



Mary Taylor, CPA
Auditor of State

**HISTORICAL PARK COMMISSION
FAIRFIELD COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Historical Parks Commission
Fairfield County
407 East Main Street
Lancaster, Ohio 43130

To the Board of Park Commissioners:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Historical Parks Commission, Fairfield County, Ohio (the Commission), as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions on these financial statements based on our audit.

Except as discussed in paragraph four, 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 opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

We were unable to obtain sufficient evidence to support the completeness of gift and donation receipts in the Rock Mill major fund (\$33,678 or 61% of receipts) and the governmental activities (\$33,678 or 9% of receipts) for the year ended December 31, 2007 and in the Rock Mill major fund (\$13,675 or 60% of receipts), the remaining fund information (\$24,286 or 36% of receipts), and the governmental activities (\$37,961 or 20% of receipts) for the year ended December 31, 2006.

In our opinion, except for the affects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding gift and donation receipts in the Rock Mill major fund and governmental activities for the year ended December 31, 2007 and in the Rock Mill major fund, the remaining fund information, and the governmental activities for the year ended December 31, 2006, as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Historical Parks Commission, Fairfield County, Ohio, as of December 31, 2007 and 2006, and the respective changes in cash financial position and the respective budgetary comparisons for the General, Rock Mill, and Fetter/Hood Barn Funds thereof, for the years then ended in conformity with the basis of accounting Note 2 describes.

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In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2009, 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.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

February 19, 2009

**HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006
UNAUDITED**

This discussion and analysis of Historical Park Commission (the Commission) financial performance provides an overall review of the Commission's financial activities for the years ended December 31, 2007 and 2006, within the limitations of the Commission's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Commission's financial performance.

Highlights

Key highlights for 2007 were as follows:

Net assets of governmental activities decreased \$16,670 or 11.5 percent as compared to 2006. The primary reason for the decrease in cash balances were due to the decrease in intergovernmental revenues.

Program receipts are primarily intergovernmental operating and capital grants and contributions. These receipts represent 50.5 percent of the total cash received for governmental activities during the year. General receipts represented 49.5 percent and are primarily intergovernmental, county contributions, and a commissioner's loan.

During 2007, the Commission began raising funds for the Rock Mill restoration project. The project consists of restoring the 1824 Grist Mill of approximately \$750,000 and is being financed primarily through gifts and donations.

Key highlights for 2006 were as follows:

Net assets of governmental activities increased \$110,175 or 314.2 percent. The primary reason for the increase in cash balances was due to grants received from the Ohio Department of Natural Resources and Ohio Public Works Commission for the Clear Creek Riparian Corridor project, including the acquisition of property along the Clear Creek corridor.

Program receipts are primarily intergovernmental operating and capital grants and contributions. These receipts represent 85.6 percent of the total cash received for governmental activities during the year.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Commission's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Commission as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Commission as a way to segregate money whose use is restricted to a particular specified purpose. These statements present the Commission's funds in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006
UNAUDITED
(Continued)**

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Commission has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Commission's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Commission as a Whole

The statement of net assets and the statement of activities reflect how the Commission did financially during 2007 and 2006, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental activities of the Commission at year end. The statement of activities compares cash disbursements with program receipts for each governmental program activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Commission's general receipts.

These statements report the Commission's cash position and the changes in cash position. Within the limitations of the cash basis of accounting, these changes are one way to measure the Commission's financial health. Over time, increases or decreases in the Commission's cash position is one indicator of whether the Commission's financial health is improving or deteriorating. When evaluating the Commission's financial condition, other non-financial factors should be considered as well, the reliance on non-local financial resources for operations, and the need for continued growth in the major local revenue sources.

In the statement of net assets and the statement of activities, all of the Commission's activities are reported as governmental. The Commission has no business-type activities.

Reporting the Commission's Most Significant Funds

Fund financial statements provide detailed information about the Commission's major funds - not the Commission as a whole. The Commission establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. All of the Commission's funds are governmental.

Governmental Funds - The Commission's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Commission's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Commission's programs. The Commission's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activities or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column.

**HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006
UNAUDITED
(Continued)**

The Commission's major governmental funds for 2007 are the: General, Rock Mill, Fetter/Hood Barn, Clear Creek and Metro Park funds. For 2006, the major governmental funds are: General, Rock Mill, Clear Creek Corridor, and Clear Creek funds. Because the Commission reports on a cash basis, the total of the governmental funds matches the governmental activities.

The Commission as a Whole

Table 1 provides a summary of the Commission's net assets for 2007 compared to 2006 and 2005 on a cash basis:

(Table 1)
Net Assets

| | Governmental Activities | | |
|-------------------|-------------------------|------------|-----------|
| | 2007 | 2006 | 2005 |
| Assets | | | |
| Cash | \$ 128,569 | \$ 145,239 | \$ 35,064 |
| Total Assets | 128,569 | 145,239 | 35,064 |
| Net Assets | | | |
| Restricted for: | | | |
| Capital Outlay | 0 | 95,000 | 0 |
| Other Purposes | 69,534 | 23,580 | 16,186 |
| Unrestricted | 59,035 | 26,659 | 18,878 |
| Total Net Assets | \$ 128,569 | \$ 145,239 | \$ 35,064 |

As mentioned previously, net assets of governmental activities decreased \$16,670 or 11.5 percent during 2007. The primary reason for the decrease in cash balances was due to a decrease in intergovernmental revenues.

For 2006, net assets of governmental activities increased \$110,175 or 314.2 percent as compared to 2005. The primary reason for the increase in cash balances were due to grants received from the Ohio Department of Natural Resources (ODNR) and Ohio Public Works Commission (OPWC) for the Clear Creek Riparian Corridor project, including the acquisition of property along the Clear Creek corridor.

