

MONROE COUNTY PARK DISTRICT
AUDIT REPORT
JANUARY 1, 2005 - DECEMBER 31, 2006

Wolfe, Wilson, & Phillips, Inc.
37 South Seventh Street
Zanesville, Ohio 43701



Mary Taylor, CPA

Auditor of State

Board of Park Commissioners
Monroe County Park District
105 West Court Street
Woodsfield, Ohio 43793

We have reviewed the *Independent Auditors' Report* of the Monroe County Park District, prepared by Wolfe, Wilson & Phillips, Inc., for the audit period January 1, 2005 through December 31, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditors' Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditors' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Monroe County Park District is responsible for compliance with these laws and regulations.

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

Mary Taylor, CPA
Auditor of State

July 2, 2007

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**MONROE COUNTY PARK DISTRICT
MONROE COUNTY
JANUARY 1, 2005 - DECEMBER 31, 2006**

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WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701

INDEPENDENT AUDITORS' REPORT

Board of Park Commissioners
Monroe County Park District
105 West Court Street
Woodsfield, Ohio 43793

We have audited the accompanying financial statements of the Monroe County Park District, Monroe County, as of and for the years ended December 31, 2006 and 2005. These financial statements are the responsibility of the Monroe County Park 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 *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 more fully in Note 1, the Monroe County Park 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. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

Revisions to GAAP would require the District to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2006 and 2005. Instead of the combined funds the accompanying financial statements present for 2006 and 2005, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2006 and 2005. While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The District has elected not to reformat its statements. Since this District does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Monroe County Park District's combined funds as of December 31, 2006 and 2005, and their changes in financial position.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Monroe County Park District, Monroe County, as of December 31, 2006 and 2005, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The aforementioned revision to generally accepted accounting principles also require the District to include Management's Discussion and Analysis for the year ended December 31, 2006 and 2005. 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 a report dated June 8, 2007, on our consideration of the Monroe County Park District's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. 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.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
June 8, 2007

**MONROE COUNTY PARK DISTRICT
MONROE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Governmental Fund Types</u>			Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
General property tax	\$ 74,801	\$ -	\$ 6,000	\$ 80,801
Tangible personal property tax	12,340	-	-	12,340
Trailer tax	487	-	500	987
Rollback and Homestead	8,117	-	-	8,117
National Forest	372	-	-	372
Investment income	165	-	-	165
Fees	10,391	-	-	10,391
Sales	3,074	-	-	3,074
Grants	-	3,484	-	3,484
Other	5,537	-	-	5,537
Total Cash Receipts	<u>115,284</u>	<u>3,484</u>	<u>6,500</u>	<u>125,268</u>
Cash Disbursements:				
Current:				
Salaries - employees	50,853	-	-	50,853
Salaries - withholdings	11,352	-	-	11,352
Operation and maintenance	50,632	-	-	50,632
Equipment	1,500	-	-	1,500
Debt:				
Payment of principal	-	-	4,322	4,322
Payment of interest	-	-	1,178	1,178
Other	9,874	-	-	9,874
Total Cash Disbursements	<u>124,211</u>	<u>-</u>	<u>5,500</u>	<u>129,711</u>
Total Cash Receipts over/(under) Cash Disbursements	(8,927)	3,484	1,000	(4,443)
Other Financing Receipts/(Disbursements):				
Transfers - in	3,490	-	-	3,490
Transfers - out	-	(3,490)	-	(3,490)
Total Other Financing Receipts/(Disbursements)	<u>3,490</u>	<u>(3,490)</u>	<u>-</u>	<u>-</u>
Excess of Cash Receipts and Other Financing Receipts under Cash Disbursements and Other Financing Disbursements	(5,437)	(6)	1,000	(4,443)
Fund Cash Balances, January 1, 2006	<u>12,181</u>	<u>6</u>	<u>500</u>	<u>12,687</u>
Fund Cash Balances, December 31, 2006	<u>\$ 6,744</u>	<u>\$ -</u>	<u>\$ 1,500</u>	<u>\$ 8,244</u>

See notes to financial statements.

