



**Auditor of State  
Betty Montgomery**



**MIAMI COUNTY PARK DISTRICT  
MIAMI COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Cover Letter .....	1
Independent Accountants' Report.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental and Similar Fiduciary Fund Types - For the Year Ended December 31, 2004 .....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental and Similar Fiduciary Fund Types - For the Year Ended December 31, 2003.....	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> .....	13
Schedule of Findings.....	15
Schedule of Prior Year Findings .....	17

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**Auditor of State  
Betty Montgomery**

Miami County Park District  
Miami County  
2535 E. Ross Road  
Tipp City, Ohio 45371

To the Board of Park 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 a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your Park District 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 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 "Betty Montgomery".

**Betty Montgomery**  
Auditor of State

October 21, 2005

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Miami County Park District  
Miami County  
2535 E. Ross Road  
Tipp City, Ohio 45371

To the Board of Park Commissioners:

We have audited the accompanying financial statements of Miami County Park District, Miami County, (the District), as of and for the years ended December 31, 2004 and 2003. 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.

Revisions to GAAP would require the District to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. 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 the new GAAP presentation requirements. The Auditor of State 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 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 year ended December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2004, or its changes in financial position for the year 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 Miami County Park District, Miami County, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the District to include Management's Discussion and Analysis for the year ended December 31, 2004. 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 October 21, 2005, 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.



**Betty Montgomery**  
Auditor of State

October 21, 2005

**MIAMI COUNTY PARK DISTRICT  
MIAMI COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Governmental Fund Type</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>				
General Property Tax - Real Estate	\$1,573,483			\$1,573,483
Tangible Personal Property Tax	312,479			312,479
Grants	49,600	\$179,030		228,630
Intergovernmental Revenue	383,796			383,796
Investment Income	28,529			28,529
Gifts and Donations	27,319			27,319
Fees	588			588
Sales	1,200			1,200
Devises and Bequests			\$119,756	119,756
Other Receipts	681	777		1,458
	<u>2,377,675</u>	<u>179,807</u>	<u>119,756</u>	<u>2,677,238</u>
Total Cash Receipts	2,377,675	179,807	119,756	2,677,238
<b>Cash Disbursements:</b>				
Current:				
Salaries - Employees	777,376			777,376
Supplies	105,347			105,347
Equipment	98,315			98,315
Contracts - Repair	56,571			56,571
Contracts - Services	855,802		32,441	888,243
Rentals	23,809			23,809
Advertising and Printing	2,101			2,101
Travel	14,620			14,620
Public Employees Retirement	111,168			111,168
Grant	4,308	175,118		179,426
Worker's Compensation	4,420			4,420
Unemployment Compensation	3,120			3,120
Other	219,089			219,089
	<u>2,276,046</u>	<u>175,118</u>	<u>32,441</u>	<u>2,483,605</u>
Total Cash Disbursements	2,276,046	175,118	32,441	2,483,605
Total Receipts Over/(Under) Disbursements	101,629	4,689	87,315	193,633
<b>Other Financing Receipts/(Disbursements):</b>				
Advances-In	2,332	202,332		204,664
Advances-Out	(202,332)	(2,332)		(204,664)
Other Sources	113,710			113,710
	<u>(86,290)</u>	<u>200,000</u>		<u>113,710</u>
Total Other Financing Receipts/(Disbursements)	(86,290)	200,000		113,710
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	15,339	204,689	87,315	307,343
Fund Cash Balances, January 1	2,333,830		86,098	2,419,928
<b>Fund Cash Balances, December 31</b>	<b><u>\$2,349,169</u></b>	<b><u>\$204,689</u></b>	<b><u>\$173,413</u></b>	<b><u>\$2,727,271</u></b>
Reserves for Encumbrances, December 31	<u>\$580,373</u>	<u>\$624,463</u>	<u>\$54,467</u>	<u>\$1,259,303</u>

