881,653	10,986	3,546,154
<i>Fund Balances Beginning of Year</i>	<u>1,730,682</u>	<u>326,936</u>	<u>405,306</u>	<u>2,462,924</u>
<i>Fund Balances End of Year</i>	<u>\$4,384,197</u>	<u>\$1,208,589</u>	<u>\$416,292</u>	<u>\$6,009,078</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, 2009*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$2,967,666	\$2,967,666	\$2,819,487	(\$148,179)
Intergovernmental	702,800	702,800	1,206,009	503,209
Investment Income	35,800	35,800	103,907	68,107
Sales	7,500	7,500	9,060	1,560
Fees	35,000	35,000	63,290	28,290
Gifts and Donations	4,500	4,500	7,871	3,371
Other Receipts	19,500	19,500	32,069	12,569
<i>Total Receipts</i>	<u>3,772,766</u>	<u>3,772,766</u>	<u>4,241,693</u>	<u>468,927</u>
Disbursements				
Current:				
Salaries - Employees	1,083,401	1,078,101	1,044,999	33,102
Workers' Compensation	21,668	21,668	18,209	3,459
Unemployment	3,000	3,000		3,000
Public Employees Retirement	154,762	154,762	149,614	5,148
Medicare	21,371	19,371	14,214	5,157
Hospitalization	172,375	172,375	158,180	14,195
Supplies	16,443	16,443	14,417	2,026
Materials	76,409	76,409	62,595	13,814
Equipment	184,600	184,600	86,845	97,755
Equipment - Rental	6,700	6,700	4,282	2,418
Contracts - Repair	7,033	7,033	2,152	4,881
Contracts - Services	241,619	235,119	130,013	105,106
Advertising and Printing	34,555	34,555	24,917	9,638
Travel	66,364	53,364	32,888	20,476
Rent	450	450	361	89
Capital Outlay	3,670,000	3,840,000	1,429,799	2,410,201
Debt Service:				
Payment of Principal	588,061	588,061	587,924	137
Payment of Interest	154,180	160,680	154,144	6,536
Other	102,230	126,375	122,329	4,046
<i>Total Disbursements</i>	<u>6,605,221</u>	<u>6,779,066</u>	<u>4,037,882</u>	<u>2,741,184</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(2,832,455)</u>	<u>(3,006,300)</u>	<u>203,811</u>	<u>3,210,111</u>
Other Financing Sources (Uses)				
Transfers Out	(780,000)	(780,000)	(780,000)	
Refunds	200	200	1,479	1,279
Reimbursements	500	500	12,659	12,159
<i>Total Other Financing Sources (Uses)</i>	<u>(779,300)</u>	<u>(779,300)</u>	<u>(765,862)</u>	<u>13,438</u>
<i>Net Change in Fund Balances</i>	<u>(3,611,755)</u>	<u>(3,785,600)</u>	<u>(562,051)</u>	<u>3,223,549</u>
Prior Year Encumbrances Appropriated	66,148	66,148	66,148	
<i>Fund Balances Beginning of Year</i>	<u>4,318,049</u>	<u>4,318,049</u>	<u>4,318,049</u>	
<i>Fund Balances End of Year</i>	<u>\$772,442</u>	<u>\$598,597</u>	<u>\$3,822,146</u>	<u>\$3,223,549</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, 2008*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$2,967,666	\$2,967,666	\$2,727,088	(\$240,578)
Intergovernmental	777,800	777,800	1,116,927	339,127
Investment Income	35,800	35,800	136,144	100,344
Sales	7,500	7,500	17,160	9,660
Fees	19,500	19,500	55,973	36,473
Gifts and Donations	4,500	4,500	7,058	2,558
Other Receipts	19,500	19,500	27,234	7,734
<i>Total Receipts</i>	<u>3,832,266</u>	<u>3,832,266</u>	<u>4,087,584</u>	<u>255,318</u>
Disbursements				
Current:				
Salaries - Employees	1,039,196	1,023,896	984,094	39,802
Workers' Compensation	25,980	31,280	21,861	9,419
Unemployment	3,000	3,000		3,000
Public Employees Retirement	148,213	148,213	140,510	7,703
Medicare	19,708	19,708	13,365	6,343
Hospitalization	154,775	154,775	147,098	7,677
Supplies	16,418	16,418	14,516	1,902
Materials	48,041	52,541	49,212	3,329
Equipment	191,200	185,700	145,709	39,991
Equipment - Rental	6,700	6,700	4,508	2,192
Contracts - Repair	6,875	6,875	5,549	1,326
Contracts - Services	193,399	198,899	176,938	21,961
Advertising and Printing	33,744	30,244	28,388	1,856
Travel	44,347	61,847	56,336	5,511
Rent	325	325	260	65
Capital Outlay	3,525,000	3,525,000	765,831	2,759,169
Debt Service:				
Payment of Principal	3,342,305	3,342,305	3,220,485	121,820
Payment of Interest	307,695	307,695	296,480	11,215
Other	136,084	127,584	127,024	560
<i>Total Disbursements</i>	<u>9,243,005</u>	<u>9,243,005</u>	<u>6,198,164</u>	<u>3,044,841</u>
Excess of Receipts Under Disbursements	<u>(5,410,739)</u>	<u>(5,410,739)</u>	<u>(2,110,580)</u>	<u>3,300,159</u>
Other Financing Sources (Uses)				
Transfers Out	(735,000)	(735,000)	(735,000)	
Refunds	200	200	2,262	2,062
Reimbursements	100	100	430,685	430,585
Bond Proceeds	5,000,000	5,000,000	5,000,000	
<i>Total Other Financing Sources (Uses)</i>	<u>4,265,300</u>	<u>4,265,300</u>	<u>4,697,947</u>	<u>432,647</u>
<i>Net Change in Fund Balances</i>	<u>(1,145,439)</u>	<u>(1,145,439)</u>	<u>2,587,367</u>	<u>3,732,806</u>
<i>Prior Year Encumbrances Appropriated</i>	28,003	28,003	28,003	
Fund Balances Beginning of Year	<u>1,702,679</u>	<u>1,702,679</u>	<u>1,702,679</u>	
Fund Balances End of Year	<u>\$585,243</u>	<u>\$585,243</u>	<u>\$4,318,049</u>	<u>\$3,732,806</u>

