



Mary Taylor, CPA
Auditor of State

PREBLE COUNTY PARK DISTRICT
PREBLE COUNTY

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Mary Taylor, CPA
Auditor of State

Preble County Park District
Preble County
c/o Probate Court
101 East Main Street
Eaton, Ohio 45320

To the Board of Commissioners:

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

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

Mary Taylor, CPA
Auditor of State

November 26, 2008

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Preble County Park District
Preble County
c/o Probate Court
101 East Main Street
Eaton, Ohio 45320

To the Board of Commissioners:

We have audited the accompanying financial statements and the discretely presented component unit of the Preble County Park District, Preble County, Ohio (the District), as of and for the years ended December 31, 2007 and 2006. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

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

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

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2007 and 2006 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, 2007 and 2006, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the discretely presented component unit and the Preble County Park District, Preble County, as of December 31, 2007 and 2006, and their combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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 November 26, 2008, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

Mary Taylor, CPA
Auditor of State

November 26, 2008

**PREBLE COUNTY PARK DISTRICT
PREBLE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
ALL GOVERNMENTAL FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund Types</u>			<u>Component Unit</u>
	<u>General</u>	<u>Capital Project</u>	<u>Totals (Memorandum Only)</u>	<u>Friends of the Preble County Park District</u>
Cash Receipts:				
Farm Rent	\$8,890		\$8,890	
Donations				\$1,125
Memberships				650
Interest	114		114	
OPRA/ODOT Grant		\$16,500	16,500	
Miscellaneous	82		82	
Total Cash Receipts	<u>9,086</u>	<u>16,500</u>	<u>25,586</u>	<u>1,775</u>
Cash Disbursements:				
Current Disbursements:				
Conservation/Recreation:				
Administrative Services	4,680		4,680	
Insurance	2,211		2,211	
Maintenance	670		670	
Repairs	132		132	
Advertising	707		707	
Real Estate Taxes	5		5	
Other	1,143		1,143	300
Capital Outlay	2,557	16,500	19,057	
Total Cash Disbursements	<u>12,105</u>	<u>16,500</u>	<u>28,605</u>	<u>300</u>
Total Receipts Over/(Under) Disbursements	<u>(3,019)</u>	<u>0</u>	<u>(3,019)</u>	<u>1,475</u>
Fund Cash Balances, January 1	<u>12,586</u>	<u>0</u>	<u>12,586</u>	<u>0</u>
Fund Cash Balances, December 31	<u><u>\$9,567</u></u>	<u><u>\$0</u></u>	<u><u>\$9,567</u></u>	<u><u>\$1,475</u></u>

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

**PREBLE COUNTY PARK DISTRICT
PREBLE COUNTY**

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

Cash Receipts:	
Farm Rent	\$8,300
Donations	3,075
Memberships	450
Interest	174
Real Estate Tax Refund	5,293
EQIP Grant	<u>7,500</u>
Total Cash Receipts	<u>24,792</u>
Cash Disbursements:	
Current Disbursements:	
Conservation/Recreation:	
Administrative Services	4,181
Insurance	1,914
Maintenance	1,046
Advertising	2,209
Real Estate Taxes	6,204
EQIP Grant	7,500
Other	499
Capital Outlay	<u>2,736</u>
Total Cash Disbursements	<u>26,289</u>
Total Receipts (Under) Disbursements	<u>(1,497)</u>
Fund Cash Balances, January 1	<u>14,083</u>
Fund Cash Balances, December 31	<u><u>\$12,586</u></u>

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

**PREBLE COUNTY PARK DISTRICT
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

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 Preble County Park District, Preble County, Ohio (the District), as a body corporate and politic. The probate judge of Preble 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 component unit column in the financial statements identifies the financial data of the District's discretely presented component unit, Friends of the Preble County Park District. It is reported separately to emphasize that it is legally separate from the District. See Note 7.

The District's management believes these financial statements present all activities for which the District is financially accountable.

B. Accounting Basis

These financial statements follow the accounting basis 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 Deposits

The District values certificates of deposit at cost.

D. Fund Accounting

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

1. General Fund

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

2. Capital Project Fund

This fund accounts for receipts restricted to acquiring or constructing major capital projects. The District had the following Capital Project Fund:

**PREBLE COUNTY PARK DISTRICT
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

OPRA/ODOT Grant Fund – This fund received Ohio Parks and Recreation Association/Ohio Department of Transportation grant monies for park district capital improvements.

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 District Board must annually approve appropriation measures and subsequent amendments. No appropriation measures were approved for the audit period, so budgetary expenditures exceeded appropriations.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The District did not certify total amounts available from all sources and did not estimate resources for the audit period.

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. The District did not use the encumbrance method of accounting. However, the District had no material amounts that should have been recorded as outstanding encumbrances at December 31, 2007 and 2006.