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

**MIAMI COUNTY PARK DISTRICT  
MIAMI COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Type</u>		<u>Fiduciary Fund Type</u>	<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>				
General Property Tax - Real Estate	\$1,531,665			\$1,531,665
Tangible Personal Property Tax	319,394			319,394
Intergovernmental Revenue	275,279			275,279
Grants	38,954	\$110,000		148,954
Investment Income	22,606			22,606
Gifts and Donations	19,440			19,440
Fees	450			450
Sales	5,360			5,360
Devises and Bequests			\$70,390	70,390
	<u>2,213,148</u>	<u>110,000</u>	<u>70,390</u>	<u>2,393,538</u>
Total Cash Receipts	2,213,148	110,000	70,390	2,393,538
<b>Cash Disbursements:</b>				
Current:				
Salaries - Employees	652,065			652,065
Supplies	86,684			86,684
Equipment	146,298			146,298
Contracts - Repair	49,247			49,247
Contracts - Services	154,869			154,869
Rentals	19,360			19,360
Advertising and Printing	2,638			2,638
Travel	12,845			12,845
Public Employees Retirement	93,149			93,149
Grants	9,850			9,850
Capital Outlay			23,292	23,292
Other	201,799			201,799
	<u>1,428,804</u>		<u>23,292</u>	<u>1,452,096</u>
Total Cash Disbursements	1,428,804		23,292	1,452,096
Total Receipts Over/(Under) Disbursements	784,344	110,000	47,098	941,442
<b>Other Financing Receipts/(Disbursements):</b>				
Repayment of Prior Year Advance	110,000	(110,000)		
Other Sources	42,895			42,895
	<u>152,895</u>	<u>(110,000)</u>		<u>42,895</u>
Total Other Financing Receipts/(Disbursements)	152,895	(110,000)		42,895
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	937,239		47,098	984,337
Fund Cash Balances, January 1	1,396,591		39,000	1,435,591
<b>Fund Cash Balances, December 31</b>	<b><u>\$2,333,830</u></b>	<b><u>\$0</u></b>	<b><u>\$86,098</u></b>	<b><u>\$2,419,928</u></b>
Reserves for Encumbrances, December 31	<u>\$215,887</u>	<u>\$0</u>	<u>\$0</u>	<u>\$215,887</u>

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

**MIAMI COUNTY PARK DISTRICT  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003**

**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 Miami County Park District, Miami County, (the District) as a body corporate and politic. The probate judge of Miami 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 Miami 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.

The District values common stock at cost or fair value when donated.

**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.

**2. Special Revenue Funds**

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

**MIAMI COUNTY PARK DISTRICT  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Land and Water Conservation Grant Fund** – This fund receives federal land and water conservation grants for the Hobart Urban Nature Preserve.

**Honeycreek Watershed Grant Fund** – This fund receives state grant monies for implementation of a Watershed education program.

**ODNR Greenville Falls Construction Fund** – This fund receives state grant monies for the improvement to Greenville Falls Preserve.

**3. Fiduciary Funds (Trust Funds)**

Trust funds account for resources restricted by legally binding trust agreements. The District had the following significant fiduciary funds:

**Expendable Trust Fund**

**Hobart Urban Nature Fund** – This fund was established for improvements to the Hobart Urban Nature Preserve.

**Stillwater Prairie Trust Fund** – This fund was established by the Alspaugh family for improvements to Stillwater Prairie Preserve.

**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, function 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 re-appropriated.

A summary of 2004 and 2003 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.

**MIAMI COUNTY PARK DISTRICT  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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, 2004 and 2003 follows:

**2004 Budgeted vs. Actual Receipts**

<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$3,010,672	\$2,493,717	(\$516,955)
Special Revenue	1,743,182	382,139	(1,361,043)
Fiduciary	40,000	119,756	79,756
Total	<u>\$4,793,854</u>	<u>\$2,995,612</u>	<u>(\$1,798,242)</u>

**2004 Budgeted vs. Actual Budgetary Basis Expenditures**

<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$3,668,266	\$3,058,751	\$609,515
Special Revenue	1,726,591	801,913	924,678
Fiduciary	86,908	86,908	0
Total	<u>\$5,481,765</u>	<u>\$3,947,572</u>	<u>\$1,534,193</u>

**2003 Budgeted vs. Actual Receipts**

<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$2,316,786	\$2,366,043	\$49,257
Special Revenue	110,000	110,000	0
Fiduciary	20,000	70,390	50,390
Total	<u>\$2,446,786</u>	<u>\$2,546,433</u>	<u>\$99,647</u>

**2003 Budgeted vs. Actual Budgetary Basis Expenditures**

<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$2,166,942	\$1,644,691	\$522,251
Special Revenue	110,000	110,000	0
Fiduciary	26,838	23,292	3,546
Total	<u>\$2,303,780</u>	<u>\$1,777,983</u>	<u>\$525,797</u>

**MIAMI COUNTY PARK DISTRICT  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**3. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board of Park Commissioners adopts rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the District.

Property owners assess tangible personal property tax. They must file a list of this property to the County by each April 30.

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

**4. RETIREMENT SYSTEM**

The District's full-time 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 2004 and 2003, OPERS members contributed 8.5 percent of their gross salaries. The District contributed an amount equal to 13.55 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2004.

**5. RISK MANAGEMENT**

**Risk Pool Membership**

The Government belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**Casualty Coverage**

PEP retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000 from the General Reinsurance Corporation.

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

**MIAMI COUNTY PARK DISTRICT  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**5. RISK MANAGEMENT (Continued)**

**Property Coverage**

PEP retains property risks, including automobile physical damage, up to \$100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsures losses exceeding \$100,000 up to \$500,000,000 per occurrence. APEEP's Guarantee Fund pays losses and loss adjustment expenses exceeding operating contributions.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective local government.

**Financial Position**

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2004 and 2003.

