



Mary Taylor, CPA  
Auditor of State



**ADA WAR MEMORIAL PARK DISTRICT  
HARDIN COUNTY**

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# Mary Taylor, CPA

Auditor of State

Ada War Memorial Park District  
Hardin County  
P.O. Box 228  
Ada, Ohio 45810

To the Board of Commissioners:

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

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

**Mary Taylor, CPA**  
Auditor of State

May 2, 2008

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Ada War Memorial Park District  
Hardin County  
P.O. Box 228  
Ada, Ohio 5810

To the Board of Commissioners:

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

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

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

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 Districts to reformat their statements. The District has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 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

May 2, 2008



**ADA WAR MEMORIAL PARK DISTRICT  
HARDIN COUNTY**

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

**Cash Receipts:**

Property and Other Local Taxes	\$141,517
Grants	1,000
Gifts & Donations	8,841
Fees	15,249
Trust	3,716
Intergovernmental	23,938
Earnings on Investments	1,331
Miscellaneous	4,318
Total Cash Receipts	199,910

**Cash Disbursements:**

**Current Disbursements:**

**Conservation/Recreation:**

Salaries	28,553
Health Insurance	12,433
Materials and Supplies	22,899
Equipment	7,235
Contracts - Repair	6,228
Property Insurance	6,990
Advertising and Printing	23
Auditor Fees	2,509
Public Employees Retirement	7,841
Workers Compensation	1,850
Utilities	19,537
Other	1,002
Capital Improvement	34,770
Capital Equipment	778

**Debt Service:**

Redemption of Principal	41,359
Interest and Other Fiscal Charges	4,631
Total Cash Disbursements	198,638

Total Receipts Over Disbursements	1,272
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**Other Financing Receipts:**

Other Debt Proceeds	30,000
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Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	31,272
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Fund Cash Balance, January 1	33,056
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Fund Cash Balance, December 31	\$64,328
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*The notes to the financial statements are an integral part of this statement.*

**ADA WAR MEMORIAL PARK DISTRICT  
HARDIN COUNTY**

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

<b>Cash Receipts:</b>	
Property and Other Local Taxes	\$139,046
Gifts and Donations	704
Fees	15,000
Trust	5,497
Intergovernmental	16,738
Earnings on Investments	1,533
Miscellaneous	7,231
Total Cash Receipts	<u>185,749</u>
 <b>Cash Disbursements:</b>	
<b>Current Disbursements:</b>	
<b>Conservation/Recreation:</b>	
Salaries	26,270
Health Insurance	5,864
Materials and Supplies	17,541
Equipment	8,189
Property Insurance	17,860
Contracts - Services	1,417
Advertising and Printing	288
Utilities	14,826
Public Employees Retirement	6,424
Workers' Compensation	2,456
Auditor Fees	4,744
Other	2,218
Capital Improvement	50,403
Capital Equipment	4,783
<b>Debt Service:</b>	
Payment of Principal	37,872
Payment of Interest	1,009
Total Cash Disbursements	<u>202,164</u>
 Total Receipts (Under) Disbursements	 <u>(16,415)</u>
 Fund Cash Balance, January 1	 <u>49,471</u>
 Fund Cash Balance, December 31	 <u><u>\$33,056</u></u>

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

**ADA WAR MEMORIAL PARK DISTRICT  
HARDIN COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

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

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

**B. Accounting Basis**

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

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

**C. Cash and Investments**

The Park District did not have any investments. All money is maintained in an interest bearing checking account.

**D. Fund Accounting**

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

**1. General Fund**

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

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, 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. Appropriations lapse at year end.

**ADA WAR MEMORIAL PARK DISTRICT  
HARDIN COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2007 and 2006 budgetary activity appears in Note 3.

**F. Property, Plant, and Equipment**

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

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The District maintains a cash pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	<b>2007</b>	<b>2006</b>
Demand deposits	\$64,328	\$33,056

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**3. Budgetary Activity**

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

<b>2007 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$166,082	\$229,910	\$63,828

<b>2007 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$190,005	\$198,638	(\$8,633)

**ADA WAR MEMORIAL PARK DISTRICT  
HARDIN COUNTY**

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

**3. BUDGETARY ACTIVITY (Continued)**

<b>2006 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$173,048	\$185,749	\$12,701

<b>2006 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$220,667	\$202,164	\$18,503

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the District.

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

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

**5. DEBT**

Debt outstanding at December 31, 2007 was as follows:

	<b>Principal</b>	<b>Interest Rate</b>
Land Contract	\$91,305	4.00%
Promissory Note	19,681	5.25%
Total	\$110,986	

The District issued a promissory note on January 31, 2000, in the amount of \$120,000 for park improvements. This note was to mature on September 15, 2009; however, the District paid this note off on March 8, 2007.

The District entered into a land contract on April 25, 2006, in the amount of \$136,305 for the purchase of land. This contract matures April 25, 2011. Interest and principal are due semi-annually to Ruth Brown.