**MONROE COUNTY PARK DISTRICT
MONROE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Debt Service	
Cash Receipts:				
General property tax	\$ 76,273	\$ -	\$ 5,000	\$ 81,273
Tangible personal property tax	12,271	-	-	12,271
Trailer tax	610	-	500	1,110
Rollback and Homestead	9,656	-	-	9,656
National Forest	376	-	-	376
Investment income	96	-	-	96
Fees	7,961	-	-	7,961
Sales	4,760	-	-	4,760
Grants	-	11,883	-	11,883
Other	4,981	-	-	4,981
Total Cash Receipts	<u>116,984</u>	<u>11,883</u>	<u>5,500</u>	<u>134,367</u>
Cash Disbursements:				
Current:				
Salaries - employees	50,105	-	-	50,105
Salaries - withholdings	10,323	-	-	10,323
Operation and maintenance	45,400	20,752	-	66,152
Equipment	1,447	-	-	1,447
Debt:				
Payment of principal	-	18,015	4,479	22,494
Payment of interest	-	659	1,520	2,179
Other	8,448	-	-	8,448
Total Cash Disbursements	<u>115,723</u>	<u>39,426</u>	<u>5,999</u>	<u>161,148</u>
Total Cash Receipts over/(under) Cash Disbursements	1,261	(27,543)	(499)	(26,781)
Other Financing Receipts/(Disbursements):				
Note Proceeds	-	18,015	-	18,015
Transfers - in	5,000	5,790	38	10,828
Transfers - out	(5,828)	-	-	(5,828)
Total Other Financing Receipts/(Disbursements)	<u>(828)</u>	<u>23,805</u>	<u>38</u>	<u>23,015</u>
Excess of Cash Receipts and Other Financing Receipts under Cash Disbursements and Other Financing Disbursements	433	(3,738)	(461)	(3,766)
Fund Cash Balances, January 1, 2005	<u>11,748</u>	<u>3,744</u>	<u>961</u>	<u>16,453</u>
Fund Cash Balances, December 31, 2005	<u>\$ 12,181</u>	<u>\$ 6</u>	<u>\$ 500</u>	<u>\$ 12,687</u>

See notes to financial statements.

**MONROE COUNTY PARK DISTRICT
MONROE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Entity

The Monroe County Park District, Monroe County, (the 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 District is directed by a three-member Board of Commissioners appointed by the Probate Court Judge of Monroe County. The 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 District may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of same as the District deems conducive to the general welfare.

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

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 they are earned. Disbursements are recognized when they are 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.

Cash and Investments

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

Fund Accounting

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

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

Special Revenue Fund

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The District's only special revenue fund was the FEMA Grant Fund which received grant money and loans for improvements to the parks which were damaged by flood waters.

**MONROE COUNTY PARK DISTRICT
MONROE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Debt Service Fund

This fund is used to accumulate resources for the payment of bonds and note indebtedness. The District's only Debt Service Fund is the Park Bond Retirement Fund which receives tax money to pay for principal and interest payments associated with the District's debt.

Budgetary Process

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

Budget

On or about May 1 of each year, the Monroe County Auditor sends a departmental budget form to the District for the succeeding calendar year. The District's fiscal officer completes the departmental budget form containing information of the expenditures for the prior year, appropriations for the current year and the request for the next year. A personal service schedule accompanies the departmental budget and it reflects each person's name, present rate of pay, rate of pay for the next year and the amount requested for the next year. Also, an estimate of anticipated revenue is filed with the departmental budget. The District reviews the forms and they are filed with the County Commissioners by June 1. This information is then combined with other departmental budgets and the Monroe County subdivision budget is prepared. The budget of estimated cash receipts and disbursements is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

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 of Park Commissioners 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.

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.

