



**CRAWFORD PARK DISTRICT
CRAWFORD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004



**Auditor of State
Betty Montgomery**

**CRAWFORD PARK DISTRICT
CRAWFORD COUNTY**

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Crawford Park District
Crawford County
2401 State Route 598
Crestline, Ohio 44827

To the Board of Commissioners:

We have audited the accompanying financial statements of the governmental activities and the major fund of the Crawford Park District, Crawford County, Ohio, (the District) as of and for the years ended December 31, 2005, and December 31, 2004, which collectively comprise the basic financial statements of the District's primary government, as listed in the table of contents. 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.

Except as discussed in the following paragraph, 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.

The financial statements do not include financial data for the District's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for this component unit to be reported with the financial data of the District's primary government unless the District also issues financial statements for the reporting entity that includes the component unit's financial data. The District has not issued reporting entity financial statements. We cannot determine the amounts of assets, liabilities, net assets, revenues and expenses that the accompanying statements should present for this omitted component unit. The financial statements of the Friends of the Crawford Park District, Inc. component unit (the Friends) have not been audited, and we were not engaged to audit the Friends' financial statements as part of our audit of the District's basic financial statements. Unaudited financial information of the Friends is disclosed in Note 9.

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, because of the omission of the blended component unit as discussed above, the financial statements referred to above do not present fairly, in all material respects, the respective cash basis financial position of the governmental activities and the major fund of the Crawford Park District, Crawford County, Ohio, as of December 31, 2005, and December 31, 2004, and the respective changes in cash basis financial position and the budgetary comparison for the General fund for the years then ended in conformity with the accounting basis Note 2 describes.

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In addition, in our opinion, except for the effects of omitting the blended component unit as discussed above, and except for the effects of such adjustments, if any, as might have been determined to be necessary had the component unit's financial statements been audited, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities of the Crawford Park District, Crawford County, Ohio, as of December 31, 2005, and December 31, 2004, and the respective changes in cash financial position and the budgetary comparison of the General fund for the years then ended in conformity with the basis of accounting Note 2 describes.

For the year ended December 31, 2004, the District implemented the cash basis of accounting.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2006, 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.

Management's discussion & 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.



Betty Montgomery
Auditor of State

June 13, 2006

**CRAWFORD PARK DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**
Unaudited

The discussion and analysis of the Park District's (the District) financial performance provides a review of the District's financial activities for the years ended December 31, 2005 and 2004, within the limitations of the District's cash basis of accounting. The intent of this discussion and analysis is to provide readers with a general explanation of the District's financial performance. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

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 District's cash basis of accounting.

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions on a cash basis of accounting.

The Statement of Net Assets - Cash Basis and Statement of Activities - Cash Basis provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the District as a way to segregate money whose use is 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.

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 determine when financial events are recorded. The District has elected to present its financial statements on a cash basis of accounting. This is a basis of accounting other than accounting principles generally accepted in the United States of America. Under the 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.

**CRAWFORD PARK DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

Unaudited
(Continued)

Reporting the District as a Whole

The statement of net assets and the statement of activities reflect how the District did financially during 2005 and 2004, within the limitations of the cash basis of accounting. The Statement of Net Assets - Cash Basis presents the cash balance of the governmental activities of the District at year end. The Statement of Activities - Cash Basis compares disbursements with program receipts for each governmental activity. 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 disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

These statements report the 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 District's financial health. Over time, increases or decreases in the District's cash position is one indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, you should also consider other nonfinancial factors as well such as the reliance on non-local financial resources for operations and the need for continued growth.

The Statement of Net Assets - Cash Basis reports all of the District's activities, which are governmental. Charges for services, contributions and local government revenue finance most of these activities.

Reporting the District's Most Significant Fund

Fund Financial Statements

Fund financial statements provide detailed information about the District's fund.

The District's activities are reported in a governmental fund. The governmental fund financial statements provide a detailed short-term view of the District's governmental operations and the conservation and recreational services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the District's programs. The District's governmental fund is the General Fund.

