

**WALDO TOWNSHIP PARK DISTRICT
MARION COUNTY
REPORT ON FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**



Mary Taylor, CPA

Auditor of State

Board of Commissioners
Waldo Township Park District
P.O. Box 497
Waldo, Ohio 43356

We have reviewed the *Independent Auditor's Report* of the Waldo Township Park District, Marion County, prepared by Holbrook & Manter, for the audit period January 1, 2006 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Waldo Township Park District is responsible for compliance with these laws and regulations.

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

Mary Taylor, CPA
Auditor of State

November 6, 2008

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Waldo Township Park District
Marion County

We were engaged to audit the accompanying financial statements of the Waldo Township Park District, Marion County, Ohio, (the District) as of and for the years ended December 31, 2007 and 2006. 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 audits.

As discussed in Note 1, the District has prepared these financial statements using accounting practices the Auditor of State of Ohio 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 for 2007 and 2006, GAAP requires presenting entity wide statements and also presenting the Township's larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State of Ohio permits, but does not require, governments to reformat their statements. The District has elected not to reformat its statements. Since this District does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State of Ohio permits.

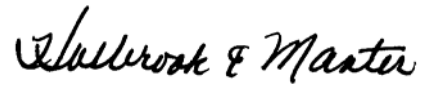
Because of inadequacies in the District's accounting records, we were unable to form an opinion regarding the amounts recorded as revenues, expenditures, and fund balances in the accompanying Combined Statements of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types for the years ended December 31, 2007 and 2006.

Because of the significance of the matters stated in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements referred to in the prior paragraph for the years ended December 31, 2007 and 2006.

As an emphasis of a matter and as discussed in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards* and the associated Findings, there are material weaknesses in the District's compliance and internal control.

The aforementioned revision to generally accepted accounting principles also requires the District to include Management's Discussion and Analysis for the years ended December 31, 2007 and 2006. The District has 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 September 24, 2008 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.



Certified Public Accountants

September 24, 2008

**WALDO TOWNSHIP PARK DISTRICT
MARION COUNTY**

COMBINED STATEMENTS OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES-ALL GOVERNMENTAL FUND TYPES
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
CASH RECEIPTS:-		
Local taxes	\$ 20,756	\$ 20,803
Intergovernmental	2,195	1,199
Earnings on investments	103	103
Other revenue	1,505	15
Total cash receipts	24,559	22,120
CASH DISBURSEMENTS:-		
Current;-		
Supplies	559	278
Utilities	899	629
Contracts- Services	14,277	7,700
Other	10,397	12,651
Capital outlay	0	0
Total cash disbursements	26,132	21,258
Total cash receipts over (under) cash disbursements	(1,573)	862
Fund cash balances, January 1	19,212	18,350
Fund cash balances, December 31	\$ 17,639	\$ 19,212

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

**WALDO TOWNSHIP PARK DISTRICT
MARION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:-

Description of the Entity - Waldo Township Park District, Marion County, (the District), 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 District is directed by a three-member Board of Commissioners appointed by the probate judge of Marion County. The district acquires lands for conversion into forest reserves and for the conservation of 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 District's management believes these financial statements present all activities for which the District is financially accountable.

Basis of Accounting - These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State of Ohio, 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 of Ohio.

Budgetary Process - The Ohio Revised Code requires that the District budget each fund annually.

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The Marion County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year-end.

Estimated Resources

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

Encumbrances

The District did not use the encumbrance method of accounting.

The District did not follow budgetary requirements relating to formally adopting a budget and establishing appropriations and estimated resources. During 2007 and 2006, the required filings with the County were not filed timely, but after being made aware by County officials or a third party source, the District did file the estimated resources and appropriations with the County.

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

**WALDO TOWNSHIP PARK DISTRICT
MARION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

NOTE 2 - EQUITY IN POOLED CASH:-

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>2007</u>	<u>2006</u>
Deposits:-		
Demand Deposits	\$ <u>17,639</u>	\$ <u>19,212</u>
Total deposits	<u>\$ 17,639</u>	<u>\$ 19,212</u>

Deposits - The District's deposits are insured by the Federal Depository Insurance Corporation.

NOTE 3 - BUDGETARY ACTIVITY:-

Budgetary activity for the year ending December 31, 2007 was as follows:

2007 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ <u>22,933</u>	\$ <u>24,559</u>	\$ (<u>1,626</u>)

2007 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ <u>25,162</u>	\$ <u>26,132</u>	\$ (<u>970</u>)

Contrary to Ohio law, during 2007, the budgetary expenditures exceeded the appropriation authority in the General Fund by \$970.

Budgetary activity for the year ending December 31, 2006 was developed and submitted to the county during 2008 and therefore were not appropriately completed or submitted to the County for approval and were not formally approved by the Board of Directors.

