



Dave Yost • Auditor of State

WARREN COUNTY PARK DISTRICT
WARREN COUNTY

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Dave Yost • Auditor of State

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

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.

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Dave Yost
Auditor of State

August 16, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Warren County Park District
Warren County
320 East Silver Street.
Lebanon, Ohio 45036

To the Board of Commissioners:

We have audited the accompanying financial statements of the Warren County Park District, Warren County, Ohio (the District), as of and for the years ended December 31, 2010 and 2009. 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, 2010 and 2009 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, 2010 and 2009, 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 and reserves for encumbrances of the Warren County Park District, Warren County, Ohio as of December 31, 2010 and 2009, and its 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 August 16, 2011, 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 black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "Y" and "O".

Dave Yost
Auditor of State

August 16, 2011

**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, 2010**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Gifts & Donations	\$41,438	\$100	\$41,538
Fees	24,910	705,077	729,987
Intergovernmental	570,535	111,000	681,535
Total Cash Receipts	636,883	816,177	1,453,060
Cash Disbursements:			
Current Disbursements:			
Salaries-Employees	260,740	353,455	614,195
Supplies	86,410	206,591	293,001
Equipment	70,036	70,237	140,273
Contracts - Repair	52,992	9,505	62,497
Contracts - Services	51,764	152,191	203,955
Rentals	7,926	4,731	12,657
Advertising and Printing	916	2,603	3,519
Public Employees Retirement	36,504	49,635	86,139
Worker's Compensation	707	0	707
Unemployment Compensation	0	12,948	12,948
Sales Tax to State	0	16,078	16,078
Other Expenses	86,101	7,477	93,578
Total Cash Disbursements	654,096	885,451	1,539,547
Total Receipts Over/(Under) Disbursements	(17,213)	(69,274)	(86,487)
Other Financing Receipts / (Disbursements):			
Reimbursements	1,892	17,625	19,517
Transfers-In	0	116,999	116,999
Transfers-Out	(116,999)	0	(116,999)
Other Financing Sources	12,640	0	12,640
Total Other Financing Receipts / (Disbursements)	(102,467)	134,624	32,157
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(119,680)	65,350	(54,330)
Fund Cash Balances, January 1	285,430	153,215	438,645
Fund Cash Balances, December 31	\$165,750	\$218,565	\$384,315
Reserve for Encumbrances, December 31	\$68,866	\$27,396	\$96,262

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

**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, 2009**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Gifts & Donations	\$43,184	\$0	\$43,184
Fees	23,950	626,564	650,514
Grants	107,914	0	107,914
Intergovernmental	565,568	337,942	903,510
Earnings on Investments	425	0	425
Other Receipts	94,618	0	94,618
Total Cash Receipts	835,659	964,506	1,800,165
Cash Disbursements:			
Current Disbursements:			
Salaries-Employees	242,592	314,867	557,459
Supplies	105,446	306,689	412,135
Equipment	235,827	0	235,827
Contracts - Repair	166,788	14,733	181,521
Contracts - Services	66,907	94,152	161,059
Rentals	8,604	5,793	14,397
Advertising and Printing	2,060	3,052	5,112
Public Employees Retirement	33,963	43,780	77,743
Worker's Compensation	798	0	798
Sales Tax to State	0	17,164	17,164
Other Expenses	132,544	18,916	151,460
Total Cash Disbursements	995,529	819,146	1,814,675
Total Receipts Over/(Under) Disbursements	(159,870)	145,360	(14,510)
Other Financing Receipts:			
Reimbursements	38,950	7,855	46,805
Other Financing Sources	14,662	0	14,662
Total Other Financing Receipts	53,612	7,855	61,467
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	(106,258)	153,215	46,957
Fund Cash Balances, January 1	391,688	0	391,688
Fund Cash Balances, December 31	\$285,430	\$153,215	\$438,645
Reserve for Encumbrances, December 31	\$168,429	\$135,306	\$303,735

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, 2010 AND 2009**

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 Warren County Park District, Warren County, Ohio (the District), as a body corporate and politic. The probate judge of Warren 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. 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. Deposit and Investments

As the Ohio Revised Code permits, the Warren County Treasurer holds the District's deposits 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 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.