The District issued a promissory note on May 29, 2007, in the amount of \$30,000 for park improvements. This note matures on April 30, 2010. Interest and principal are due semi-annually to Liberty National Bank. The District made an additional principal payment in 2007.

**ADA WAR MEMORIAL PARK DISTRICT  
HARDIN COUNTY**

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

**5. DEBT (Continued)**

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

Year ending December 31:	Land Contract	Promissory Note - May 2007
2008	\$25,927	\$11,799
2009	25,027	9,138
2010	24,127	
2011	24,281	
Total	\$99,362	\$20,937

**6. RETIREMENT SYSTEMS**

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

The Ohio Revised Code also prescribes contribution rates. For 2007 and 2006, OPERS members contributed 9.5% and 9%, respectively, of their gross salaries and the District contributed an amount equaling 13.85% and 13.7%, respectively, of participants' gross salaries. The District has paid all contributions required through December 31, 2007.

**7. RISK MANAGEMENT**

**Commercial Insurance**

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- 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*

Ada War Memorial Park District  
Hardin County  
P.O. Box 228  
Ada, Ohio 45810

To the Board of Commissioners:

We have audited the financial statements of the Ada War Memorial Park District, Hardin County, (the District), as of and for the year ended December 31, 2007 and 2006, and have issued our report thereon dated May 2, 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.

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 a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

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.

We consider the following deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: 2007-001.

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.

**Internal Control Over Financial Reporting  
(Continued)**

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. However, we believe the significant deficiency described above as finding number 2007-001 is also a material weakness.

We also noted certain internal control matters that we reported to the District's management in a separate letter dated May 2, 2008.

**Compliance and Other Matters**

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

We did note certain noncompliance or other matters that we reported to the District's management in a separate letter dated May 2, 2008.

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

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



**Mary Taylor, CPA**  
Auditor of State

May 2, 2008



**ADA WAR MEMORIAL PARK DISTRICT  
HARDIN COUNTY**

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

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2007-001**

**Material Weakness**

**Accuracy of Financial Reporting**

To assist in the effective management and reporting of financial resources, the District should have procedures in place to help assure that financial activity is correctly classified in the accounting records and financial statements and that the financial statements agree with the underlying accounting records. The District's 2007 accounting records and financial statements had revenue classification errors of \$37,019 and expenditure classification errors of \$5,199 in the General Fund. In 2006, the District's accounting records and financial statements had \$21,689 of revenue reclassifications and expenditure classification errors in the amount of \$1,009 in the General Fund. The classification errors consisted of but were not limited to the recording of homestead and rollback receipts and CAT tax receipts as tax revenue instead of intergovernmental revenue; the recording of loan proceeds as miscellaneous revenue instead of other debt proceeds revenue; the recording of rental fees as miscellaneous revenue instead of fees revenue; the recording of CAT tax receipts as miscellaneous revenue instead of intergovernmental revenue; the recording of supplies disbursements as interest payments, and the recording of interest payments as principal payments.

In 2007 and 2006, the District's financial statements required adjustments to agree with the cash journal. In 2007, the financial statement revenues were overstated \$1,960 and expenditures were overstated by \$1,959. In 2006, the financial statement revenues were overstated by \$1,571 and expenditures were overstated \$1,455.

The failure to correctly classify financial activity and to present financial statements that are in agreement with the underlying accounting records, may impact the user's understanding of the financial operations, may inhibit the District's ability to make sound financial decisions, may impact the District's ability to comply with budgetary laws, and may result in the material misstatement of the financial statements. The accompanying financial statements have been adjusted to reflect financial activity in the correct line items and to agree with the cash journal.

The District should utilize governmental accounting resources such as those provided on the Auditor of State website when preparing annual financial statements. The District's Board and/or audit committee should periodically review the financial records and financial statements to help identify recording and financial statement reporting errors.

**Officials Response:**

The board and the clerk, Mrs. Vicki Wolke, are in the process of modifying the tax records from the County Auditor Office of Mr. Michael Bacon. Our board is finding the problems begin with the taxes/checks from Mr. Bacon's office are being sent without a notification of where they are coming from (source of revenue). The clerk tries to put them in one form of the tax columns so we know they are from the taxes.

Please be advised Mrs. Wolke presents financial reports to us at every meeting and also reports any computer problems. Unfortunately, in this time span we also had a computer virus that further complicated the issue. She also brings to the meeting any current reports from the auditors office that may have come and need to be looked at.

We will do a follow up with the clerk on the situation.

**ADA WAR MEMORIAL PARK DISTRICT  
HARDIN COUNTY**

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

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2005-001	Ada War Memorial Park Board Park Manager Contract Dated February 20, 2005 – the District paid insurance benefits that were not clearly authorized by this contract. The Board passed a retroactive resolution to clarify the intent of this contract.	Yes	
2005-002	Ohio Rev. Code Section 5705.09 – restricted revenue was not recorded in a separate fund	Yes	



**Mary Taylor, CPA**  
Auditor of State

**ADA WAR MEMORIAL PARK DISTRICT**

**HARDIN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JUNE 17, 2008**