The District as a Whole

Table 1 provides a summary of the District's net assets for 2005 compared to 2004 on a cash basis:

**Table 1
Net Assets - Cash Basis**

	Governmental Activities	
	2005	2004
Assets		
Cash and Cash Equivalents	\$8,957	\$156
Net Assets		
Unrestricted	8,957	156
Total Net Assets	\$8,957	\$156

**CRAWFORD PARK DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

Unaudited
(Continued)

The increase in net assets from 2004 to 2005 was primarily due to the resigning of the District Director in August 2005 and not replacing the Director in 2005. This resulted in a significant decrease in expenses for salaries and benefits.

Table 2 reflects the changes in net assets for 2005 and 2004.

Program Cash Receipts	2005	2004
Charges for Services	\$11,349	\$10,455
Operating Grants and Contributions	<u>191,134</u>	<u>201,193</u>
Total Program Cash Receipts	<u>202,483</u>	<u>211,648</u>
General Receipts		
Interest	148	25
Miscellaneous	<u>3,219</u>	<u>8,435</u>
Total General Receipts	<u>3,367</u>	<u>8,460</u>
Total Receipts	<u>205,850</u>	<u>220,108</u>
Disbursements		
Conservation and Recreation	<u>197,049</u>	<u>231,465</u>
Total Disbursements	<u>197,049</u>	<u>231,465</u>
Change in Net Assets	8,801	(11,357)
Net Assets Beginning of Year	<u>156</u>	<u>11,513</u>
Net Assets End of Year	<u>\$8,957</u>	<u>\$156</u>

Program receipts accounted for 98 percent and 96 percent of the District's total receipts in 2005 and 2004, respectively. These receipts consist primarily of membership fees, contributions, and state and local operating grants. Operating grants and contributions decreased 5 percent from 2004 to 2005 primarily due to a reduction in contributions and grants received in 2005.

Governmental Activities

Table 3 indicates the total cost of services and the net cost of services. The Statement of Activities - Cash Basis reflects the cost of program services and the charges for services and operating grants and contributions offsetting those services. The total cost of services represents expenses related to conservation and recreation activities. The net cost of services identifies the cost of those services supported by membership fees, contributions and local government revenue.

**CRAWFORD PARK DISTRICT
CRAWFORD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

Unaudited
(Continued)

Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2005	2004	2005	2004
Conservation and Recreation	\$197,049	\$231,465	\$5,434	(\$19,817)
Total Distribution	\$197,049	\$231,465	\$5,434	(\$19,817)

For 2005, program receipts, comprised of charges for services and operating grants and contributions, were sufficient to cover the cost of providing services. The negative net cost of services for 2004 was partially due a decrease in contributions and an increase in personal services and contractual services.

The District's Fund

In 2005, the governmental fund had total receipts of \$205,850 and disbursements of \$197,049. The governmental fund had an increase in the cash balance of \$8,801.

As mentioned previously, the cash balance increase was largely due to a reduction in disbursements as a result of the resignation of the Director in August 2005 and not replacing the Director in 2005.

In 2004, the cash balance decrease of \$11,357 resulted from an increase in utilities, and there were also twenty-seven pays for the year rather than twenty-six.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. The District did not amend appropriations in 2005 or 2004

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances, and to reflect the District's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Crawford Park District, 2401 St. Rt. 598, Crestline, Ohio 44827.

**CRAWFORD PARK DISTRICT
CRAWFORD COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2005**

	<u>Primary Government Governmental Activity</u>
Assets	
Cash and Cash Equivalents	<u>\$8,957</u>
<i>Total Assets</i>	<u><u>\$8,957</u></u>
Net Assets	
Unrestricted	<u>8,957</u>
<i>Total Net Assets</i>	<u><u>\$8,957</u></u>

See accompanying notes to the basic financial statements

**CRAWFORD PARK DISTRICT
CRAWFORD COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCE
GOVERNMENTAL FUND
DECEMBER 31, 2005**

	<u>General</u>
Assets	
Cash and Cash Equivalents	<u><u>\$8,957</u></u>
Fund Balance	
Reserved:	
Reserved for Encumbrances	\$2,059
Unreserved:	
Undesignated, Reported in:	
General Fund	<u>6,898</u>
<i>Total Fund Balance</i>	<u><u>\$8,957</u></u>