See accompanying notes to the basic financial statements

Medina County Park District
Medina County

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008

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, 2009 and 2008
(Continued)

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.

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

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.

Medina County Park District
Medina County

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008
(Continued)

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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.

Medina County Park District
Medina County

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008
(Continued)

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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, 2009	\$ 31,474
General Fund, December 31, 2008	\$66,148

Medina County Park District
Medina County

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008
(Continued)

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 2009 and 2008 represent the collection of 2008 and 2007 taxes, respectively. Real property taxes received in 2009 and 2008 were levied after October 1, 2008 and 2007, on the assessed values as of January 1, 2008 and 2007, 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 2009 and 2008 represent the collection of 2008 and 2007 taxes. Public utility tangible personal property taxes received in 2009 and 2008 became a lien on December 31, 2007 and 2006, were levied after October 1, 2008 and 2007, and are collected in 2009 and 2008 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 2009 and 2008 (other than public utility property) represent the collection of 2009 and 2008 taxes. Tangible personal property taxes received in 2009 and 2008 were levied after October 1, 2008 and 2007, on the true value as of December 31, 2008 and 2007. 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 2008 was 6.25 percent. This was reduced to 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

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008
(Continued)

Note 4 - Property Taxes (continued)

The full tax rate for all District operations for the year ended December 31, 2009, was \$.75 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2009 property tax receipts were based are as follows:

Real Property	
Residential	\$3,417,427,990
Agriculture	225,893,240
Commercial/Industrial/Mineral	690,427,700
Public Utility Property	
Real	577,220
Personal	80,048,330
Tangible Personal Property	7,109,807
Total Assessed Value	<u>\$4,421,484,287</u>

The full tax rate for all District operations for the year ended December 31, 2008, was \$.75 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2008 property tax receipts were based are as follows:

Real Property	
Residential	\$3,362,837,770
Agriculture	224,678,430
Commercial/Industrial/Mineral	690,977,230
Public Utility Property	
Real	521,600
Personal	78,516,560
Tangible Personal Property	83,314,452
Total Assessed Value	<u>\$4,440,846,042</u>

Note 5 – Risk Management

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. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. 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
Medina County

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008
(Continued)

Note 5 – Risk Management (continued)

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2008, (latest information available) PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does 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, 2008 and 2007 (the latest information available).

	<u>2008</u>	<u>2007</u>
Assets	\$35,769,535	\$37,560,071
Liabilities	<u>(15,310,206)</u>	<u>(17,340,825)</u>
Net Assets	<u>\$20,459,329</u>	<u>\$20,219,246</u>

At December 31, 2008 and 2007 (the latest information available), respectively, the liabilities above include approximately \$13.8 million and \$15.9 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$12.9 million and \$15.0 million of unpaid claims to be billed to approximately 445 member governments in the future, as of December 31, 2008, and 2007, 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 \$43,000. 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

2007	\$37,386
2008	42,393
2009	43,956

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they provide 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 contribution. Withdrawing members have no other future obligation to PEP. 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
Medina County

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008
(Continued)

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, 2009 and 2008, the members of all three plans, except those in law enforcement participating in the traditional plan, were required to contribute 10 percent of their annual covered salaries. The District's contribution rate for pension benefits for 2009 and 2008 was 7 percent through March 31, 2009. The allocation rate changed to 8.5 percent effective March 31, 2009. 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, 2009, 2008, and 2007 were \$90,837, \$70,255, and \$74,583 respectively; 100 percent has been contributed for 2009, 2008 and 2007. Contributions to the member-directed plan for 2009 and 2008 are available upon request.