Table 2 reflects the changes in net assets in 2007, 2006, and 2005.

**HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006
UNAUDITED
(Continued)**

(Table 2)
Changes in Net Assets

| | Governmental Activities | | |
|------------------------------------|-------------------------|------------------|-----------------|
| | 2007 | 2006 | 2005 |
| Receipts: | | | |
| Program Receipts: | | | |
| Charges for Services | \$13,970 | \$15,362 | \$8,807 |
| Operating Grants and Contributions | 73,220 | 58,968 | 0 |
| Capital Grants and Contributions | 96,991 | 598,555 | 265,375 |
| Total Program Receipts | <u>184,181</u> | <u>672,885</u> | <u>274,182</u> |
| General Receipts: | | | |
| Intergovernmental | 59,589 | 59,052 | 58,905 |
| County Contribution | 65,000 | 43,103 | 37,000 |
| Commissioner's Loan | 54,000 | 0 | 0 |
| Unrestricted Gifts and Donations | 1,876 | 5,170 | 3,085 |
| Miscellaneous | 25 | 6,001 | 2,184 |
| Sale of Assets | 0 | 0 | 3,100 |
| Total General Receipts | <u>180,490</u> | <u>113,326</u> | <u>104,274</u> |
| Total Receipts | <u>364,671</u> | <u>786,211</u> | <u>378,456</u> |
| Disbursements: | | | |
| General Government | | | |
| Personal Services | 30,000 | 30,000 | 30,000 |
| Fringe Benefits | 15,396 | 15,567 | 16,811 |
| Materials and Supplies | 77,495 | 45,330 | 9,561 |
| Contractual Services | 100,078 | 113,584 | 58,954 |
| Total General Government | <u>222,969</u> | <u>179,481</u> | <u>115,326</u> |
| Capital Outlay | <u>158,372</u> | <u>471,555</u> | <u>254,205</u> |
| Total Disbursements | <u>381,341</u> | <u>676,036</u> | <u>369,531</u> |
| Increase (Decrease) in Net Assets | (16,670) | 110,175 | 8,925 |
| Net Assets Beginning of Year | <u>145,239</u> | <u>35,064</u> | <u>26,139</u> |
| Net Assets End of Year | <u>\$128,569</u> | <u>\$145,239</u> | <u>\$35,064</u> |

Program receipts represented 50.5 percent and 85.6 percent of the Commission's total receipts during 2007 and 2006, respectively. Program receipts are comprised of recreation fees and fines, restricted intergovernmental funding from the Ohio Department of Transportation (ODOT), the Department of Natural Resources, Ohio Public Works Commission, the Fairfield County Foundation, and restricted donations.

General receipts represented 49.5 percent and 14.4 percent of the total receipts during 2007 and 2006, respectively. Of these amounts, 98.9 percent and 90.1 percent during 2007 and 2006 are intergovernmental receipts, contributions from the County Commissioners, and a loan from the County Commissioners. Other receipts are very insignificant and somewhat unpredictable revenue sources.

**HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006
UNAUDITED
(Continued)**

Disbursements for General Government represent the overhead costs of running the Commission. General Government disbursements represented 58.5 percent and 26.5 percent of total disbursements during 2007 and 2006. General Government disbursements are comprised of employee wages, fringe benefits, materials and supplies, and contractual services.

Governmental Activities

If you look at the Statement of Activities on pages 10 and 17 you will see that the first column lists the major services provided by the Commission. The next column identifies the costs of providing these services. The major program disbursements for governmental activities were capital outlay and contractual services during 2007 and 2006. These disbursements accounted for 67.8 percent and 86.6 percent, respectively, of all disbursements. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Commission that must be used to provide a specific service. The net Receipt (Disbursement) column compares the programs receipts to the cost of the service. This "net cost" amount represents the cost of service which ends up being paid from general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

| | Governmental Activities | | | |
|------------------------|--------------------------------|-------------------------|---------------------------|-------------------------|
| | Total Cost Of Services | Net Cost of Services | Total Cost Of Services | Net Cost of Services |
| | 2007 | 2007 | 2006 | 2006 |
| General Government: | | | | |
| Personal Services | \$30,000 | (\$28,688) | \$30,000 | (\$26,575) |
| Fringe Benefits | 15,396 | (14,723) | 15,567 | (13,790) |
| Materials and Supplies | 77,495 | (76,817) | 45,330 | (2,524) |
| Contractual Services | 100,078 | (5,356) | 113,584 | (14,101) |
| Capital Outlay | 158,372 | (71,576) | 471,555 | 53,839 |
| Total Expenses | <u>\$381,341</u> | <u>(\$197,160)</u> | <u>\$676,036</u> | <u>(\$3,151)</u> |

In 2007 disbursements were supported by program receipts by 48.3 percent while in 2006, disbursements were supported by program receipts by 99.5.

The Commission's Funds

In 2007, total governmental funds had receipts of \$310,671 and disbursements of \$381,341. Governmental funds' balances decreased \$16,670 primarily as a result decreases in intergovernmental revenues. The fund balance of the General Fund increased \$32,376 primarily as the result of the increase in contributions from the County Commissioners.

The fund balance in the Clear Creek fund decreased \$95,000 as a result of expenditures made for the Commission's land acquisition and Clear Creek Riparian Corridor project.

In 2006, total governmental funds had receipts of \$786,211 and disbursements of \$676,036. Governmental funds' balances increased \$110,175 primarily as a result of ODNR and OPWC grants for the Commission's land acquisition and Clear Creek Riparian Corridor project. The fund balance of the General Fund increased \$7,779.

**HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006
UNAUDITED
(Continued)**

General Fund Budgeting Highlights

The Commission's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General fund.