**WARREN COUNTY PARK DISTRICT
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

1. Summary of Significant Accounting Policies (continued)

2. Special Revenue Funds

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

Armco Park Fund – This fund accounts for receipts and disbursements related to the operation of Warren County Armco Park.

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. 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 District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2010 and 2009 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.

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.

**WARREN COUNTY PARK DISTRICT
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

2. Budgetary Activity

Budgetary activity for the years ending December 31, 2010 and 2009 follows:

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$617,926	\$651,415	\$33,489
Special Revenue	949,071	950,801	1,730
Total	\$1,566,997	\$1,602,216	\$35,219

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$903,355	\$839,960	\$63,395
Special Revenue	967,378	912,848	54,530
Total	\$1,870,733	\$1,752,808	\$117,925

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$808,321	\$889,271	\$80,950
Special Revenue	964,709	972,361	7,652
Total	\$1,773,030	\$1,861,632	\$88,602

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,183,305	\$1,163,958	\$19,347
Special Revenue	954,452	954,452	0
Total	\$2,137,757	\$2,118,410	\$19,347

3. Retirement Systems

The District's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2010 and 2009, OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2010.

**WARREN COUNTY PARK DISTRICT
WARREN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

4. Risk Management

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

The District is insured for employee health insurance through the health insurance plan of Warren County.



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

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

To the Board of Commissioners:

We have audited the financial statements of the Warren County Park District, Warren County, Ohio (the District), as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated August 16, 2011 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that material financial statement misstatements will not be prevented, or detected and timely corrected.

Our consideration of 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 internal control that might be deficiencies, 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. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings that we consider a significant deficiency in internal control over financial reporting. We consider finding 2010-01 to be a significant deficiency. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated August 16, 2011.

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

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Dave Yost
Auditor of State

August 16, 2011

**WARREN COUNTY PARK DISTRICT
WARREN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009**

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

FINDING NUMBER 2010-01

Significant Deficiency

The District posted to the following receipts to various incorrect line items in the General Fund (938) and the Armco Park Fund (944). While there was no effect on the total revenues or ending fund balance of the General Fund or the Armco Park Fund, the following reclassifications were posted to the financial statements:

2010

Purpose	Reclassification	Amount
Fund 938 - County Contribution	Gifts & Donations Intergovernmental	(\$289,000) 289,000
Fund 938 - Local Government Revenue	Other Revenue Intergovernmental	(\$281,535) 281,535
Fund 944 - County Contribution	Gifts & Donations Intergovernmental	(\$111,000) 111,000

2009

Purpose	Reclassification	Amount
Fund 938 - County Contribution	Gifts & Donations Intergovernmental	(\$290,000) 290,000
Fund 938 - Local Government Revenue	Other Revenue Intergovernmental	(\$275,568) 275,568
Fund 944- County Contribution	Grants Intergovernmental	(\$337,942) 337,942

All public officials are responsible for the design and operation of a system of internal control that is adequate to provide reasonable assurance regarding certain objectives, including the reliability of financial reporting. Financial statement presentation is designed to provide an accurate picture of the financial condition of the District.

Lack of effective oversight over the financial reporting process resulted in a material misclassification of the financial statements. These reclassifications have been posted to the financial statements. Material misclassifications could result in erroneous assumptions by financial statement users. The District should develop control procedures to monitor the accuracy of the financial statements.

Officials' Response:

We did not receive a response from officials for this finding.

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WARREN COUNTY PARK DISTRICT
WARREN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2010 AND 2009

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	Receipts not properly classified	No	Not Corrected; repeated as Finding 2010-01.

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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
SEPTEMBER 8, 2011