



Mary Taylor, CPA
Auditor of State

WARREN COUNTY PARK DISTRICT
WARREN COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Statement of Cash Receipts, Cash Disbursements, and Change in Fund Cash Balance – General Fund - For the Year Ended December 31, 2006.....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types - For the Year Ended December 31, 2005.....	6
Notes to the Financial Statements	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	11

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Mary Taylor, CPA

Auditor of State

Warren County Park District
Warren County
320 East Silver Street
Lebanon, Ohio 45036

To the Board of Commissioners:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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

Mary Taylor, CPA
Auditor of State

October 11, 2007

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Warren County Park District
Warren County
320 East Silver Street
Lebanon, Ohio 45036

To the Board of Commissioners:

We have audited the accompanying financial statements of the Warren County Park District, Warren County, Ohio (the District), as of and for the years ended December 31, 2006 and 2005. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion 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 opinion.

As described more fully in Note 1, the District has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the District's larger (i.e. major) funds separately. While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require District to reformat their statements. The District has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2006 and 2005 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Warren County Park District, Warren County, Ohio as of December 31, 2006 and 2005, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Warren County Park District, Warren County, Ohio as of December 31, 2006 and 2005, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The District not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2007, 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.



Mary Taylor, CPA
Auditor of State

October 11, 2007

**WARREN COUNTY PARK DISTRICT
WARREN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGE IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

Cash Receipts:

Intergovernmental	\$1,069,032
Investment Income	7,909
Gifts and Donations	2,850
Fees	22,432
Other Receipts	<u>6,067</u>

Total Cash Receipts 1,108,290

Cash Disbursements:

Current:	
Salaries - Employees	179,354
Supplies	69,169
Equipment	249,773
Contracts - Repair	107,125
Contracts - Services	52,483
Rentals	6,263
Advertising and Printing	2,081
Public Employees Retirement	24,571
Unemployment Compensation	1,421
Other	<u>55,592</u>

Total Cash Disbursements 747,832

Total Receipts Over Disbursements 360,458

Fund Cash Balances, January 1 166,748

Fund Cash Balances, December 31 **\$527,206**

Reserves for Encumbrances, December 31 \$390,861

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

**WARREN COUNTY PARK DISTRICT
WARREN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2005**

	General	Capital Projects	Totals (Memorandum Only)
Cash Receipts:			
Intergovernmental	\$435,814	\$548,552	\$984,366
Investment Income	1,277		1,277
Gifts and Donations	8,470	127,000	135,470
Fees	23,673		23,673
Other Receipts	14,439	85,571	100,010
 Total Cash Receipts	 483,673	 761,123	 1,244,796
Cash Disbursements:			
Current:			
Salaries - Employees	160,022		160,022
Supplies	60,952		60,952
Equipment	38,807		38,807
Contracts - Repair	19,561		19,561
Contracts - Services	50,201	212,571	262,772
Contracts - Projects		594,499	594,499
Public Employees Retirement	21,683		21,683
Workers' Compensation	235		235
Unemployment Compensation	1,165		1,165
Capital Outlay		2,438	2,438
Other	67,236	9,140	76,376
 Total Cash Disbursements	 419,862	 818,648	 1,238,510
 Total Receipts Over/(Under) Disbursements	 63,811	 (57,525)	 6,286
Other Financing Receipts/(Disbursements):			
Transfers-In		12	12
Transfers-Out	(12)		(12)
 Total Other Financing Receipts/(Disbursements)	 (12)	 12	 0
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 63,799	 (57,513)	 6,286
 Fund Cash Balances, January 1	 102,949	 57,513	 160,462
 Fund Cash Balances, December 31	 \$166,748	 \$0	 \$166,748
 Reserves for Encumbrances, December 31	 \$123,866	 \$0	 \$123,866

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

**WARREN COUNTY PARK DISTRICT
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Warren County Park District, Warren County, Ohio (the District), as a body corporate and politic. The probate judge of Warren 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.

B. Basis of Accounting

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District 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 Auditor of State prescribes or permits.

C. Cash and Investments

As the Ohio Revised Code permits, the Warren County Treasurer holds the District's cash as the District's custodian. The County holds the District's assets in its investment pool, valued at the Treasurer's reported carrying amount.

