



**MONROE COUNTY PARK COMMISSION
MONROE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1998-1997



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

Monroe County Park Commission
Monroe County
105 West Court Street
Woodsfield, Ohio 43793

To the Board of Commissioners:

We have audited the accompanying financial statements of Monroe County Park Commission, Monroe County, Ohio, (the Commission) as of and for the years ended December 31, 1998 and 1997. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Commission prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserve for encumbrances of the Monroe County Park Commission, Monroe County as of December 31, 1998 and 1997, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 1999 on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of the management, Board of Commissioners and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

December 1, 1999

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

	<u>Governmental Fund Type</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
General Property Tax - Real Estate	\$60,392	\$0	\$60,392
Tangible Personal Property Tax	32,399		32,399
Homestead and Rollback	7,357		7,357
Investment Income	330	516	846
Grant	145	8,279	8,424
Fees	7,897		7,897
Sales	5,546		5,546
Other Receipts	6,288		6,288
	<u>120,354</u>	<u>8,795</u>	<u>129,149</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries - Employees	52,207		52,207
Supplies	10,771		10,771
Materials	1,250		1,250
Equipment	1,775		1,775
Contracts - Repair	1,276		1,276
Contracts - Services	17,262		17,262
Insurance	3,778		3,778
Medicare Tax	755		755
Advertising and Printing	412		412
Travel	935		935
Public Employees Retirement	7,010		7,010
Workers' Compensation	512		512
Auditor and Treasurer's Fees	3,111		3,111
Capital Outlay		26,799	26,799
Debt:			
Payment of Principal	1,103		1,103
Payment of Interest	3,245		3,245
Other	10,788		10,788
	<u>116,190</u>	<u>26,799</u>	<u>142,989</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	4,164	(18,004)	(13,840)
Other Financing Receipts/(Disbursements):			
Proceeds from Sale of Public Debt:			
Sale of Notes		18,094	18,094
Refund			
Transfer-In		10,000	10,000
Transfers-Out	(10,000)		(10,000)
	<u>(10,000)</u>	<u>28,094</u>	<u>18,094</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(5,836)	10,090	4,254
Fund Cash Balances, January 1	26,845	0	26,845
Fund Cash Balances, December 31	<u>\$21,009</u>	<u>\$10,090</u>	<u>\$31,099</u>
Reserves for Encumbrances, December 31	<u>\$410</u>	<u>\$0</u>	<u>\$0</u>

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1997**

	<u>Governmental Fund Type</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
General Property Tax - Real Estate	\$66,660	\$0	\$66,660
Tangible Personal Property Tax	30,234		30,234
Homestead and Rollback	6,612		6,612
Investment Income	113		113
Grant	147	40,000	40,147
Sale of Personal Property	39,135		39,135
Fees	6,888		6,888
Sales	4,852		4,852
Other Receipts	3,897		3,897
	<u>158,538</u>	<u>40,000</u>	<u>198,538</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries - Employees	52,131		52,131
Supplies	15,181		15,181
Materials	1,995		1,995
Equipment	1,911		1,911
Contracts - Repair	2,146		2,146
Contracts - Services	29,125		29,125
Insurance	2,492		2,492
Medicare Tax	755		755
Advertising and Printing	1,762		1,762
Travel	84		84
Public Employees Retirement	7,334		7,334
Workers' Compensation	510		510
Auditors and Treasurers Fees	3,499		3,499
Capital Outlay		72,571	72,571
Debt:			
Payment of Principal	1,106	20,000	21,106
Payment of Interest	2,052	419	2,471
Other	22,389		22,389
	<u>144,472</u>	<u>92,990</u>	<u>237,462</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	<u>14,066</u>	<u>(52,990)</u>	<u>(38,924)</u>
Other Financing Receipts/(Disbursements):			
Proceeds from Sale of Public Debt:			
Sale of Notes		46,000	46,000
Transfers-In		419	419
Transfers-Out	(419)		(419)
	<u>(419)</u>	<u>46,419</u>	<u>46,000</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	13,647	(6,571)	7,076
Fund Cash Balances, January 1	<u>13,198</u>	<u>6,571</u>	<u>19,769</u>
Fund Cash Balances, December 31	<u>\$26,845</u>	<u>\$0</u>	<u>\$26,845</u>
Reserves for Encumbrances, December 31	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Monroe County Park Commission, Monroe County, (the Commission) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Commission is directed by a three-member Board of Commissioners appointed by the probate judge of Monroe County. The Commission 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 Commission's management believes these financial statements present all activities for which the Commission is financially accountable.