Encumbrances

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

Encumbrances are purchase orders, contracts and other commitments for the expenditure of monies that are recorded as the equivalent of expenditures on the budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

A summary of 2006 and 2005 budgetary activity appears in Note 2.

**MONROE COUNTY PARK DISTRICT
MONROE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Unpaid vacation and Sick Leave

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

2. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2006 and 2005 follows:

2006 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 118,774	\$ 118,774	\$ -
Special Revenue	3,484	3,484	-
Debt Service	6,500	6,500	-
Total	<u>\$ 128,758</u>	<u>\$ 128,758</u>	<u>\$ -</u>

2006 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 130,954	\$ 124,211	\$ 6,743
Special Revenue	3,490	3,490	-
Debt Service	6,000	5,500	500
Total	<u>\$ 140,444</u>	<u>\$ 133,201</u>	<u>\$ 7,243</u>

2005 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 121,984	\$ 121,984	\$ -
Special Revenue	41,820	35,688	(6,132)
Debt Service	5,538	5,538	-
Total	<u>\$ 169,342</u>	<u>\$ 163,210</u>	<u>\$ (6,132)</u>

**MONROE COUNTY PARK DISTRICT
MONROE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

2. BUDGETARY ACTIVITY (continued)

2005 Budgeted vs. Actual Budgetary Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 131,458	\$ 121,551	\$ 9,907
Special Revenue	43,330	39,426	3,904
Debt Service	6,500	5,999	501
Total	<u>\$ 181,288</u>	<u>\$ 166,976</u>	<u>\$ 14,312</u>

3. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Monroe County Commissioners on behalf of the District. The State Board of Tax Equalization adjusts these rates for inflation.

Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the state, and are reflected in the accompanying financial statements. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

4. RETIREMENT SYSTEM

The District's full-time and part-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.

Contribution rates are also prescribed by the Ohio Revised Code. For 2006 and 2005, members of PERS contributed 9.0% and 8.5% of their gross salaries, respectively. The District contributed an amount equal to 13.70% and 13.55% in 2006 and 2005, respectively. The District has paid all contributions required through December 31, 2006.

**MONROE COUNTY PARK DISTRICT
MONROE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

5. DEBT

Debt outstanding at December 31, 2006, was as follows:

	Principal	Interest Rate
Commercial Bank Loan	\$ 25,094	4.75%

The District obtained a commercial bank loan on July 30, 1997, in the amount of \$46,000 at 7.20% for a term of twenty years to acquire an office building. On September 3, 2003, the District refinanced the mortgage with Wesbanco for a term of ten years, interest and principal payments are due monthly to Wesbanco. The commercial bank loan is collateralized by the taxing authority of the District. The District had the bank prepare an amortization schedule with a higher payment than originally determined to pay the debt off earlier. The schedule below is based on those figures.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	Loan
2007	\$ 6,500
2008	6,000
2009	6,000
2010	6,000
2011	3,815
Total	\$ 28,315

During 2005, the District received a short term note to cover the costs of repairs to the parks due to flood damage. There were no outstanding notes as of December 31, 2006.

6. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles

The District also provides health insurance and dental and vision coverage to full time employees through a private carrier.

**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

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

Board of Park Commissioners
Monroe County Park District
105 West Court Street
Woodsfield, Ohio 43793

We have audited the financial statements of The Monroe County Park District as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated June 8, 2007, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financing Reporting

In planning and performing our audit, we considered Monroe County Park 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 internal control over financial reporting was for the limited purposes 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 certain matters that we have reported to management in a separate letter dated June 8, 2007.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Monroe County Park District's combined financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 also noted certain immaterial instances of noncompliance that we have reported to the management of the Monroe County Park District in a separate letter dated June 8, 2007.

This report is intended for the information of the management, Board and the Auditor of State and is not intended to be and should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
June 8, 2007



Mary Taylor, CPA
Auditor of State

MONROE COUNTY PARK DISTRICT

MONROE 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
JULY 19, 2007**