The Commission did not amend General Fund budgeted receipts in 2007. During 2007, actual receipts of \$175,460 were \$74,540 less than anticipated primarily due to a decrease in intergovernmental receipts. In 2006, the Commission amended budgeted receipts in the General Fund to reflect changing circumstances. Actual receipts of \$128,688 were \$2,198 greater than anticipated revenues.

Actual disbursements of \$148,733 were \$127,926 less than the final budget in 2007 and actual disbursements of \$127,726 were \$938 less than the final budget in 2006.

Capital Assets and Debt Administration

Capital Assets

The Commission does not currently report its capital assets and infrastructure.

Debt

At December 31, 2007, the Commission's outstanding debt included \$125,130 in loans for the construction of the Cross Mound Park footbridge, maintenance of county parks, and for land acquisition and Clear Creek Riparian Corridor project. For further information regarding the Commission's debt, refer to Note 8 to the basic financial statements.

Contacting the Government's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Commission's finances and to reflect the Commission's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Dave Fey, Director/Secretary, 407 East Main Street, Lancaster, Ohio 43130.

HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY

STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2007

| | Governmental Activities |
|-------------------------|----------------------------|
| Assets | |
| Cash | \$128,569 |
| <i>Total Assets</i> | <u>128,569</u> |
| | |
| Net Assets | |
| Restricted for: | |
| Other Purposes | 69,534 |
| Unrestricted | <u>59,035</u> |
| <i>Total Net Assets</i> | <u>\$128,569</u> |

See accompanying notes to the basic financial statements

**HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2007**

| | <u>General</u> | <u>Rock Mill Fund</u> | <u>Fetter/Hood Barn Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|----------------------------|-----------------|---------------------------|--------------------------------------|---|---|
| Assets | | | | | |
| Cash | \$59,035 | \$44,967 | \$23,133 | \$1,434 | \$128,569 |
| <i>Total Assets</i> | <u>59,035</u> | <u>44,967</u> | <u>23,133</u> | <u>1,434</u> | <u>128,569</u> |
| Fund Balances | | | | | |
| Reserved: | | | | | |
| Reserved for Encumbrances | 5,649 | 0 | 0 | 0 | 5,649 |
| Undesignated, Reported in: | | | | | |
| General Fund | 53,386 | 0 | 0 | 0 | 53,386 |
| Special Revenue Funds | 0 | 44,967 | 23,133 | 1,434 | 69,534 |
| <i>Total Fund Balances</i> | <u>\$59,035</u> | <u>\$44,967</u> | <u>\$23,133</u> | <u>\$1,434</u> | <u>\$128,569</u> |

See accompanying notes to the basic financial statements

HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007

| | General | Rock Mill Fund | Fetter/Hood Barn Fund | Clear Creek Fund | Metro Park Fund | Other Governmental Funds | Total Governmental Funds |
|--|-----------------|-------------------|-----------------------------|---------------------|--------------------|--------------------------------|--------------------------------|
| Receipts | | | | | | | |
| Intergovernmental | \$59,589 | \$0 | \$15,000 | \$0 | \$61,991 | \$0 | \$136,580 |
| County Contribution | 100,000 | 0 | 0 | 0 | 0 | 0 | 100,000 |
| Recreation Fees and Fines | 2,930 | 0 | 0 | 0 | 0 | 0 | 2,930 |
| Gifts and Donations | 1,876 | 55,338 | 2,882 | 0 | 0 | 0 | 60,096 |
| Rent | 11,040 | 0 | 0 | 0 | 0 | 0 | 11,040 |
| Miscellaneous | 25 | 0 | 0 | 0 | 0 | 0 | 25 |
| <i>Total Receipts</i> | <u>175,460</u> | <u>55,338</u> | <u>17,882</u> | <u>0</u> | <u>61,991</u> | <u>0</u> | <u>310,671</u> |
| Disbursements | | | | | | | |
| Current: | | | | | | | |
| Personal Services | 30,000 | 0 | 0 | 0 | 0 | 0 | 30,000 |
| Fringe Benefits | 15,396 | 0 | 0 | 0 | 0 | 0 | 15,396 |
| Materials and Supplies | 15,504 | 0 | 0 | 0 | 61,991 | 0 | 77,495 |
| Contractual Services | 55,812 | 27,266 | 0 | 17,000 | 0 | 0 | 100,078 |
| Capital Outlay | 26,372 | 0 | 0 | 132,000 | 0 | 0 | 158,372 |
| <i>Total Disbursements</i> | <u>143,084</u> | <u>27,266</u> | <u>0</u> | <u>149,000</u> | <u>61,991</u> | <u>0</u> | <u>381,341</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>32,376</u> | <u>28,072</u> | <u>17,882</u> | <u>(149,000)</u> | <u>0</u> | <u>0</u> | <u>(70,670)</u> |
| Other Financing Sources | | | | | | | |
| Commissioners Loan | 0 | 0 | 0 | 54,000 | 0 | 0 | 54,000 |
| <i>Total Other Financing Sources</i> | <u>0</u> | <u>0</u> | <u>0</u> | <u>54,000</u> | <u>0</u> | <u>0</u> | <u>54,000</u> |
| <i>Net Change in Fund Balances</i> | 32,376 | 28,072 | 17,882 | (95,000) | 0 | 0 | (16,670) |
| <i>Fund Balances Beginning of Year</i> | <u>26,659</u> | <u>16,895</u> | <u>5,251</u> | <u>95,000</u> | <u>0</u> | <u>1,434</u> | <u>145,239</u> |
| <i>Fund Balances End of Year</i> | <u>\$59,035</u> | <u>\$44,967</u> | <u>\$23,133</u> | <u>\$0</u> | <u>\$0</u> | <u>\$1,434</u> | <u>\$128,569</u> |