See accompanying notes to the basic financial statements

**CRAWFORD PARK DISTRICT
CRAWFORD COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGE
IN CASH BASIS FUND BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>General</u>
Receipts	
Grants	\$91,372
Intergovernmental	86,987
Charges for Services	11,349
Contributions	12,775
Interest	148
Miscellaneous	<u>3,219</u>
<i>Total Receipts</i>	<u>205,850</u>
Disbursements	
Current:	
Conservation and Recreation	
Personal Services	82,269
Materials and Supplies	1,904
Contractual Services	14,440
Capital Outlay	90,322
Other	<u>8,114</u>
<i>Total Disbursements</i>	<u>197,049</u>
<i>Net Change in Fund Balance</i>	8,801
<i>Fund Balance Beginning of Year</i>	<u>156</u>
<i>Fund Balance End of Year</i>	<u><u>\$8,957</u></u>

See accompanying notes to basic financial statements

**CRAWFORD PARK DISTRICT
CRAWFORD COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Receipts				
Grants	\$158,500	\$158,500	\$91,372	(\$67,128)
Intergovernmental	89,838	89,838	86,987	(\$2,851)
Charges for Services	22,252	22,252	11,349	(10,903)
Contributions	\$10,000	\$10,000	12,775	2,775
Interest	20	20	148	128
Miscellaneous	3,600	3,600	3,219	(381)
<i>Total Receipts</i>	<u>284,210</u>	<u>284,210</u>	<u>205,850</u>	<u>(78,360)</u>
Disbursements				
Current:				
Conservation and Recreation				
Personal Services	98,815	98,815	82,754	16,061
Materials and Supplies	2,800	2,800	2,129	671
Contractual Services	23,000	23,000	15,789	7,211
Capital Outlay	152,700	146,400	90,322	56,078
Other	6,895	13,195	8,114	5,081
<i>Total Disbursements</i>	<u>284,210</u>	<u>284,210</u>	<u>199,108</u>	<u>85,102</u>
<i>Net Change in Fund Balance</i>	0	0	6,742	6,742
<i>Fund Balance Beginning of Year</i>	<u>156</u>	<u>156</u>	<u>156</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$156</u></u>	<u><u>\$156</u></u>	<u><u>\$6,898</u></u>	<u><u>\$6,742</u></u>

See accompanying notes to basic financial statements

**CRAWFORD PARK DISTRICT
CRAWFORD COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2004**

	<u>Primary Government Governmental Activity</u>
Assets	
Cash and Cash Equivalents	<u>\$156</u>
<i>Total Assets</i>	<u><u>\$156</u></u>
Net Assets	
Unrestricted	<u>156</u>
<i>Total Net Assets</i>	<u><u>\$156</u></u>

See accompanying notes to the basic financial statements

**CRAWFORD PARK DISTRICT
CRAWFORD COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2004**

		<u>Program Cash Receipts</u>	<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
	<u>Cash Disbursements</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
			<u>Primary Government Governmental Activity</u>
Governmental Activity			
Conservation and Recreation	<u>\$231,465</u>	<u>\$10,455</u>	<u>\$201,193</u>
			<u>(19,817)</u>
		General Receipts	
		Interest	25
		Miscellaneous	8,435
			<u>8,460</u>
		<i>Total General Receipts</i>	
			<u>8,460</u>
		Change in Net Assets	(11,357)
		<i>Net Assets Beginning of Year</i>	11,513
			<u>11,513</u>
		<i>Net Assets End of Year</i>	<u>\$156</u>

See accompanying notes to the basic financial statements

**CRAWFORD PARK DISTRICT
CRAWFORD COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCE
GOVERNMENTAL FUND
DECEMBER 31, 2004**

	<u>General</u>
Assets	
Cash and Cash Equivalents	<u>\$156</u>
Fund Balance	
Unreserved:	
Undesignated, Reported in:	
General Fund	<u>\$156</u>
<i>Total Fund Balance</i>	<u>\$156</u>

See accompanying notes to the basic financial statements

**CRAWFORD PARK DISTRICT
CRAWFORD COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGE
IN CASH BASIS FUND BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2004**

