



**Auditor of State
Betty Montgomery**

**WARREN COUNTY PARK DISTRICT
WARREN COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2002.....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – General Fund – For the Year Ended December 31, 2001.....	4
Notes to the Financial Statements.....	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	9
Schedule of Prior Audit Findings.....	11

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Park Commissioners:

We have audited the accompanying general-purpose financial statements of the Warren County Park District, Warren County, Ohio (the Park District), as of and for the years ended December 31, 2002 and 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Park District's management. Our responsibility is to express an opinion on these general-purpose 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 Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Park District prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Park District, as of December 31, 2002 and 2001, and combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated May 19, 2003 on our consideration of the Park District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, Board of Park Commissioners and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by 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

May 19, 2003

**WARREN COUNTY PARK DISTRICT
WARREN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	General	Capital Projects	Totals (Memorandum Only)
Cash Receipts:			
Intergovernmental Revenue	\$691,822	\$2,350,813	\$3,042,635
Investment Income	2,129		2,129
Gifts and Donations	72,726		72,726
Fees	14,867		14,867
 Total Cash Receipts	 781,544	 2,350,813	 3,132,357
Cash Disbursements:			
Current:			
Salaries - Employees	147,567		147,567
Supplies	31,897		31,897
Materials	12,617		12,617
Equipment	97,738		97,738
Contracts - Repair	269,039		269,039
Contracts - Services	54,601		54,601
Rentals	1,948		1,948
Advertising and Printing	1,001		1,001
Public Employees Retirement	19,326		19,326
Workers' Compensation	158		158
Capital Outlay		2,339,708	2,339,708
Other	52,106		52,106
 Total Cash Disbursements	 687,998	 2,339,708	 3,027,706
 Total Receipts Over Disbursements	 93,546	 11,105	 104,651
Other Financing Receipts:			
Sale of Fixed Assets	7,026		7,026
Reimbursements	593		593
Refunds	329		329
 Total Other Financing Receipts	 7,948	 0	 7,948
 Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	 101,494	 11,105	 112,599
 Fund Cash Balances, January 1	 105,731	 0	 105,731
 Fund Cash Balances, December 31	 \$207,225	 \$11,105	 \$218,330
 Reserves for Encumbrances, December 31	 \$43,627	 \$81,646	 \$125,273

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

**WARREN COUNTY PARK DISTRICT
WARREN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

	General
Cash Receipts:	
Intergovernmental Revenue	\$552,372
Investment Income	4,212
Gifts and Donations	6,500
Fees	9,440
Other Receipts	1,138
Total Cash Receipts	573,662
Cash Disbursements:	
Current:	
Salaries - Employees	155,690
Supplies	38,599
Materials	9,150
Equipment	39,460
Contracts - Repair	225,696
Contracts - Services	45,557
Rentals	8,778
Advertising and Printing	1,292
Public Employees Retirement	18,287
Other	48,512
Total Cash Disbursements	591,021
Total Receipts Over/(Under) Disbursements	(17,359)
Other Financing Receipts/(Disbursements):	
Sale of Fixed Assets	7,175
Reimbursement	141
Refunds	6,352
Total Other Financing Receipts/(Disbursements)	13,668
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(3,691)
Fund Cash Balances, January 1	109,422
Fund Cash Balances, December 31	\$105,731
Reserves for Encumbrances, December 31	\$62,934

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

**WARREN COUNTY PARK DISTRICT
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Warren County Park District, Warren County, Ohio (the Park 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 Park District is directed by a three-member Board of Commissioners appointed by the probate judge of Warren County. The Park 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 Park 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 prescribed or permitted by the Auditor of State, 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.

C. Cash and Investments

In accordance with Ohio Revised Code, the Park District's cash is held and invested by the Warren County Treasurer, who acts as custodian for Park District monies. The Park District's assets are held in the County's cash and investment pool, and are valued at the Treasurer's reported carrying amount.

D. Fund Accounting

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

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Park District had the following significant capital project funds:

Twin Creek Clean Ohio Grant

The Park District received a grant from the Ohio Public Works Commission to purchase and preserve land surrounding Twin Creek.

**WARREN COUNTY PARK DISTRICT
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Caesar Creek Clean Ohio Grant

The Park District received a grant from the Ohio Public Works Commission to purchase and preserve land surrounding Caesar Creek.

E. Budgetary Process

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

1. 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 must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. 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. The County Budget Commission must also approve estimated resources.

3. Encumbrances

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

A summary of 2002 and 2001 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation leave in certain circumstances, such as upon leaving employment. Unpaid vacation leave is not reflected as a liability under the cash basis of accounting used by the Park District.

**WARREN COUNTY PARK DISTRICT
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$750,820	\$789,493	\$38,673
Capital Projects	<u>2,883,684</u>	<u>2,350,813</u>	<u>532,871</u>
Total	<u>\$3,634,504</u>	<u>\$3,140,306</u>	<u>\$571,544</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$851,202	\$731,625	\$119,577
Capital Projects	<u>2,421,359</u>	<u>2,421,354</u>	<u>5</u>
Total	<u>\$3,272,561</u>	<u>\$3,152,979</u>	<u>\$119,582</u>

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	<u>\$929,400</u>	<u>\$587,330</u>	<u>\$342,070</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	<u>\$1,038,822</u>	<u>\$653,955</u>	<u>\$384,867</u>

3. REVENUE

The Park District's major source of revenue is Local Government Money and Local Government Revenue Assistance Money received from Warren County. The Park District receives four percent of the total distributed to the County. During fiscal year 2002, the Park District also received two grants from the Ohio Public Works Commission.

4. RETIREMENT SYSTEM

The Park District's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

**WARREN COUNTY PARK DISTRICT
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

4. RETIREMENT SYSTEM (Continued)

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, members of PERS contributed 8.5% of their gross salaries. The Park District contributed an amount equal to 13.55% of participants' gross salaries in 2002. The Park District has paid all contributions required through December 31, 2002.

5. RISK MANAGEMENT

The Park District has obtained commercial insurance for the following risks:

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

The Park District also provides health insurance to full-time employees through a private carrier.



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

To the Board of Park Commissioners:

We have audited the financial statements of the Warren County Park District, Warren County, Ohio (the Park District), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated May 19, 2003. 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 Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Park District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, Ocontracts and grants, 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 no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Park District in a separate letter dated May 19, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Park District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a 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 in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Park District in a separate letter dated May 19, 2003.

Warren County Park District
Warren County
Independent Accountants' Report on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the management and the Board of Park Commissioners, and is not intended to be and should not be used by 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

May 19, 2003

WARREN COUNTY PARK DISTRICT
WARREN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2002 AND 2001

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2000-60483-001	Inadequate control over insurance processing.	Yes.	



**Auditor of State
Betty Montgomery**

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WARREN COUNTY PARK DISTRICT

WARREN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 3, 2003**