

Russell Township Park District

AOS Regulatory Basis Footnote Shell

Revised December 2017

Russell Township Park District
Geauga County
Notes to the Financial Statements
For the Year Ended December 31, 2017

Note 1 - Reporting Entity

The Russell Township Park District (the District), Geauga County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The probate judge of Geauga 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, 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

Basis of Presentation

The District's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which are organized on a fund type basis.

The District includes investments as assets. Accordingly, the District does not record purchase of investments as assets or disbursements or sales of assets as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

STAR Ohio is recorded at share value as reported by the fund.

Fund Accounting

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The District uses funds to maintain its financial records during the year. The District uses fund accounting to segregate cash and investments that are restricted as to use. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

General Fund The General Fund accounts for and reports all financial resources not accounted for and reported 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.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District had the following significant Special Revenue Funds:

Conservation Land Fund – This fund receives tax monies that are used to purchase land for conservation.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are cancelled, and re-appropriated in the subsequent year.

A summary of 2017 budgetary activity appears in Note 3.

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Deposit and Investments

The District's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The District classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Commissioners can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Commissioners amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by District Commissioners or a District official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then

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unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 - Budgetary Activity

Budgetary activity for the year ending 2017 is as follows:

20CY Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$197,857	\$142,321	(\$55,537)
Special Revenue	263,728	124,164	(139,563)
Debt Service			0
Capital Projects			0
Permanent			0
Private Purpose Trust			0
Total	\$461,585	\$266,485	(\$195,100)

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$166,269	\$197,000	(\$30,731)
Special Revenue	0	111,000	(111,000)
Debt Service			0
Capital Projects			0
Permanent			0
Private Purpose Trust			0
Total	\$166,269	\$308,000	(\$141,731)

Note 4 – Deposits and Investments

The District maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

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Demand deposits	<u>2017</u> \$387,636
Total deposits	<u>387,636</u>
STAR Ohio	8,222
Total investments	<u>8,222</u>
Total deposits and investments	<u><u>\$395,858</u></u>

Deposits

Deposits are insured by the Federal Depository Insurance Corporation.

Investments

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Real Estate Taxes

The County Treasurer collects Real Estate taxes twice a year. The County Treasurer cannot raise your Real Estate Taxes. All increases in taxes are attributed to tax levies passed by voters in your area and/or an increase in the County Auditor's assessed value of your property.

Taxes are typically billed in January (First Half) and June (Second Half) of each year and are always due on the second Wednesday of February and the second Wednesday of July.

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

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Note 6 – Risk Management

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Errors and omissions.

Russell Township Park District						
<i>Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2017</i>						
To be submitted.						Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Permanent	
Cash Receipts						
Property Taxes	\$27,021	\$124,164				\$151,185
Public Library Fund	4,770					4,770
Local Govt Fund	5,007					5,007
Russell Township	4,020					4,020
FNB Int	804					804
Middlefield Bank Int	612					612
Star Ohio Int	82					82
Misc rounding	6					6
Other - Trsf MB to FNB	100,000					100,000
<i>Total Cash Receipts</i>	142,321	124,164	0	0	0	266,485
Cash Disbursements						
Current:						
Conservation/Recreation:						
Blades/Custom Cut/Al-Ways Flasher	13,985					13,985
Geauga Cty Treas	7,066					7,066
Admin Support	5,395					5,395
Legal	34,506					34,506
Advertising	58					58
Great Lakes Tech	950					950
Insurance	2,256					2,256
Misc exp	2,053					2,053
Misc rounding	(1)					(1)
Other - Trsf MB to FNB	100,000					100,000
						0
						0
						0
<i>Total Cash Disbursements</i>	166,269	0	0	0	0	166,269
<i>Excess of Receipts Over (Under) Disbursements</i>	(23,948)	124,164	0	0	0	100,216

Russell Township Park District						
<i>Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2017</i>						
To be submitted.						Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Permanent	
Other Financing Receipts (Disbursements)						
Sale of Capital Assets						0
Proceeds of Debt						0
Transfers In						0
Transfers Out						0
Advances In						0
Advances Out						0
Other Financing Sources						0
Other Financing Uses						0
<i>Total Other Financing Receipts (Disbursements)</i>	0	0	0	0	0	0
Special Item						0
Extraordinary Item						0
<i>Net Change in Fund Cash Balances</i>	(23,948)	124,164	0	0	0	100,216
<i>Fund Cash Balances, January 1</i>	183,994	111,648				295,642
Fund Cash Balances, December 31						
Nonspendable	0	0	0	0	0	0
Restricted	0	0	0	0	0	0
Committed	0	0	0	0	0	0
Assigned	0	0	0	0	0	0
Unassigned (Deficit)	160,046	235,812	0	0	0	395,858
<i>Fund Cash Balances, December 31</i>	\$160,046	\$235,812	\$0	\$0	\$0	\$395,858
<i>See accompanying notes to the basic financial statements</i>						

Russell Township Park District						
<i>Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) All Governmental Fund Types For the Year Ended December 31, 2017</i>						
To be submitted.						Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Permanent	
***** The Fund Balance Classification Worksheet below is not required to be submitted; *****						
***** Fund Balance Classification Worksheet***** ***** however, it is to be completed and retained for audit. Although not required, *****						
***** this Worksheet can be submitted at the fiscal officer's discretion. *****						
<i>Net Change in Fund Cash Balances</i>	(\$23,948)	\$124,164	\$0	\$0	\$0	\$100,216
<i>Fund Cash Balances, January 1</i>	183,994	111,648	0	0	0	295,642
<i>Fund Cash Balances, December 31</i>	\$160,046	\$235,812	\$0	\$0	\$0	\$395,858
Fund Balances						
Amounts identified as:						
Nonspendable						
Unclaimed Monies						\$0
Endowment for _____						0
Total Nonspendable						0
Restricted for:						
_____						0
_____						0
_____						0
_____						0
Debt Service						0
Construction of _____						0
Construction of _____						0
Endowment for _____						0
Total Restricted						0