See accompanying notes to the basic financial statements

**HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|----------------|-----------------|---|
| | Original | Final | | |
| Receipts | | | | |
| Intergovernmental | \$150,000 | \$150,000 | \$59,589 | (\$90,411) |
| County Contribution | 100,000 | 100,000 | 100,000 | 0 |
| Recreation Fees and Fines | 0 | 0 | 2,930 | 2,930 |
| Gifts and Donations | 0 | 0 | 1,876 | 1,876 |
| Rent | 0 | 0 | 11,040 | 11,040 |
| Miscellaneous | 0 | 0 | 25 | 25 |
| <i>Total Receipts</i> | <u>250,000</u> | <u>250,000</u> | <u>175,460</u> | <u>(74,540)</u> |
| Disbursements | | | | |
| Current: | | | | |
| Personal Services | 30,000 | 30,000 | 30,000 | 0 |
| Fringe Benefits | 17,867 | 17,867 | 15,396 | 2,471 |
| Materials and Supplies | 26,000 | 26,000 | 16,216 | 9,784 |
| Contractual Services | 176,048 | 176,048 | 60,749 | 115,299 |
| Capital Outlay | 3,000 | 26,744 | 26,372 | 372 |
| <i>Total Disbursements</i> | <u>252,915</u> | <u>276,659</u> | <u>148,733</u> | <u>127,926</u> |
| <i>Net Change in Fund Balance</i> | (2,915) | (26,659) | 26,727 | 53,386 |
| <i>Fund Balance Beginning of Year</i> | 23,744 | 23,744 | 23,744 | 0 |
| Prior Year Encumbrances Appropriated | <u>2,915</u> | <u>2,915</u> | <u>2,915</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u>\$23,744</u> | <u>\$0</u> | <u>\$53,386</u> | <u>\$53,386</u> |

See accompanying notes to the basic financial statements

**HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
ROCK MILL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------------|------------------------|------------------------|---|
| | Original | Final | | |
| Receipts | | | | |
| Gifts and Donations | \$0 | \$39,998 | \$55,338 | \$15,340 |
| <i>Total Receipts</i> | <u>0</u> | <u>39,998</u> | <u>55,338</u> | <u>15,340</u> |
| Disbursements | | | | |
| Current: | | | | |
| Contractual Services | 0 | 39,998 | 27,266 | 12,732 |
| <i>Total Disbursements</i> | <u>0</u> | <u>39,998</u> | <u>27,266</u> | <u>12,732</u> |
| <i>Net Change in Fund Balance</i> | 0 | 0 | 28,072 | 28,072 |
| <i>Fund Balance Beginning of Year</i> | <u>16,895</u> | <u>16,895</u> | <u>16,895</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$16,895</u></u> | <u><u>\$16,895</u></u> | <u><u>\$44,967</u></u> | <u><u>\$28,072</u></u> |

See accompanying notes to the basic financial statements

**HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
FETTER/HOOD BARN FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-----------------------|-----------------------|------------------------|---|
| | Original | Final | | |
| Receipts | | | | |
| Intergovernmental | \$0 | \$0 | \$15,000 | \$15,000 |
| Gifts and Donations | 0 | 0 | 2,882 | 2,882 |
| <i>Total Receipts</i> | <u>0</u> | <u>0</u> | <u>17,882</u> | <u>17,882</u> |
| Disbursements | | | | |
| Current: | | | | |
| Materials and Supplies | 0 | 0 | 0 | 0 |
| <i>Total Disbursements</i> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | 0 | 0 | 17,882 | 17,882 |
| <i>Fund Balance Beginning of Year</i> | <u>5,252</u> | <u>5,252</u> | <u>5,252</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$5,252</u></u> | <u><u>\$5,252</u></u> | <u><u>\$23,134</u></u> | <u><u>\$17,882</u></u> |

See accompanying notes to the basic financial statements

HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY

STATEMENT OF NET ASSETS - CASH BASIS
DECEMBER 31, 2006

| | Governmental Activities |
|-------------------------|----------------------------|
| Assets | |
| Cash | \$145,239 |
| <i>Total Assets</i> | <u>145,239</u> |
| Net Assets | |
| Restricted for: | |
| Capital Projects | 95,000 |
| Other Purposes | 23,580 |
| Unrestricted | <u>26,659</u> |
| <i>Total Net Assets</i> | <u>\$145,239</u> |

See accompanying notes to the basic financial statements

**HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

| | Program Cash Receipts | | | | Net (Disbursements) Receipts and Changes in Net Assets |
|--------------------------------|-----------------------|-------------------------|--|-------------------------------------|--|
| | Cash Disbursements | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities |
| Governmental Activities | | | | | |
| General Government | | | | | |
| Personal Services | \$30,000 | \$708 | \$2,717 | \$0 | (\$26,575) |
| Fringe Benefits | 15,567 | 367 | 1,410 | 0 | (13,790) |
| Materials and Supplies | 45,330 | 480 | 1,841 | 40,485 | (2,524) |
| Contractual Services | 113,584 | 2,680 | 10,288 | 86,515 | (14,101) |
| Capital Outlay | 471,555 | 11,127 | 42,712 | 471,555 | 53,839 |
| <i>Total</i> | \$676,036 | \$15,362 | \$58,968 | \$598,555 | (\$3,151) |
| | | | General Receipts | | |
| | | | | | 59,052 |
| | | | | | 43,103 |
| | | | | | 5,170 |
| | | | | | 6,001 |
| | | | | | <i>Total General Receipts</i> |
| | | | | | 113,326 |
| | | | | | Change in Net Assets |
| | | | | | 110,175 |
| | | | | | <i>Net Assets Beginning of Year</i> |
| | | | | | 35,064 |
| | | | | | <i>Net Assets End of Year</i> |
| | | | | | \$145,239 |