<u><b>Casualty Coverage</b></u>	<u><b>2004</b></u>	<u><b>2003</b></u>
Assets	\$30,547,049	\$25,288,098
Liabilities	<u>(16,989,918)</u>	<u>(12,872,985)</u>
Retained earnings	<u>\$13,557,131</u>	<u>\$12,415,113</u>

  

<u><b>Property Coverage</b></u>	<u><b>2004</b></u>	<u><b>2003</b></u>
Assets	\$3,652,970	\$3,158,813
Liabilities	<u>(544,771)</u>	<u>(792,061)</u>
Retained earnings	<u>\$3,108,199</u>	<u>\$2,366,752</u>

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## **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***

Miami County Park District  
Miami County  
2535 E. Ross Road  
Tipp City, Ohio 45371

To the Board of Park Commissioners:

We have audited the financial statements of the Miami County Park District, Miami County, (the District), as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated October 21, 2005, wherein we noted the District followed accounting practices the Auditor of State prescribes 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 to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 2004-002 and 2004-003.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. We consider reportable condition 2004-002 listed above to be a material weakness. In a separate letter to the District management dated October 21, 2005, we reported other matters involving internal control over financial reporting which we did not deem reportable conditions.

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### 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 an instance of noncompliance we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2004-001. In a separate letter to the District's management dated October 21, 2005, we reported another matter related to noncompliance we deemed immaterial.

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



**Betty Montgomery**  
Auditor of State

October 21, 2005

**MIAMI COUNTY PARK DISTRICT  
MIAMI COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2004 AND 2003**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2004-001**

**Investment in Stock**

**Ohio Rev. Section 135.13** states an entity's investments are required to mature within 5 years from the date of settlement unless the investment is matched to a specific obligation or debt of the subdivision. The Park District portfolio contains several hundred shares of stock in JP Morgan/Chase, Procter & Gamble, and Fifth Third Bank (total value of \$64,119 at December 31, 2004) which is not an allowable investment for the District.

The Park Commissioners should sell the stock and record the proceeds in the Expendable Trust Fund to be spent according to the bequest of the donors.

**FINDING NUMBER 2004-002**

**Record of Proceedings**

The record of proceedings are the official record of action taken by the Board and should reflect all pertinent information approved by the Board. The following action was not reflected in the record of proceedings:

- Resolution #466-03, dated 11/17/03, was passed without being approved in the minutes for an expenditure not pre-approved by the Board and over the bid threshold.
- Approval of Executive Director's 2003 salary increase.
- Action was taken in Executive Session to purchase 2 conservation easements and gave the Executive Director a pay increase that was not ratified by resolution in an open meeting.
- Detail of all parties and amounts of contracts were not always reflected in the Board's record of proceedings.
- Board approval for the selling of stock in 2004.
- Bills approved for payment were not listed as to vendor, amount.
- The Board did not approve line item appropriation transfers until 2 weeks or more after management gave the changes to the County Auditor nor were they approved by resolution or ordinance as required by ORC Section 5705.40.
- Contrary to Park Bylaws Section I-F, purchases over \$5,000 did not have specific prior authorization by the Board in all cases.

The above resulted in Board taking action without public notice. To assure that the transactions performed by the Park District are in accordance with the intent of the Board, the record of proceedings should reflect all pertinent decisions taken by the Board.

The Board receives monthly financial reports that report current and year-to-date revenue and expenditure activity. To allow the Board to make more informed decisions the Park Commissioners should also receive monthly comparison on estimated revenue and appropriations.

**FINDING NUMBER 2004-003**

**Credit Card and Travel Policy**

The District has a travel policy but the policy does not outline their reimbursement procedures.

The Park District also has a policy regarding credit cards but it does not establish guidelines on usage for credit cards. When testing credit cards and travel expenses several weaknesses were noted:

- Travel expense policies did not include provisions for maximum reimbursable amount, or other documentation requirements including purpose of travel or attendees.
- Credit card receipts were not always signed.
- Credit cards were used by unauthorized employees.
- Employees routinely received mileage reimbursement for multiple trips to the same business on the same day.
- Employees used credit cards for purchases, without obtaining purchase orders. Repeated purchases from businesses are being made in the amount of \$.95 - \$150 with most purchases totaling less than \$60. Total credit card purchases for 2003 were \$48,470 and \$39,216 for 2004.

The above weaknesses could lead to the Park District paying for unauthorized or inappropriate expenses without being detected. The Park Commissioners should establish guidelines specifying allowable uses for credit cards, maximum amount allowed for meals, documentation requirements.

**MIAMI COUNTY PARK DISTRICT  
MIAMI COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2004**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2002-001	Park District Bylaws ; Director certifying funds over threshold without "prior" Board approval	No	Amended, reissued as Finding 2004-002
2002-002	(A) Time cards not approved by Supervisor or Director; (B) employee allowed to carry a negative vacation leave balance	Yes  Yes	
2002-003	Incomplete Minutes	No	Reissued as Finding 2004-002





**Auditor of State  
Betty Montgomery**

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**MIAMI COUNTY PARK DISTRICT**

**MIAMI 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  
DECEMBER 6, 2005**