	General
Receipts	
Grants	\$84,169
Intergovernmental	86,974
Charges for Services	10,455
Contributions	30,050
Interest	25
Miscellaneous	8,435
<i>Total Receipts</i>	220,108
Disbursements	
Current:	
Conservation and Recreation	
Personal Services	101,902
Materials and Supplies	3,967
Contractual Services	20,047
Capital Outlay	99,016
Other	6,533
<i>Total Disbursements</i>	231,465
<i>Net Change in Fund Balance</i>	(11,357)
<i>Fund Balance Beginning of Year</i>	11,513
<i>Fund Balance End of Year</i>	\$156

See accompanying notes to basic financial statements

**CRAWFORD PARK DISTRICT
CRAWFORD COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Receipts				
Grants	\$82,404	\$82,404	\$84,169	\$1,765
Intergovernmental	86,960	86,960	86,974	14
Charges for Services	14,360	14,360	10,455	(3,905)
Contributions	82,995	82,995	30,050	(52,945)
Interest	200	200	25	(175)
Miscellaneous	3,651	3,651	8,435	4,784
<i>Total Receipts</i>	<u>270,570</u>	<u>270,570</u>	<u>220,108</u>	<u>(50,462)</u>
Disbursements				
Current:				
Conservation and Recreation				
Personal Services	105,166	105,166	101,902	3,264
Materials and Supplies	2,700	4,500	3,967	533
Contractual Services	20,400	24,900	20,047	4,853
Capital Outlay	135,304	128,604	99,016	29,588
Other	7,000	7,400	6,533	867
<i>Total Disbursements</i>	<u>270,570</u>	<u>270,570</u>	<u>231,465</u>	<u>39,105</u>
<i>Net Change in Fund Balance</i>	0	0	(11,357)	(11,357)
<i>Fund Balance Beginning of Year</i>	<u>11,513</u>	<u>11,513</u>	<u>11,513</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$11,513</u></u>	<u><u>\$11,513</u></u>	<u><u>\$156</u></u>	<u><u>(\$11,357)</u></u>

See accompanying notes to basic financial statements

**CRAWFORD PARK DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE FINANCIALS STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

Note 1 - Reporting Entity

The Crawford Park District, Crawford County, Ohio, (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 Crawford County. The District 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 District's management believes these financial statements present all activities for which the District is financially accountable, except for omission of the District's component unit as noted below.

The reporting entity is composed of the primary government. Although required by accounting principles generally accepted in the United States of America, the financial statements do not include the District's component unit.

Friends of the Crawford Park District, Inc. - Friends of the Crawford Park District, Inc. (Friends) is a legally separate not-for-profit non-governmental corporation served by a board of trustees being one member from the District Board, the director of the District, and one member from Friends. The Friends provides membership in an organization for those interested in supporting, encouraging and participating in the educational and scientific pursuits of the District and for the raising of financial support for the operational expenses of the District. Based on the Friends' sole purpose of providing assistance to the District, the Friends is considered a component unit of the District. Friends operates on a fiscal year ending March 31. Unaudited financial information of the Friends is presented in Note 9.

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 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. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

**CRAWFORD PARK DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE FINANCIALS STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

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 function of the District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the District is responsible.

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 or is self-financing on a cash basis or draws from the District's general receipts.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in a fund 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. The District has only one major fund.

B. Fund Accounting

The District uses a fund 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. The District classifies its fund as governmental.

Governmental Fund

The governmental fund finances all governmental functions of the District. The following is the District's major governmental fund:

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.

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. Any such modifications made by the Commission are described in the appropriate section in this note.

**CRAWFORD PARK DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE FINANCIALS STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting (Continued)

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.

D. Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the operating budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount the Commissioners of the District may appropriate. The appropriations resolution is the Commissioners' authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Commissioners. The legal level of control has been established by the Commissioners at the fund, program, and object level.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Park 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 certificate of estimated resources in effect at the time final appropriations were passed by the Commissioners of the District.

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 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 Commissioners of the District during the year.

E. Cash and Cash Equivalents

The County Treasurer is the custodian for the District's monies. The District's assets are held in Crawford County's cash and investment pool and are valued at the County Treasurer's carrying amount. Deposits and investments disclosures for the County as a whole may be obtained from the Crawford County Auditor's Office, 112 East Mansfield Street, Bucyrus, Ohio 44820.