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Fund Accounting

The Commission uses fund accounting to segregate cash and investments that are restricted as to use. The Commission classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Commission had the following significant Special Revenue Funds:

Ohio Township Pool - This fund received a state grant for improvements at the pool.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Nature Works Grant - This fund received grant money and loan proceeds for improvements to the park.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Budget

On or about May 1 of each year, the Monroe County Auditor sends a departmental budget form to the Commission for the succeeding calendar year. The Commission's Fiscal Officer completes the departmental budget form containing information of the expenditures for the prior year, appropriations for the current year and the request for the next year. A personal service schedule accompanies the departmental budget and it reflects each person's name, present rate of pay, rate of pay for the next year and the amount requested for the next year. Also, an estimate of anticipated revenue is filed with the departmental budget. The Commission reviews the forms and they are filed with the County Commissioners by June 1. This information is then combined with other departmental budgets and the Monroe County subdivision budget is prepared. The budget of estimated cash receipts and disbursements is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

2. Estimated Resources

The County Budget Commission certifies to the County Commissioners by September 1. As part of this certification, the County Commissioners receive the official certificate of estimated resources which states the projected receipts of each fund. On or about January 1, this certificate is amended to include any unencumbered balances from the preceding year. Prior to December 31, the Commissioners revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. Budget receipts do not include January 1 unencumbered fund balances. However, those fund balances are available for appropriations.

3. Appropriations

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

4. Encumbrances

The Ohio Revised Code requires the Commission to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Commission did not encumber all commitments required by Ohio law.

A summary of 1998 and 1997 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Commission.

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1998 and December 31, 1997 follows:

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$120,354	\$120,354	\$0
Special Revenue	41,237	36,889	(4,348)
Total	\$161,591	\$157,243	(\$4,348)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$147,560	\$126,600	\$20,960
Special Revenue	41,237	26,799	14,438
Total	\$188,797	\$153,399	\$35,398

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997
(Continued)**

2. BUDGETARY ACTIVITY (Continued)

1997 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$158,538	\$158,538	\$0
Special Revenue	40,419	86,419	46,000
Total	\$198,957	\$244,957	\$46,000

1997 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$167,708	\$144,891	\$22,817
Special Revenue	46,990	92,990	(46,000)
Total	\$214,698	\$237,881	(\$23,183)

3. PROPERTY TAX

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

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

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

4. DEBT

Debt outstanding at December 31, 1998:

	Principal	Interest Rate
General Obligation Notes	\$46,000	7.21%

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997
(Continued)**

4. DEBT (Continued)

The Commission issued a General Obligation Park Note on July 30, 1997, in the amount of \$46,000 at 7.21% for a term of twenty years to acquire an office building. Interest and principal payments are due monthly to the Woodsfield Savings Bank. The building was pledged as collateral.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	General Obligation Notes
1999	\$4,348
2000	4,348
2001	4,348
2002	4,348
2003	4,348
Subsequent	<u>59,063</u>
Total	<u><u>\$80,803</u></u>

5. RETIREMENT SYSTEM

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

Contribution rates are also prescribed by the Ohio Revised Code. For 1998 and 1997, members of PERS contributed 8.5% of their gross salaries. The Commission contributed an amount equal to 13.55% of participants' gross salaries. The Commission has paid all contributions required through December 31, 1998.

6. RISK MANAGEMENT

The Commission has obtained commercial insurance for the following risks:

- Errors and Omissions
- Comprehensive property and general liability
- Vehicles

7. YEAR 2000 ISSUE

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the District's operations as early as fiscal year 1999.

Monroe County makes property tax settlements to the Commission. Monroe County is responsible for remediating their system and any costs associated with the projects.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1997
(Continued)

7. YEAR 2000 ISSUE (Continued)

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the District is or will be Year 2000 ready, that the District's remediation efforts will be successful in whole or in part, or that parties with whom the District does business will be Year 2000 ready.



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

Monroe County Park Commission
Monroe County
105 West Court Street
Woodsfield, Ohio 43793

To the Board of Commissioners:

We have audited the accompanying financial statements of Monroe County Park Commission, Monroe County, Ohio, (the Commission) as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated December 1, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Commission in a separate letter dated December 1, 1999.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Commission in a separate letter dated December 1, 1999.

This report is intended for the information and use of the Park Board, management, and Board of County Commissioners, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

December 1, 1999



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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MONROE COUNTY PARK COMMISSION

MONROE 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
JANUARY 25, 2000**