See accompanying notes to the basic financial statements

**HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2006**

| | <u>General</u> | <u>Rock Mill Fund</u> | <u>Clear Creek Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|----------------------------|-----------------|---------------------------|-----------------------------|---|---|
| Assets | | | | | |
| Cash | \$26,659 | \$16,895 | \$95,000 | \$6,685 | \$145,239 |
| <i>Total Assets</i> | <u>26,659</u> | <u>16,895</u> | <u>95,000</u> | <u>6,685</u> | <u>145,239</u> |
| Fund Balances | | | | | |
| Reserved: | | | | | |
| Reserved for Encumbrances | 2,915 | 0 | 0 | 0 | 2,915 |
| Undesignated, Reported in: | | | | | |
| General Fund | 23,744 | 0 | 0 | 0 | 23,744 |
| Special Revenue Funds | 0 | 16,895 | 0 | 6,685 | 23,580 |
| Capital Projects Funds | 0 | 0 | 95,000 | 0 | 95,000 |
| <i>Total Fund Balances</i> | <u>\$26,659</u> | <u>\$16,895</u> | <u>\$95,000</u> | <u>\$6,685</u> | <u>\$145,239</u> |

See accompanying notes to the basic financial statements

**HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY**

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

| | General | Rock Mill Fund | Clear Creek Corridor Fund | Clear Creek Fund | Other Governmental Funds | Total Governmental Funds |
|--|-----------------|-------------------|---------------------------------|---------------------|--------------------------------|--------------------------------|
| Receipts | | | | | | |
| Intergovernmental | \$59,052 | \$3,500 | \$471,555 | \$95,000 | \$32,000 | \$661,107 |
| County Contribution | 43,103 | 0 | 0 | 0 | 0 | 43,103 |
| Recreation Fees and Fines | 8,385 | 0 | 0 | 0 | 0 | 8,385 |
| Gifts and Donations | 5,170 | 19,175 | 0 | 0 | 36,293 | 60,638 |
| Rent | 6,977 | 0 | 0 | 0 | 0 | 6,977 |
| Miscellaneous | 6,001 | 0 | 0 | 0 | 0 | 6,001 |
| <i>Total Receipts</i> | <u>128,688</u> | <u>22,675</u> | <u>471,555</u> | <u>95,000</u> | <u>68,293</u> | <u>786,211</u> |
| Disbursements | | | | | | |
| Current: | | | | | | |
| Personal Services | 30,000 | 0 | 0 | 0 | 0 | 30,000 |
| Fringe Benefits | 15,567 | 0 | 0 | 0 | 0 | 15,567 |
| Materials and Supplies | 13,508 | 5,780 | 0 | 0 | 26,042 | 45,330 |
| Contractual Services | 62,736 | 0 | 0 | 0 | 50,848 | 113,584 |
| Capital Outlay | 0 | 0 | 471,555 | 0 | 0 | 471,555 |
| <i>Total Disbursements</i> | <u>121,811</u> | <u>5,780</u> | <u>471,555</u> | <u>0</u> | <u>76,890</u> | <u>676,036</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>6,877</u> | <u>16,895</u> | <u>0</u> | <u>95,000</u> | <u>(8,597)</u> | <u>110,175</u> |
| Other Financing Sources (Uses) | | | | | | |
| Transfers In | 0 | 0 | 0 | 0 | 2,678 | 2,678 |
| Transfers Out | (2,678) | 0 | 0 | 0 | 0 | (2,678) |
| Advances In | 3,580 | 0 | 0 | 0 | 0 | 3,580 |
| Advances Out | 0 | 0 | 0 | 0 | (3,580) | (3,580) |
| <i>Total Other Financing Sources (Uses)</i> | <u>902</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>(902)</u> | <u>0</u> |
| <i>Net Change in Fund Balances</i> | <u>7,779</u> | <u>16,895</u> | <u>0</u> | <u>95,000</u> | <u>(9,499)</u> | <u>110,175</u> |
| <i>Fund Balances Beginning of Year</i> | <u>18,880</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>16,184</u> | <u>35,064</u> |
| <i>Fund Balances End of Year</i> | <u>\$26,659</u> | <u>\$16,895</u> | <u>\$0</u> | <u>\$95,000</u> | <u>\$6,685</u> | <u>\$145,239</u> |

See accompanying notes to the basic financial statements

**HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------------|-----------------|---|
| | Original | Final | | |
| Receipts | | | | |
| Intergovernmental | \$60,000 | \$69,090 | \$59,052 | (\$10,038) |
| County Contribution | 40,000 | 40,000 | 43,103 | 3,103 |
| Recreation Fees and Fines | 0 | 5,400 | 8,385 | 2,985 |
| Gifts and Donations | 0 | 5,000 | 5,170 | 170 |
| Rent | 0 | 7,000 | 6,977 | (23) |
| Miscellaneous | 0 | 0 | 6,001 | 6,001 |
| <i>Total Receipts</i> | <u>100,000</u> | <u>126,490</u> | <u>128,688</u> | <u>2,198</u> |
| Disbursements | | | | |
| Current: | | | | |
| Personal Services | 30,000 | 30,000 | 30,000 | 0 |
| Fringe Benefits | 19,380 | 17,735 | 15,567 | 2,168 |
| Materials and Supplies | 11,600 | 16,600 | 14,508 | 2,092 |
| Contractual Services | 44,684 | 61,329 | 64,651 | (3,322) |
| <i>Total Disbursements</i> | <u>105,664</u> | <u>125,664</u> | <u>124,726</u> | <u>938</u> |
| <i>Excess of Receipts Over (Under) Disbursements</i> | <u>(5,664)</u> | <u>826</u> | <u>3,962</u> | <u>3,136</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers Out | 0 | 0 | (2,678) | (2,678) |
| Advances In | 0 | 0 | 3,580 | 3,580 |
| <i>Total Other Financing Sources (Uses)</i> | <u>0</u> | <u>0</u> | <u>902</u> | <u>902</u> |
| <i>Net Change in Fund Balance</i> | (5,664) | 826 | 4,864 | 4,038 |
| <i>Fund Balance Beginning of Year</i> | 13,216 | 13,216 | 13,216 | 0 |
| Prior Year Encumbrances Appropriated | 5,664 | 5,664 | 5,664 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$13,216</u> | <u>\$19,706</u> | <u>\$23,744</u> | <u>\$4,038</u> |