A summary of 2007 and 2006 budgetary activity appears in Note 3.

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.

2. Equity in Pooled Cash and Deposits

The District maintains a cash and deposits pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and deposits at December 31 was as follows:

	<u>2007</u>	<u>2006</u>
Demand deposits	\$9,567	\$7,518
Certificates of deposit		5,068
Total deposits	<u>\$9,567</u>	<u>\$12,586</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

**PREBLE COUNTY PARK DISTRICT
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2007 and 2006 follows:

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$9,086	\$9,086
Capital Project	0	16,500	16,500
Total	\$0	\$25,586	\$25,586

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$12,105	(\$12,105)
Capital Project	0	16,500	(16,500)
Total	\$0	\$28,605	(\$28,605)

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$24,792	\$24,792
	\$0	\$24,792	\$24,792

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$26,289	(\$26,289)
	\$0	\$26,289	(\$26,289)

4. Risk Management

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

**PREBLE COUNTY PARK DISTRICT
PREBLE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

5. Related Party Transactions

The husband of the Executive Director provided maintenance and mowing services to the District during the audit period. The District paid \$396 for these services in 2006 and \$270 in 2007.

The son of a District Commissioner provided weed control services to the District during the audit period. The District paid \$7,700 for these services in 2006.

6. Subsequent Events

On January 17, 2008, the District approved a loan agreement of \$9,989 with a local bank. The loan proceeds of \$9,989 were received in March 2008. The loan matures in one year.

7. Discrete Component Unit

The Friends of the Preble County Park District is a legally separate, not-for-profit corporation, served by a board whose officers are elected at large from nominations submitted by members. The Friends of the Preble County Park District was established on January 29, 2007. The District Board of Commissioners cannot influence the Friends of the Preble County Park District's operations. The purposes of this organization are:

- To support, improve, protect and preserve the Preble County Park District Parks for the use and enjoyment of this and future generations;
- To inform and educate the public about the unique qualities of the Preble County Park District Parks including the natural, geological, biological, cultural, historical, and recreation features.
- To encourage individuals and groups to participate in a cooperative volunteer program to promote and improve the parks within the Preble County Park District.

Based upon the Friends of the Preble County Park District's sole purpose of providing assistance to the Preble County Park District, the Friends of the Preble County Park District is reflected as a component unit of the District. This is because the nature and significance of the relationship is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

8. Noncompliance

Contrary to Ohio Revised Code, on-behalf grant monies were not posted to the accounting system.

Contrary to Ohio Revised Code, the District did not establish estimated resources and appropriations.



Mary Taylor, CPA

Auditor of State

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

Preble County Park District
Preble County
c/o Probate Court
101 East Main Street
Eaton, Ohio 45320

To the Board of Commissioners:

We have audited the financial statements of the Preble County Park District, Preble County, Ohio (the District), as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated November 26, 2008, 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 as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

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

We consider the following deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: 2007-001.

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

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

We also noted certain internal control matters that we reported to the District's management in a separate letter dated November 26, 2008.

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 instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2007-001 through 2007-006.

We also noted certain noncompliance or another matter not requiring inclusion in this report that we reported to the District's management in a separate letter dated November 26, 2008.

We intend this report solely for the information and use of management and Board of Commissioners. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

November 26, 2008

**PREBLE COUNTY PARK DISTRICT
PREBLE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2007-001

Material Noncompliance/Material Weakness

Ohio Rev. Code, § 5705.09(F), requires the District to establish a special fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose. Upon establishing a fund, estimated receipts should be certified to the County Auditor as available for expenditure and anticipated expenditures should be included in the District's appropriations. As further discussed in Auditor of State Bulletin 2000-008, the Clerk shall record the appropriations in accordance with the terms and conditions of the on-behalf grant or project agreement. In addition, prior to the District recording the appropriations, Ohio Rev. Code Section 5705.40 requires the legislative authority to pass a resolution amending its appropriation measure.

Due to being a newly established entity, the District was not aware that they should record the Ohio Parks and Recreation Association/Ohio Department of Transportation (OPRA/ODOT) park district road improvement monies disbursed on behalf of the District during the audit period, or that they should appropriate the grant money. The District adjusted the accompanying financial statements to reflect receipts and disbursements of \$16,500 for the year ended December 31, 2007.

Failure to record on-behalf grant activity can result in misleading financial statements. We recommend that the District follow the accounting treatment as prescribed in Auditor of State Bulletin 2000-008 for on-behalf grants.