F. Inventory and Prepaid Items

The District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

G. 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.

**CRAWFORD PARK DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE FINANCIALS STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
(Continued)**

Note 2 - Summary of Significant Accounting Policies (Continued)

H. 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.

I. 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.

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. Net assets restricted for other purposes primarily include activities of economic development. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available

The government-wide statement of net assets reports no restricted net assets.

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. A fund balance reserve has been established for encumbrances in the amount of \$2,059 as of December 31, 2005.

Note 3 - Change in Basis of Accounting

In 2003, the District reported fund financial statements using the regulatory basis of accounting as prescribed by the State Auditor's Office. For 2005 and 2004, the District has implemented the cash basis of accounting described in Note 2. The fund financial statements now present each major fund in a separate column. This change had no effect on fund balance as previously reported.

Note 4 - 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 Statements of Receipts, Disbursements and Change 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 December 31, 2005 (budgetary basis) amounted to \$2,059. There were no encumbrances outstanding at December 31, 2004.

**CRAWFORD PARK DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE FINANCIALS STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
(Continued)**

Note 5 - Risk Management

Property and Liability

During 2005 and 2004, the District contracted with Cincinnati Insurance Company for property, general liability, and physical damage insurance.

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 OPERS 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 publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

For 2005 and 2004, members of all three plans were required to contribute 8.5 percent of their annual covered salary to fund pension obligations. The District's contribution rate for pension benefits for 2005 and 2004 was 9.55 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004, and 2003 was \$2,431, \$3,627, and \$3,624 respectively. The full amount has been contributed for 2005, 2004 and 2003. Contributions to the member-directed plan by the District and plan members for 2005 and 2004 were not available as a result of that information being combined with Crawford County's plan.

Note 7 - Postemployment Benefits

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers".

**CRAWFORD PARK DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE FINANCIALS STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
(Continued)**

Note 7 - Postemployment Benefits (Continued)

A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 and 2004 employer contribution rate was 13.55 percent of covered payroll (16.7 percent for law enforcement and public safety); 4.00 percent was the portion used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees), and an additional increase in total payroll of between .5 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 1 to 6 percent annually for the next eight years and 4 percent annually after eight years.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 376,109. Actual employer contributions for 2005 which were used to fund postemployment benefits was \$1,018. The actual contribution and the actuarial required contribution amounts are the same. OPERS's net assets available for the payment of benefits at December 31, 2004 (the latest information available), was \$10.8 billion. The actuarial accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS retirement board adopted a health care preservation plan (HCCP) with an effective date January 1, 2007. The HCCP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs.

Under the HCCP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

Note 8 - Contingent Liabilities

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor. 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.

Note 9 - Friends of the Crawford Park District, Inc. (Unaudited)

As indicated in Note 1 to the basic financial statements, the following disclosures are made on behalf of Friends of the Crawford Park District, Inc.:

**CRAWFORD PARK DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE FINANCIALS STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
(Continued)**

Note 9 - Friends of the Crawford Park District, Inc. (Continued) (Unaudited)

The financial statements are prepared in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the accounting basis used for income tax purposes, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The Friends' money is held in segregated accounts.

**Statement of Net Assets - Cash Basis
For the Years Ended March 31, 2005 and 2004**

	2005	2004
Assets		
Current Assets:		
Petty Cash	\$51	\$2
Cash in bank - United Bank	3,011	28
Cash in bank - Nature Center Building Fund	6,992	14,387
Cash in bank - Nature Center Display Fund	2,677	2,667
Cash in bank - Bicentennial Fund	3,308	1,107
Cash in bank - Friends of the Park Checking	0	235
Cash in bank - Endowment Fund	813	327
Cash in bank - Land Conservation Fund	63	0
Cash in bank - Corvette Raffle	10,248	0
Total Current Assets	27,163	18,753
Fixed Assets:		
Nature Center	659,348	659,348
Fixtures and Exhibits	105,436	105,436
Land Improvements	6,058	0
Less: Accumulated Depreciation	(83,110)	(55,439)
Total Fixed Assets	687,732	709,345
Total Assets	\$714,895	\$728,098
Liabilities and Net Assets		
Long-Term Liabilities		
Notes payable - First Federal Galion	\$76,841	\$79,365
Net Assets	638,054	648,733
Total Liabilities and Net Assets	\$714,895	\$728,098