Note 7 - Postemployment Benefits

Plan Description – OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for post-employment health care coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which 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.

Medina County Park District
Medina County

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008
(Continued)

Note 7 - Postemployment Benefits (continued)

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund postemployment health care through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2009 and 2008, local government employers contributed 14.0 percent of covered payroll. Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. For 2009 and 2008, the amount of the employer contributions which was allocated to fund post-employment health care was 7.0 percent of covered payroll through March 31, 2009. The allocation rate changed to 5.5 percent effective March 31, 2009. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2009, 2008 and 2007, were \$58,777, \$70,255 and \$49,126 respectively; 100 percent has been contributed for 2009, 2008 and 2007.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

Note 8 – Debt

The District's debt activity for the years ended December 31, 2009 and 2008 was as follows:

	Balance January 1, 2009	Additions	Reductions	Balance December 31, 2009
Park Improvement Bond Series 2008 5.00%	\$5,718,908		\$734,905	\$4,984,003
	Balance January 1, 2008	Additions	Reductions	Balance December 31, 2008
Park Improvement Note Series 2007 5.12%	\$3,000,000		\$3,000,000	
Park Improvement Bond Series 2008 5.00%		\$6,000,000	281,092	\$5,718,908
Total	\$3,000,000	\$6,000,000	\$3,281,092	\$5,718,908

Medina County Park District
Medina County

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008
(Continued)

Note 8 – Debt (continued)

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.

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.

Amortization of the above debt is scheduled as follows:

Year ending December 31:	Principal	Interest	Total
2010	\$760,703	\$166,882	\$927,585
2011	787,405	140,180	\$927,585
2012	815,045	112,540	\$927,585
2013	843,656	83,929	\$927,585
2014	873,270	54,315	\$927,585
2015	903,924	23,661	\$927,585
Total	<u>\$4,984,003</u>	<u>\$581,507</u>	<u>\$5,565,510</u>

Note 9 - Interfund Transfers

During 2009 the following transfers were made:

Transfers from the General Fund to:	
Major Park Development Fund	\$ 725,000
Other Governmental Funds	55,000
Total Transfers from the General Fund	<u>\$ 780,000</u>

During 2008 the following transfers were made:

Transfers from the General Fund to:	
Major Park Development Fund	\$ 675,000
Other Governmental Funds	60,000
Total Transfers from the General Fund	<u>\$ 735,000</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

Notes to the Financial Statements
For the Years Ended December 31, 2009 and 2008
(Continued)

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.

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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, 2009 and 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 18, 2010, 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 the purpose of expressing our opinions on the financial statements, but not for the purpose of opining 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected. We consider finding 2009-001 described in the accompanying Schedule of Findings to be a material weakness.

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 also noted a certain matter not requiring inclusion in this report that we reported to the District's management in a separate letter dated February 18, 2010.

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 management, Board of Commissioners, and others within the District. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

February 18, 2010

**MEDINA COUNTY PARK DISTRICT
MEDINA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008**

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

FINDING NUMBER 2009-001

Material Weakness

Financial Statement Adjustments

In 2008, the District issued \$6,000,000 bonds which were used to purchase land, equipment and to retire \$3,000,000 principal and \$153,173 in interest on prior outstanding note obligations.

The bond proceeds were initially recorded net of the prior note repayments. As such, the General Fund's bond proceeds cash receipts, and principal and interest cash disbursements were understated, \$3,153,173; \$3,000,000; and \$153,173; respectively. Adjustments were made to the financial statements to record this activity.

The District should record the gross activity related to a debt refunding transaction and should ensure this activity is properly presented in the financial statements. Additionally, the Commissioners and Director should review the draft financial statements to help ensure transactions are properly accounted for, classified, and free of omissions. This will help more accurately reflect the District's financial activity and will aid in more accurate financial reporting.

Officials' Response: The park district management staff was made aware of the problem with the manner in which the bond income and expense were handled in 2008. Future transactions similar in nature will be handled in accordance with the auditor's recommendations.



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
APRIL 1, 2010**