



Mary Taylor, CPA
Auditor of State

**HARDIN COUNTY VETERANS' MEMORIAL PARK DISTRICT
HARDIN COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Statement of Cash Receipts, Cash Disbursements, and Change in Fund Cash Balance – General Fund - For the Year Ended December 31, 2007	5
Statement of Cash Receipts, Cash Disbursements, and Change in Fund Cash Balance – General Fund - For the Year Ended December 31, 2006	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>	11
Schedule of Findings.....	13
Schedule of Prior Audit Findings.....	14

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Mary Taylor, CPA
Auditor of State

Hardin County Veterans' Memorial Park District
Hardin County
One Courthouse Square, Suite 210
Kenton, Ohio 43326

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

July 31, 2008

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Hardin County Veterans' Memorial Park District
Hardin County
One Courthouse Square, Suite 210
Kenton, Ohio 43326

To the Board of Commissioners:

We have audited the accompanying financial statements of the Hardin County Veterans' Memorial Park District, Hardin County (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.

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 governments 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 fund cash balances of the Hardin County Veterans' Memorial Park District, Hardin County, as of December 31, 2007 and 2006, and its 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 July 31, 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

July 31, 2008

**HARDIN COUNTY VETERANS' MEMORIAL PARK DISTRICT
HARDIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

Cash Receipts:

Intergovernmental	\$24,062
Lease Income	3,800
Other Receipts	1,003
Total Cash Receipts	<u>28,865</u>

Cash Disbursements:

Current:

Materials	6,250
Contracts - Services	2,209
Workers' Compensation	13
Utilities	1,134
Insurance	11,117
Other	2,057
Total Cash Disbursements	<u>22,780</u>

Total Receipts Over Disbursements	6,085
Fund Cash Balance, January 1	<u>50,388</u>
Fund Cash Balance, December 31	<u><u>\$56,473</u></u>

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

**HARDIN COUNTY VETERANS' MEMORIAL PARK DISTRICT
HARDIN COUNTY**

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

Cash Receipts:	
Intergovernmental	\$23,880
Lease Income	3,800
Other Receipts	679
Total Cash Receipts	<u>28,359</u>
Cash Disbursements:	
Current:	
Materials	500
Contracts - Services	4,670
Workers' Compensation	14
Utilities	1,260
Insurance	9,358
Other	4,833
Total Cash Disbursements	<u>20,635</u>
Total Receipts Over Disbursements	7,724
Fund Cash Balance, January 1	<u>42,664</u>
Fund Cash Balance, December 31	<u><u>\$50,388</u></u>

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

**HARDIN COUNTY VETERANS' MEMORIAL PARK DISTRICT
HARDIN 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 Hardin County Veterans Memorial Park District (the "District") as a body corporate and politic. The probate judge of Hardin County appoints a three-member Board of Commissioners to govern the District. The District includes the City of Kenton, Buck Township, Cessna Township, Goshen Township, Lynn Township, Pleasant Township, and Washington Township in Hardin County. As discussed in Note 3, these entities also provide funding to meet the District's operating costs.

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 Hardin 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.

D. Fund Accounting

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

General Fund

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

**HARDIN COUNTY VETERANS' MEMORIAL PARK DISTRICT
HARDIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus 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 canceled, and reappropriated in the subsequent year.

A summary of 2007 and 2006 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.

2. 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	\$28,865	\$28,865
	\$0	\$28,865	\$28,865

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$22,780	(\$22,780)
	\$0	\$22,780	(\$22,780)

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$16,000	\$28,359	\$12,359
	\$16,000	\$28,359	\$12,359

**HARDIN COUNTY VETERANS' MEMORIAL PARK DISTRICT
HARDIN COUNTY**

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

2. BUDGETARY ACTIVITY (Continued)

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$20,635	(\$20,635)

Contrary to Ohio law, the Commissioners did not pass annual appropriation measures for either 2007 or 2006, which resulted in budgetary expenditures exceeding the appropriation authority in the General Fund by \$22,780 and \$20,635, respectively, for the years ended December 31, 2007 and 2006.

3. PROPERTY TAX FUNDING BY MEMBER ENTITIES

The City of Kenton, and Buck, Cessna, Goshen, Lynn, Pleasant, and Washington Townships, support the District through an allocation of 1 tenth of a mill from their inside property tax millage. This allocation is reported as intergovernmental revenue on the financial statements. The Hardin County Auditor is responsible for assessing property, and for billing, collecting, and distributing the property taxes directly to the District. These tax levies, along with the related homestead and rollback taxes and the personal property tax reductions received from the State of Ohio are reflected on the financial statements as Intergovernmental Revenues.

4. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles

5. LEASE AGREEMENTS

The District has entered into two lease agreements. One lease is with the Hardin County Golf Foundation which pays the District \$3,600 per year for use of Park land for a golf course. The second lease is with the Memorial Park Club House Association, Inc., which pays the District \$200 per year for use of a building owned by the District.

6. SUBSEQUENT EVENTS

On April 3, 2008, the Board of Park Commissioners approved an estimate in the amount of \$47,068 for park improvements, including a walking path, blacktop, moving a gazebo and tearing down the old shelter house. On the same date, the Board also authorized \$8,000 to be spent for paving parking lots, paving a driveway and fixing a curb.

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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*

Hardin County Veterans' Memorial Park District
Hardin County
One Courthouse Square, Suite 210
Kenton, Ohio 43326

To the Board of Commissioners:

We have audited the financial statements of the Hardin County Veterans' Memorial Park District, Hardin County, (the District), as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated July 31, 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.

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.

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 internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted a certain matter that we reported to the District's management in a separate letter dated July 31, 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 an instance of noncompliance or other matter that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2007-001.

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

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.

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

Mary Taylor, CPA
Auditor of State

July 31, 2008

**HARDIN COUNTY VETERANS' MEMORIAL PARK DISTRICT
HARDIN COUNTY**

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

1. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2007-001

Non compliance

Ohio Rev. Code Section 5705.38(A) requires that on or about the first day of each fiscal year, an appropriation measure is to be passed. If the taxing authority wants to postpone the passage of the annual appropriation measure until an amended certificate is received from the county budget commission based upon the actual year end balances, it may pass a temporary appropriation measure for meeting the ordinary expenses until April 1 of the current year.

The District's Board did not adopt an appropriation measure for 2007 or 2006, which resulted in noncompliance with **Ohio Rev. Code Section 5705.41(B)**, which states no subdivision or taxing unit is to expend money unless it has been appropriated.

The District's failure to adopt an appropriation measure resulted in \$22,760 of unappropriated disbursements during 2007 and \$20,635 of unappropriated disbursements during 2006.

The Board should annually approve appropriation measures and subsequent amendments and document their approval in the Park District's minutes.

OFFICIALS' RESPONSE:

The Park Board was not aware that the funds appropriation worksheet was to be signed by the park commissioners to be certified appropriation. Had the County Auditor or any member of the Hardin County Budget Commission at any time pointed out the problem, or not sign off on purchase orders because the appropriation was not certified, we would have corrected it immediately.

In order to insure that this does not happen again, the Park Board is going to immediately certify the 2008 funds and will make sure in the future that all funds are certified appropriated to the County Auditor on time.

HARDIN COUNTY VETERANS' MEMORIAL PARK DISTRICT
HARDIN 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	Ohio Rev. Code Section 117.38 – The District did not file their 2005 and 2004 annual financial reports with the Auditor of State	Yes	



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VETERANS MEMORIAL PARK DISTRICT

HARDIN 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
AUGUST 28, 2008**