FINDING NUMBER 2007-002

Material Noncompliance

According to **Ohio Rev. Code, § 5705.28(B)(2)(b)**, although a taxing unit that does not levy a tax is not a taxing unit for purposes of Ohio Rev. Code Chapter 5705, a park district is still required to follow these Ohio Rev. Code Sections: 5705.36, 5705.38, 5705.40, 5705.41, 5705.43, 5705.44 and 5705.45. These sections separately require the District to, in part: certify beginning balances on or about the first day of each fiscal year, certify revenue available for appropriation, adopt appropriations within available resources, certify the availability of funds prior to incurring obligations, and limit expenditures to appropriations for each fund. However, documents prepared in accordance with such sections are not required to be filed with the county auditor or county budget commission.

Ohio Rev. Code, § 5705.36(A)(1), requires that on or about the first day of each fiscal year, the fiscal officers of subdivisions and other taxing units are to certify the total amount from all sources available for expenditures from each fund in the tax budget along with any unencumbered balances existing at the end of the preceding year.

Due to being a newly established entity, the District was not aware that they were to prepare certificates of estimated resources during the audit period. Failure to prepare certificates of estimated resources could result in overspending of funds and negative fund balances. We recommend that the District annually prepare a certificate of estimated resources.

FINDING NUMBER 2007-003

Material Noncompliance

Ohio Rev. Code, § 5705.38(A), requires that on or about the first day of each fiscal year, an appropriation measure is to be passed. Due to being a newly established entity, the District was not aware that they were to pass appropriation measures during the audit period. Failure to pass appropriations could result in overspending of funds and negative fund balances. We recommend that the District pass annual appropriation measures.

FINDING NUMBER 2007-004

Material Noncompliance

Ohio Rev. Code, § 5705.41(B), states that no subdivision or taxing unit is to expend money unless it has been appropriated. Due to being a newly established entity, the District was not aware that they were to appropriate monies spent during the audit period. Failure to appropriate expenditures could result in overspending of funds and negative fund balances. We recommend that the District appropriate all monies expended.

FINDING NUMBER 2007-005

Material Noncompliance

Ohio Rev. Code, § 5705.41(D)(1), prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Further, contracts and orders for expenditures lacking prior certification shall be null and void.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" Certificate – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the District can authorize the drawing of a warrant for the payment of the amount due. The District has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the District.

**FINDING NUMBER 2007-005
(Continued)**

2. Blanket Certificate – Fiscal officers may prepare “blanket” certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The District may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Due to being a newly established entity, the District was not aware that they were to certify the availability of funds and there was no evidence that the District followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the District’s funds exceeding budgetary spending limitations, we recommend that the fiscal officer certify that the funds are or will be available prior to obligation by the District. When prior certification is not possible, “then and now” certification should be used. Invoices lacking a date should be dated by the Fiscal Officer when received.

We recommend the District certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The fiscal officer should sign the certification at the time the District incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The fiscal officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

FINDING NUMBER 2007-006

Material Noncompliance

Ohio Admin. Code § 117-2-02(C)(1) states that all local public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted balances of appropriations.

Due to being a newly established entity, the District was not aware that they were to post budgetary data (estimated resources and appropriations) to a budgetary ledger to be used for monitoring purposes. The District did not maintain accounting ledgers which compared actual receipts to estimated receipts, nor actual expenditures plus outstanding encumbrances to appropriations. (The District did not approve any certificates of estimated resources or appropriation measures during the audit period). Failure to integrate budgetary accounts into the financial accounting system could result in overspending of funds and negative fund balances. This could also inhibit the District's ability to monitor revenues, and to limit their spending within the limits of their expected revenue. We recommend that the District post estimated resources and appropriations to the financial accounting system.

We did not receive a response from officials to the findings reported above.

**PREBLE COUNTY PARK DISTRICT
PREBLE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007 AND 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2005-001	Revised Code 5705.36, failure to prepare certificates of estimated resources	No	Not corrected [the 2007-2006 and 2005-2004 audits were conducted simultaneously] – reissued as Finding 2007-002
2005-002	Revised Code 5705.38(A), failure to pass appropriations	No	Not corrected [the 2007-2006 and 2005-2004 audits were conducted simultaneously] – reissued as Finding 2007-003
2005-003	Revised Code 5705.41(B), failure to appropriate expenditures	No	Not corrected [the 2007-2006 and 2005-2004 audits were conducted simultaneously] – reissued as Finding 2007-004
2005-004	Revised Code 5705.41(D), failure to properly certify funds	No	Not corrected [the 2007-2006 and 2005-2004 audits were conducted simultaneously] – reissued as Finding 2007-005
2005-005	Administrative Code 117-2-02(C)(1), failure to post budgetary data to the accounting system	No	Not corrected [the 2007-2006 and 2005-2004 audits were conducted simultaneously] – reissued as Finding 2007-006



Mary Taylor, CPA
Auditor of State

PREBLE COUNTY PARK DISTRICT

PREBLE 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 11, 2008**