See accompanying notes to the basic financial statements

**HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
ROCK MILL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|------------------|--------|----------|---|
| | Original | Final | | |
| Receipts | | | | |
| Intergovernmental | \$0 | \$0 | \$3,500 | \$3,500 |
| Gifts and Donations | 0 | 11,090 | 19,175 | 8,085 |
| <i>Total Receipts</i> | 0 | 11,090 | 22,675 | 11,585 |
| Disbursements | | | | |
| Current: | | | | |
| Materials and Supplies | 0 | 11,090 | 5,780 | 5,310 |
| <i>Total Disbursements</i> | 0 | 11,090 | 5,780 | 5,310 |
| <i>Net Change in Fund Balance</i> | 0 | 0 | 16,895 | 16,895 |
| <i>Fund Balance Beginning of Year</i> | 0 | 0 | 0 | 0 |
| <i>Fund Balance End of Year</i> | \$0 | \$0 | \$16,895 | \$16,895 |

See accompanying notes to the basic financial statements

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**HISTROCIAL PARKS COMMISSION
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMETNS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

NOTE 1 - REPORTING ENTITY

The Historical Park Commission, Fairfield County, Ohio (the Commission) was created in 1981 by the Fairfield County Probate Court under Chapter 1545 of the Ohio Revised Code. The Commission is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Commission is operated by a Board of Park Commissioners consisting of three members appointed by the Probate Judge of Fairfield County. The Board exercises total control over the operation of the Commission, including budgeting, appropriation, and contracting. The Board appoints the Director/Secretary to operate the Commission. The Fairfield County Auditor is the Fiscal Officer for the Commission.

The Board may also create parks, parkways, and other reservations and may afforest, develop, improve, protect, and promote the use of same as the Board deems conducive to the general welfare.

The reporting entity is comprised of the primary government and other organizations that were included to endure that the financial statements are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Commission. The Commission provides park operations and acquires lands for conversion into forest reserves, and for the conservation of the natural resources, including streams, lakes, submerged lands and swamp lands.

B. Public Entity Risk Pool

The Commission participates in certain organizations that are defined as a public entity risk pool and related organization. Note 9 to the financial statements provides additional information for this entity.

This organization is:

County Risk Sharing Authority, Inc.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The following are the more significant of the Commission's accounting policies.

**HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation

The Commission's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Commission as a whole. These statements include the financial activities of the Commission. The statements distinguish between those activities of the Commission and are governmental. Governmental activities generally are financed through intergovernmental revenues or other non-exchange transactions.

The statement of net assets presents the cash balance of the governmental activities of the Commission at year-end. The statement of activities compares disbursements with program receipts for each of the Commission's governmental activities. Disbursements are reported by object. An object is a group of related activities designed to accomplish a major service or regulatory program for which the Commission is responsible. Program receipts include grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Commission's general receipts.

Fund Financial Statements

During the year, the Commission segregates transactions related to certain Commission functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Commission at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

B. Fund Accounting

The Commission uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. All of the Commission's funds are governmental.

Governmental Funds

The Commission classifies funds financed primarily from intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The Commission's major governmental funds in 2007 were the General, Rock Mill, Fetter/Hood Barn, Clear Creek, and Metro Park Funds, and 2006 were the General, Rock Mill, Clear Creek Corridor, and Clear Creek Funds. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Commission for any purpose provided it is expended or transferred according to the general laws of Ohio. The Rock Mill fund receives donations for the renovation of a grist mill. The Fetter/Hood Barn Fund also receives donations for the purposes of renovating historical barns. The Clear Creek Fund receives grant monies for the Park Commissioners corridor project. The Metro Parks Fund receives on-behalf-of support from the Ohio Department of Transportation for the construction, reconstruction, improvement, repair, and maintenance of roads and facilities within a park district. The other governmental funds of the Commission account for grants and other resources whose use is restricted to a particular purpose.

**HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting

The Commission's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Commission's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Commission are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

As per Ohio law, the Commission adopts a budget annually. The major documents prepared are the tax budget, the certificate of estimated resources, and appropriations, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Commission may appropriate.

Appropriations are the Commission's authorization to spend resources and sets limits on expenditures plus encumbrances at the level of control selected by the Commission. The legal level of control has been established at the fund/function/object level.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Commission's Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Commission.

Appropriations are subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Commission during the year.

E. Cash and Investments

As required by the Ohio Revised Code, the Fairfield County Treasurer holds the Commission's cash as custodian for the Commission. The Commission's assets are held in the County's cash and investment pool, and are valued at the Treasurer's reported carrying amount.

F. Restricted Assets

Cash and cash equivalents are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The Commission had no restricted assets at December 31, 2007 and 2006.

**HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Inventory and Prepaid Items

The Commission reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

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

I. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, the Commission's employee is entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Commission's cash basis of accounting.

J. Employer Contributions to Cost-Sharing Pension Plans

The Commission recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 6 and 7, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. Long-Term Obligations

The Commission's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid.

L. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Net assets restricted for other purposes include resources restricted for expenditures for specified purposes.

Net assets restricted for capital purposes include resources restricted for expenditures of capital projects.