**WALDO TOWNSHIP PARK DISTRICT
MARION COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

NOTE 4 - 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 Trustees. 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 Marion 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 Marion 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 District.

NOTE 5 - RISK MANAGEMENT:-

The District has obtained commercial insurance for general liability.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Waldo Township Park District
Marion County

We were engaged to audit the accompanying financial statements of the Waldo Township Park District, Marion County, Ohio (the District), as of and for the years ended December 31, 2007 and 2006, and have issued a disclaimer of opinion due to inadequacies of the District's records, within our report thereon dated September 24, 2008. We also noted the District had followed accounting practices the Auditor of State of Ohio prescribes rather than accounting principles generally accepted in the United States of America within the report.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Waldo Township Park District's internal control over financial reporting as a basis for designing our auditing procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Waldo Township Park 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 the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the deficiencies described in the accompanying schedule of findings as item 2007-001, 2007-002, and 2007-007 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we believe finding number 2007-001 is also a material weakness.

We also noted certain internal control matters that we reported to the District's management in a separate letter dated September 24, 2008.

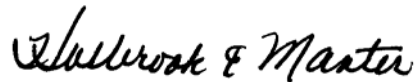
Compliance and Other Matters

As part of reasonably assuring whether Waldo Township Park District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard* which are described in the accompanying schedule of findings as items 2007-003, 2007-004, 2007-005, 2007-006, 2007-008, and 2007-009.

We noted certain matters that we reported to management of Waldo Township Park District in a separate letter dated September 24, 2008.

Waldo Township Park District's response to the findings identified in our audit is described in the accompanying schedule of findings. We did not audit Waldo Township Park District's response and, accordingly, we express no opinion on it.

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



Certified Public Accountants

September 24, 2008

**WALDO TOWNSHIP PARK DISTRICT
MARION COUNTY
SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

Finding Number

2007-001

Significant Deficiency – Material Weakness - Bank Reconciliations

Monthly bank statement reconciliations were not performed during the audit period. By not reconciling monthly bank statements to the cashbook, the District cannot determine that all receipts and disbursements have been properly posted to the depository account or determine the District's true cash position.

We recommend that the Treasurer reconcile the District's monthly bank statements to the cash book on a monthly basis.

Officials' Response

The Park District is aware of the above issue and is currently reviewing the procedures to prevent this condition from occurring in the future.

Finding Number

2007-002

Significant Deficiency - Internal Control and Review Procedures

The Board has not established formal procedures to reasonably assure completeness, and accuracy of the monthly reporting. During our testing and analysis, we noted that the District's Board is not reviewing monthly reports or items such as the bank statement for proper inclusion of authorized expenditures within the cancelled checks or electronic fund withdraws.

The District should carefully review this information and make appropriate inquiries to help determine the integrity of the financial information. When performing such review, the officials' signatures or initials and the date should be affixed to the documents examined and it should be noted in the monthly minutes that the officials' thoroughly reviewed and approved those documents. In addition, we also recommend that the numerical check sequence be noted in the minutes and signed off of by the District each month.

Officials' Response

The Park District is aware of the above issue and is currently reviewing the procedures to prevent this condition from occurring in the future.

**WALDO TOWNSHIP PARK DISTRICT
MARION COUNTY
SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

Finding Number

2007-003

Noncompliance Citation - Budgetary Requirements

Ohio Rev. Code Sections 5705.28, 5705.34, 5705.38, and 5705.41(D) require the District to adopt a budget, certify tax rates, establish appropriations, and certify the availability of funds prior to incurring an obligation. These requirements were effective for the years ending December 31, 2007 and December 31, 2006.

The Board of Park commissioners did not formally adopt a budget in 2007 or 2006, certify 2007 or 2006 tax rates, establish appropriations in 2007 or 2006, or provide certification for any of the District's expenditures in a timely fashion.

The appropriations were developed and submitted to the state during 2008 for 2006 and therefore were not appropriately completed or submitted to the County for approval and were not formally approved by the Board of Directors. The 2007 appropriations were submitted to the County during 2006, but were not formally approved by the Board of Directors.

We recommend that the District take the necessary steps to properly adopt a budget for each year in accordance with the Ohio Revised Code.

Officials' Response

The Park District is aware of the above issue and is currently reviewing the procedures to prevent this condition from occurring in the future.

Finding Number

2007-004

Noncompliance Citation - Budgetary Posting and Monitoring

Ohio Administrative Code Sections 117-2-02(D) 2 and 3 states that a receipt or appropriations ledger should be maintained during the audit period to effectively monitor the activity of the District. The District did not maintain a receipt or appropriations ledger during the audit period. By not maintaining these ledgers with budgeted receipts and appropriations, the District may be unable to effectively monitor budgeted versus actual activity.

We recommend the District post all receipts to the receipt ledger and all disbursements to the appropriation ledger. In addition, we also recommend the District record all budgeted receipts in the receipt ledger and appropriations in the appropriation ledger in order to monitor budgetary activity.