D. Fund Accounting

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

1. General Fund

The General Fund accounts for all financial resources except those required to be accounted for in another fund.

**WARREN COUNTY PARK DISTRICT
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Capital Project Funds

These funds account for receipts restricted for acquiring or constructing major capital projects (except those financed through enterprise or trust funds). Through December 31, 2005, the District had the following significant Capital Project Funds:

Twin Creek Clean Ohio Grant – This fund received a grant from the Ohio Public Works Commission to purchase and preserve land surrounding Twin Creek.

Caesar Creek Clean Ohio Grant – This fund received a grant from the Ohio Public Works Commission to purchase and preserve land surrounding Caesar Creek.

Lower Twin Creek Scenic Stream – This fund received a grant from the Ohio Department of Natural Resources division of watercraft to provide a boating access in Twin Creek.

Clint Fultz River Access Park – This fund received a grant from the Ohio Department of Natural Resources division of watercraft to provide a boating access on the Clint Fultz River.

Morrow Park Scenic River Access – This fund received a grant from the Ohio Department of Natural Resources division of watercraft to provide a boating access in Morrow River.

E. Budgetary Process

The Ohio Revised Code requires the Board of Commissioners to budget each fund annually.

1. 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. Appropriation Authority includes current year appropriations plus encumbrances carried over from the prior year (if any). The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

3. Encumbrances

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

**WARREN COUNTY PARK DISTRICT
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

A summary of 2006 and 2005 budgetary activity appears in Note 2.

F. Property, Plant, and Equipment

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

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2006 and 2005 follows:

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,152,695	\$1,108,290	(\$44,405)
Total	\$1,152,695	\$1,108,290	(\$44,405)

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,289,315	\$1,138,693	\$150,622
Total	\$1,289,315	\$1,138,693	\$150,622

2005 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$477,205	\$483,673	\$6,468
Capital Projects	761,135	761,135	0
Total	\$1,238,340	\$1,244,808	\$6,468

2005 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$580,154	\$543,740	\$36,414
Capital Projects	890,737	818,648	72,089
Total	\$1,470,891	\$1,362,388	\$108,503

**WARREN COUNTY PARK DISTRICT
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

3. RETIREMENT SYSTEM

The District's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes retirement benefits, including postretirement healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2006 and 2005, OPERS members contributed 9.0 and 8.5 percent respectively, of their gross salaries. The Commission contributed an amount equal to 13.70 and 13.55 percent respectively, of participants' gross salaries. The Commission has paid all contributions required through December 31, 2006.

4. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

Self Insurance

The District is also self insured for employee health insurance through the health insurance plan of Warren County

5. ON-BEHALF OF TRANSACTIONS

During 2006, the Ohio Department of Transportation made expenditures totaling \$72,325 directly to vendors for the benefit of the District. Transactions were recorded in the accounting records for the District's general fund to reflect the receipt and disbursement of these funds since the benefit was provided to the District.

During 2005, the Ohio Wetland Foundation made expenditures totaling \$127,000 for work performed by the Foundation for the benefit of the District. Transactions were recorded in the accounting records for the District's capital project funds to reflect the receipt and disbursement of these funds since the benefit was provided to the District.

6. IN-KIND CONTRIBUTIONS

During 2005, District employees completed work related to the District's capital projects. The employees were paid \$85,571 from the District's general fund. The District recorded a memo receipt and disbursement in the capital projects fund to reflect this in-kind contribution made to the capital projects.



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*

Warren County Park District
Warren County
320 East Silver Street
Lebanon, Ohio 45036

To the Board of Commissioners:

We have audited the financial statements of the Warren County Park District, Warren County, Ohio (the District), as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated October 11, 2007, wherein we noted the District prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the District's management in a separate letter dated October 11, 2007.

We intend this report solely for the information and use of the management and the Board of Commissioners. It is not intended for anyone other than these specified parties.

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

Mary Taylor, CPA
Auditor of State

October 11, 2007



Mary Taylor, CPA
Auditor of State

WARREN COUNTY PARK DISTRICT

WARREN 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
NOVEMBER 27, 2007**