M. Fund Balance Reserves

The Commission reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

**HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(Continued)**

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budgetary Basis for the General, Rock Mill, and Fetter/Hood Barn Funds in 2007 and for the General and Rock Mill Funds in 2006, are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year-end encumbrances which are treated as expenditures (budgetary basis) rather than as a reservation of fund balance (cash basis). Encumbrances outstanding at year-end (budgetary basis) amounted to \$5,649 for the General Fund at December 31, 2007 and \$2,915 for the General Fund at December 31, 2006.

NOTE 4 - LEGAL COMPLIANCE

In 2006, contrary to Ohio Revised Code section 5705.41(B), the General Fund had expenditures plus encumbrances in excess of appropriations in the amounts of \$3,332 and \$2,678 in the capital outlay and transfer-out account line items, respectively.

NOTE 5 - RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts, theft of, damage to or destruction of assets, and natural disasters. By contracting with the County Risk Sharing Authority (CORSA) for liability and property insurance, the Commission has addressed these various types of risk.

The CORSA program has a \$2,500 deductible. General liability insurance is maintained in the amount of \$1,000,000 for each occurrence, \$5,000,000 in excess liability, and no annual aggregate.

NOTE 6 - DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

The Commission participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

**HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(Continued)**

NOTE 6 - DEFINED BENEFIT PENSION PLAN (Continued)

Ohio Public Employees Retirement System (Continued)

The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and benefits and annual cost-of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, Attention Finance Director, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2007 and 2006, member and employer contribution rates were consistent across all three plans. For the years ended December 31, 2007 and 2006, the members were required to contribute 9.5 percent and 9.0 percent, respectively, of their annual covered salaries. The Commission's contribution rate for pension benefits for 2007 and 2006 was 13.85 percent and 13.7 percent, respectively, of covered payroll.

The Commission's required contributions for pension obligations to the traditional plan for the years ended December 31, 2007, 2006, and 2005 were \$4,155, \$4,110, and \$4,065 respectively; 99.9 percent has been contributed for 2007, and 100 percent has been contributed for 2006 and 2005.

NOTE 7 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

The OPERS provides postretirement health care coverage to age-and-service retirees with ten or more years of qualifying Ohio service credit with either the Traditional Pension or Combined Plans. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by OPERS meets the definition of an Other Post-employment Benefit (OPEB) as described in *GASB Statement No. 12*. A portion of each employer's contribution to OPERS is set aside for the funding of post-employment health care. The Ohio Revised Code provides statutory authority for employer contributions. The 2007 local government employer contribution rate was 13.85 percent of covered payroll; 5.00 percent from January 1 through June 30, and 6.00 percent from July 1 through December 31 of covered payroll was the portion that was used to fund health care.

OPEB is advance-funded on an actuarially determined basis. The individual entry age actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees). In addition, annual pay increases over and above the 4.00% base increase, were assumed to range from 0.50% to 6.30%. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 0.50% to 5.00% for the next 8 years. In subsequent years (9 and beyond), health care costs were assumed to increase at 4.00% (the projected wage inflation rate).

**HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(Continued)**

NOTE 7- POSTEMPLOYMENT BENEFITS (Continued)

Ohio Public Employees Retirement System (Continued)

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

The Traditional Pension and Combined Plans had 374,979 active contributing participants as of December 31, 2007. The number of active contributing participants for both plans used in the December 31, 2006, actuarial valuation was 362,130. Actual Commission contributions for 2007 which were used to fund post employment benefits were \$45,824. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) were \$12.0 billion. Based on the actuarial cost method used, the Actuarial Valuation as of December 31, 2006, reported the actuarially accrued liability and the unfunded actuarially accrued liability for OPEB at \$30.7 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

NOTE 8 - DEBT

The Fairfield County Commissioners made an interest-free loan to the Commission totaling \$71,130 in 1996. These monies were used to fund the construction of the Cross Mound Park footbridge and the maintenance of county parks. The loan is to be repaid with Commission resources when such resources become available. To date, the Commission has not made any payment on this loan nor has the County requested payment.

On December 6, 2007, the Fairfield County Commissioners made an interest-free loan to the Commission totaling \$54,000. These monies are to be used to help fund the costs for the acquisition of land and other costs for the Clear Creek Riparian Corridor project. The loan will be repaid with funds awarded by the Ohio Department of Natural Resources (ODNR) Clean Ohio program when the grant is received 2008. See Note 10.

NOTE 9 - PUBLIC ENTITY RISK POOL

County Risk Sharing Authority, Inc. (CORSA)

The County Risk Sharing Authority, Inc. (CORSA) is a shared risk pool among forty-one counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Members agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. The coverage includes comprehensive general liability, automobile liability, certain property insurance, and public officials' errors and omissions liability insurance.

**HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(Continued)**

NOTE 9 - PUBLIC ENTITY RISK POOL (Continued)

County Risk Sharing Authority, Inc. (CORSA) (Continued)

Each member has one vote on all matters requiring a vote, which will be cast by a designated representative. An elected board of not more than nine trustees manages the affairs of the Corporation. Only County Commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the members' obligations to make coverage payments to CORSA. The participating members have no responsibility for the payment of the certificates. The Commission does not have an equity interest in CORSA.

NOTE 10 - SUBSEQUENT EVENTS

On January 12, 2008, the Commission was awarded a capital grant through the Ohio Public Works Commission in the amount of \$396,000 for the Clean Ohio Conservation project. The total project is estimated at \$525,712 which will allow the Commission to acquire 99.63 acres in the Clear Creek Riparian Corridor in Madison Township. A portion of this grant was used reimbursement for a 12/28/07 expenditure of \$132,000 towards the purchase of the Clear Creek Riparian Corridor.

On June 9, 2008, the State of Ohio awarded the Parks Commission \$150,000 to be used for the restoration of the Rock Mill.