Officials' Response

The Park District is aware of the above issue and is currently reviewing the procedures to prevent this condition from occurring in the future.

**WALDO TOWNSHIP PARK DISTRICT
MARION COUNTY
SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

Finding Number	2007-005
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Noncompliance Citation - Filing of Financial Reports

Ohio Rev. Code Section 117.38 states that cash-basis entities must file annual reports with the Auditor of State within 60 days of the fiscal year end. Also, the entity must publish notice in a local newspaper stating the financial report is available for public inspection at the office of the chief financial officer.

During our testing we noted that the park district did not prepare, file, or publish notice of an annual report for 2007 until September of 2008. In addition, the 2006 filing was not submitted timely.

We recommend the District file a cash basis financial report for each year in a timely manner as required by the Ohio Revised Code.

Officials' Response

The Park District is aware of the above issue and is currently reviewing the procedures to prevent this condition from occurring in the future.

Finding Number	2007-006
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Noncompliance Citation - Prior Certification of Funds

Section 5705.41 (D), Ohio Revised Code, states that no subdivision shall make any contract or order any expenditure of money unless that certificate of the treasurer is attached. The treasurer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Furthermore, contracts and orders for expenditures lacking prior certification should be null and void unless, for expenditures under \$3,000, the Commissioner obtains from the treasurer a certificate stating that there was at the time of the making of the contracts or orders a sufficient sum appropriated. The Commissioners, by resolution, then may authorize the issuance of a warrant for the payments of the amount due.

During our testing of expenditures, all funds were obligated without prior or any certification. There was no evidence of subsequent resolutions authorizing payment for such obligations. Expenditures without prior certification could result in expenditures exceeding appropriations. We recommend that a purchase order be completed before all expenditures are initiated. Alternatively, the District might consider using then and now certificates or blanket certificates, allowed by the O.R.C. for expenditures meeting certain criteria.

Officials' Response

The District will work on correcting the findings and improve internal and compliance controls to address the issue.

**WALDO TOWNSHIP PARK DISTRICT
MARION COUNTY
SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

Finding Number	2007-007
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Significant Deficiency - Record Retention

During our examination and testing of expenditures, we noted that the District did not retain an invoice or other adequate support for a few of the expenditures tested during 2007 and 2006. Adequate documentation is a key element of an internal control system; this condition limits the control and accountability over District expenditures and allows for the possibility of improper payment to occur. We advise that invoices for all expenditures be retained to support the proper public purpose of the payment.

Officials' Response

The District is aware of the above issue and is currently reviewing the procedures to prevent this condition from occurring in the future.

Finding Number	2007-008
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Non-Compliance Citation - Park Commissioners Bonding

Ohio Revised Code Section 1545.05 requires each Park Commissioner to execute a bond prior to entering upon the duties of one of the Commissioners. The bond amount and surety is to be established by resolution of the governing authority.

The Commissioner's designated an individual as a fiscal officer/treasurer, but they did not execute a bond for any of the Park Commissioner positions, including the officer/treasurer, nor did they set the amount of the surety through a resolution.

We recommend the District take the necessary steps to establish a resolution regarding the terms and amount of the surety for each of the Commissioners bonding. In addition, the Park District should purchase the bonds to assist in risk management for protection of the public monies.

Officials' Response

The District is aware of the above issue and is currently reviewing the procedures to prevent this condition from occurring in the future.

Finding Number	2007-009
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Non-Compliance Citation - Certification of Available Revenue

Ohio Rev. Code Section 5705.36(A) states that on or about the first day of each fiscal year, the fiscal officer of each subdivision and other taxing units shall certify to the county auditor the total amount from all sources available for expenditures from each fund set up in the tax budget.

During our testing, we noted that the Park District did not certify its 2007 and 2006 available revenue until after that time.

Officials' Response

The District is aware of the above issue and is currently preparing the appropriate documents for submission to the County on a timely basis to prevent this issue from occurring in the future.

**WALDO TOWNSHIP PARK DISTRICT
MARION COUNTY
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2005-001	Budgetary Requirements	No	Not Corrected. Finding is repeated for current audit period as 2007-003.
2005-002	Budgetary Posting and Monitoring	No	Not Corrected. Finding is repeated for current audit period as 2007-004.
2005-003	Bank Reconciliations	No	Not Corrected. Finding is repeated for current audit period as 2007-001.
2005-004	Internal Control and Review Procedures	No	Not Corrected. Finding is repeated for current audit period as 2007-002.
2005-005	Park Commissioners Bonding	No	Not Corrected. Finding is repeated for current audit period as 2007-008.
2005-006	Filing of Financial Reports	No	Not Corrected. Finding is repeated for current audit period as 2007-005.



Mary Taylor, CPA
Auditor of State

WALDO TOWNSHIP PARK DISTRICT

MARION 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 18, 2008**