



**MARION COUNTY PARK DISTRICT
MARION COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2007-2006



Mary Taylor, CPA
Auditor of State

MARION COUNTY PARK DISTRICT
MARION COUNTY

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Mary Taylor, CPA

Auditor of State

Marion County Park District
Marion County
222 West Center Street
Marion, Ohio 43302

To the Board of Commissioners:

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

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

Mary Taylor, CPA
Auditor of State

June 27, 2008

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Marion County Park District
Marion County
222 West Center Street
Marion, Ohio 43302

To the Board of Commissioners:

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

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

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

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

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2007 and 2006 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2007, and December 31, 2006 or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances and reserves for encumbrances of Marion County Park District, Marion County, Ohio as of December 31, 2007 and 2006, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The District has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2008, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

Mary Taylor, CPA
Auditor of State

June 27, 2008

**MARION COUNTY PARK DISTRICT
MARION COUNTY**

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

	General Fund	Capital Projects	Totals (Memorandum Only)
Cash Receipts:			
Intergovernmental	\$ 10,000	\$ -	\$ 10,000
Reimbursements	441	-	441
	10,441	-	10,441
Cash Disbursements:			
Salaries	20,510	-	20,510
Supplies	48	-	48
Equipment	-	-	-
Contracts Services	882	-	882
Medicare	297	-	297
Insurance	-	-	-
Public Employees Retirement	2,832	-	2,832
Workers' Compensation	49	-	49
Other	1,352	-	1,352
	25,970	-	25,970
Total Cash Disbursements	25,970	-	25,970
Total Receipts Over/(Under) Disbursements	(15,530)	-	(15,530)
Fund Cash Balances, January 1	19,776	90,000	109,776
Fund Cash Balances, December 31	\$ 4,246	\$ 90,000	\$ 94,246
Reserve for Encumbrances, December 31	\$ 794	\$ -	\$ 794

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

**MARION COUNTY PARK DISTRICT
MARION COUNTY**

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

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Intergovernmental	\$ 30,000	\$ -	\$ 30,000
Reimbursements	161	-	161
Total Cash Receipts	<u>30,161</u>	<u>-</u>	<u>30,161</u>
Cash Disbursements:			
Salaries	20,000	-	20,000
Supplies	714	-	714
Equipment	97	-	97
Contracts Services	3,864	-	3,864
Medicare	290	-	290
Insurance	-	-	-
Public Employees Retirement	2,738	-	2,738
Workers' Compensation	83	-	83
Other	2,307	-	2,307
Total Cash Disbursements	<u>30,093</u>	<u>-</u>	<u>30,093</u>
Total Receipts Over/(Under) Disbursements	<u>68</u>	<u>-</u>	<u>68</u>
Fund Cash Balances, January 1	<u>19,708</u>	<u>90,000</u>	<u>109,708</u>
Fund Cash Balances, December 31	<u>\$ 19,776</u>	<u>\$ 90,000</u>	<u>\$ 109,776</u>
Reserve for Encumbrances, December 31	<u>\$ 794</u>	<u>\$ -</u>	<u>\$ 794</u>

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

**MARION COUNTY PARK DISTRICT
MARION COUNTY**

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

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Marion County Park District, Marion County, Ohio, (the District) as a body corporate and politic. The probate judge of Marion County appoints a five-member Board of Commissioners to govern the District. The Commissioners are authorized to acquire, develop, protect, maintain, and improve park lands and facilities. The Commissioners may convert acquired land into forest reserves. The Commissioners are also responsible for activities related to conserving natural resources, including streams, lakes, submerged lands, and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of these assets conducive to the general welfare.

The Prairie Park Foundation, Inc. (the Foundation) is a component unit of the District. It is a not for profit organization that provides financial support in the form of donations to the Park District. The Foundation's stated intent is to operate for the benefit of the District. The trustees of the foundation are also the commissioners for the District. The Foundation's financial information is not included in the accompanying financial statements. Financial information for the Foundation can be obtained from the Marion County Park District Director, Karen Kelly, 222 West Center Street, Marion, Ohio 43302.

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash and Investments

As the Ohio Revised Code permits, the Marion County Treasurer holds the District's cash as the District's custodian. The County holds the District's assets in its investment pool, valued at the Treasurer's reported carrying amount.

D. Fund Accounting

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

1. General Fund

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

**MARION COUNTY PARK DISTRICT
MARION COUNTY**

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

1. Summary of significant accounting policies (Continued)

D. Fund Accounting (Continued)

2. Capital Project Fund

This fund accounts for receipts restricted to acquiring or constructing major capital projects.

Park Building Construction Fund – This fund received a grant to build a nature instructional facility called the Gateway Center.

E. Budgetary Process

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

3. Encumbrances

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

A summary of 2007 and 2006 budgetary activity appears in Note 2.

F. Property, Plant, and Equipment

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**MARION COUNTY PARK DISTRICT
MARION COUNTY**

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

2. Budgetary Activity

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

2007 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$30,000	\$10,441	\$216
Capital Projects	0	0	0
Total	<u>\$30,000</u>	<u>\$10,441</u>	<u>\$216</u>

2007 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$37,794	\$26,764	\$11,030
Capital Projects	0	0	0
Total	<u>\$37,794</u>	<u>\$26,764</u>	<u>\$11,030</u>

2006 Budgeted vs Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$30,000	\$30,161	\$161
Capital Projects	0	0	0
Total	<u>\$30,000</u>	<u>\$30,161</u>	<u>\$161</u>

2006 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$34,185	\$30,887	\$3,298
Capital Projects	0	0	0
Total	<u>\$34,185</u>	<u>\$30,887</u>	<u>\$3,298</u>

**MARION COUNTY PARK DISTRICT
MARION COUNTY**

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

3. Retirement System

<i>Retirement Rates</i>	<i>Year</i>	<i>Member Rate</i>	<i>Employer Rate</i>
<i>PERS – Local</i>	<i>2006</i>	<i>8.5%</i>	<i>13.55%</i>
<i>PERS – Local</i>	<i>2007</i>	<i>9%</i>	<i>13.7%</i>

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

The Ohio Revised Code also prescribes contribution rates. For 2007 and 2006, OPERS members contributed 9% and 8.5%, respectively, of their gross salaries and the District contributed an amount equaling 13.7% and 13.55%, respectively, of participants' gross salaries. The District has paid all contributions required through December 31, 2007.

4. Risk Management

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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



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*

Marion County Park District
Marion County
222 West Center Street
Marion, Ohio 43302

To the Board of Commissioners:

We have audited the financial statements of the Marion County Park District, Marion County, Ohio, (the District) as of and for the years ended December 31, 2007, and December 31, 2006, and have issued our report thereon dated June 27, 2008, wherein we noted the District followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

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

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

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

Mary Taylor, CPA
Auditor of State

June 27, 2008



Mary Taylor, CPA
Auditor of State

MARION COUNTY PARK DISTRICT

MARION COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 26, 2008**