On June 17, 2008, the Fairfield County Commissioners passed a resolution forgiving the Commission of the 1996 interest-free loan of \$71,130.

On September 8, 2009, the Parks Commission received \$54,000 from ODNR for the repayment of a loan made by the County Commissioners.



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*

Historical Parks Commission
Fairfield County
407 East Main Street
Lancaster, Ohio 43130

To the Board of Park Commissioners:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Historical Parks Commission, Fairfield County, Ohio (the Commission) as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated February 19, 2009, wherein, we noted the Commission uses a comprehensive accounting basis other than generally accepted accounting principles. We also noted we qualified the opinion due to insufficient documentation supporting gift and donation receipts in the Rock Mill Fund (2007 and 2006), remaining fund information (2006) and governmental activities (2007 and 2006). Except as noted, 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 Commission's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Commission'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 certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

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 Commission'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 Commission's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider findings 2007-001 through 2007-003 described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Commission'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. We believe finding numbers 2007-001 through 2007-003 are also material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Commission'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 matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2007-003.

We also noted certain noncompliance or other matters that we reported to the Commission's management in a separate letter dated February 19, 2009.

The Commission's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Commission's responses and, accordingly, we express no opinion on them.

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



Mary Taylor, CPA
Auditor of State

February 19, 2009

**HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY**

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

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

FINDING NUMBER 2007-001

Significant Deficiency/Material Weakness

Donation Receipts

During FY 2006, records were not maintained by the Commission to adequately account for gift and donation receipts in the Rock Mill Fund (\$13,675 or 60% of receipts), the remaining fund information (\$24,286 or 37% of receipts), and the governmental activities (\$37,961 or 20% of receipts).

During FY 2007, the Commission began utilizing donation membership forms to account for the donations; however, the forms provided for review were insufficient to ensure completeness of gift and donation receipts in the Rock Mill major fund (\$33,678 or 61% of receipts) and the governmental activities (\$33,678 or 9% of receipts).

The lack of maintaining records resulted in the qualification of our opinion for the Rock Mill major fund, the remaining fund information and the governmental activities.

We recommend that records be maintained to adequately track cash donation receipts received by the Commission. Monitoring procedures should be developed for reviewing the records to ensure they are available, accurate, and complete. In addition, the Board of the Park Commission should approve the donations in the minute record, indicating which fund they should be posted and the use of the donations based on the donors specifications.

Official's Response:

The Commission has established a "Friends of the Park" volunteer group who have applied for a 501(C)(3) tax status. Once received, all donations will be accepted through the volunteer group.

FINDING NUMBER 2007-002

Significant Deficiency/Material Weakness

Duplicate Receipts

All cash collected by the Commission should be accompanied by a duplicate receipt. Pre-numbered duplicate receipts are not utilized by the Commission for all cash collections, including gift and donation receipts.

The lack of issuing receipts could result in cash collections being misplaced, unaccounted for, or misposted in the accounting records which could lead to inaccurate financial information or fraudulent activities. As noted above in finding 2007-001, this has led to a qualification over the gift and donation receipts in the Rock Mill major fund, the remaining fund information and the governmental activities.

We recommend that procedures are developed to ensure serially numbered duplicate receipts are issued for all cash collections. We also recommend the Commission establish procedures for the comparison of these duplicate receipts to the accounting records and subsequent financial statements.

Officials Response:

The Commission has established a "Friends of the Park" volunteer group who have applied for a 501(C)(3) tax status. Once received, all donations will be accepted through the volunteer group.

HISTORICAL PARKS COMMISSION
FAIRFIELD COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2007-003

Material Non-Compliance/Significant Deficiency/Material Weakness

Metro Park Receipts

Ohio Rev. Code Section 5705.42 states, in part, when the state or any department, division, agency authority or unit thereof makes a grant or loan of money to any political subdivision of this state to aid in paying the cost of any program, activity or function of such subdivision, the amount is deemed appropriated and shall be recorded by the subdivision. Additionally, in accordance with Auditor of State Bulletin 2000-008 dated May 02, 2000, the Commission should record the cash value of each payment of on-behalf-of grants as a receipt and corresponding expenditure.

The Commission receives an annual allocation from the Metro Park Facility Program that is administered by the Ohio Department of Transportation (ODOT). This program provides funds for the construction, reconstruction, improvement, repair, and maintenance of roads and facilities within a park district. ODOT pays contractors directly on behalf of the Commission. This financial activity should be included in the budget of the Commission and recorded by the Commission in the accounting ledgers.

Metro Park Facility Program receipts and disbursements totaling \$61,991 and \$25,000 for 2007 and 2006, respectively, were not budgeted for or recorded in the Commission's financial statements. The lack of recording this activity understated both receipts and expenditures in the financial statements.

Audit adjustments to record receipts and expenditures into the Metro Park Facility Program fund were made. The Commission's financial statements and records have been adjusted to accurately reflect this adjustment.

We recommend the Commission develop procedures to account for Metro Park Facility Program Fund, and record these transactions in the accounting records and financial statements. We also recommend the Director inform the Fiscal Agent of all on-behalf funding and/or grants so the activity can be properly reflected in the records of the Fiscal Agent from which the financial statements are prepared.

Official's Response:

Procedures will be developed to properly account for and report Metro Park Facility Program fund.

HISTORICAL PARKS COMMISSION
FAIRFIELD 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; Explain |
|----------------|---|------------------|---|
| 2005-001 | Include all payments made on behalf of the Commission in the accounting ledgers and in budgetary estimates. | No | Repeated as finding 2007-003. |



Mary Taylor, CPA
Auditor of State

HISTORICAL PARKS COMMISSION

FAIRFIELD 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
MARCH 24, 2009**