**CRAWFORD PARK DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE FINANCIALS STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
(Continued)**

Note 9 - Friends of the Crawford Park District, Inc. (Continued)

**Statement of Revenues, Expenses, and Changes in Net Assets - Cash
For the Years Ended March 31, 2005 and 2004**

	2005	2004
Revenues		
Contributions	\$46,227	\$49,487
Special Events and Activities	8,392	19,408
Interest and Dividends	438	394
Sales	3,242	3,032
Memberships	25,240	18,195
Other Income	9,895	7,251
Total Revenues	93,434	97,767
Expenses		
Advertising	84	855
Bank Service Charges	175	162
Crawford Park District	0	6,969
Depreciation Expense	27,671	27,919
Donations	26,085	25,466
Education and Training	2,094	211
Fuel	30	69
Fundraising Expense	1,147	13,060
Insurance	0	5,953
Interest Expense	2,421	7,241
Land Acquisition Costs	32,289	1,075
Maintenance	0	2,540
Memberships	410	0

(continued)

**CRAWFORD PARK DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE FINANCIALS STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
(Continued)**

Note 9 - Friends of the Crawford Park District, Inc. (Continued)

Statement of Revenues, Expenses, and Changes in Net Assets - Cash

(continued)

	2005	2004
Nature Center	2,112	3,329
Nature Day Camp	749	0
Office Expense and Supplies	136	2,174
Postage	2,191	2,494
Professional Services	0	496
Refreshments	323	225
Registration Fees	200	200
Sales Expense	2,076	2,749
Taxes	255	536
Special Events Expense	0	11,375
Subscriptions	39	643
Unger Park	0	65
Wages-Naturalist	3,391	0
Workshop Expense	0	45
Total Expenses	<u>103,878</u>	<u>115,851</u>
Excess (Deficiency) Revenues over Expenses	(10,444)	(18,084)
Net Assets as of April 1	648,498	666,817
Net Assets as of March 31	\$638,054	\$648,733

Capital Assets - A summary of the Friends' capital assets at March 31, 2005 and 2004, follows:

	2005	2004
Nature Center	<u>\$659,348</u>	<u>\$659,348</u>
Fixtures and Exhibits	105,436	105,436
Land Improvements	6,058	0
Total	<u>770,842</u>	<u>764,784</u>
Less Accumulated Depreciation	(83,110)	(55,439)
Total Capital Assets, Net	<u><u>\$687,732</u></u>	<u><u>\$709,345</u></u>

**CRAWFORD PARK DISTRICT
CRAWFORD COUNTY**

**NOTES TO THE FINANCIALS STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004
(Continued)**

Note 9 - Friends of the Crawford Park District, Inc. (Continued)

Long-Term Debt - In 2002, a note was issued through First Federal Savings and Loan of Galion, Ohio, in the amount of \$80,000 for the purpose of constructing Lowe-Volk Park Nature Center.

Balance at March 31, 2004	Additions	Reductions	Balance at March 31, 2005
<hr/> \$79,365	<hr/> \$0	<hr/> \$2,524	<hr/> \$76,841



**Auditor of State
Betty Montgomery**

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

Crawford Park District
Crawford County
2401 State Route 598
Crestline, Ohio 44827

To the Board of Commissioners:

We have audited the financial statements of the governmental activities and the major fund of the Crawford Park District, Crawford County, Ohio, (the District) as of and for the years ended December 31, 2005, and December 31, 2004, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 13, 2006, which was qualified because the District did not include financial data for the District's legally separate component unit and wherein we noted the District implemented 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 to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

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*. In a separate letter to the District's management dated June 13, 2006, we reported an other matter related to noncompliance we deemed immaterial.

35 N. Fourth St. / Second Floor / Columbus, OH 43215
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
www.auditor.state.oh.us

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

June 13, 2006



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

CRAWFORD PARK DISTRICT

CRAWFORD 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
SEPTEMBER 21, 2006**