



**HIGHLAND COMMUNITY PARK DISTRICT  
MORROW COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2001- 2000 - 1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**HIGHLAND COMMUNITY PARK DISTRICT  
MORROW COUNTY**

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Highland Community Park District  
Morrow County  
3627 Ruggles Road  
Fredericktown, Ohio 43019

To the Board of Commissioners:

We have audited the accompanying financial statements of the Highland Community Park District, Morrow County, Ohio, (the District) as of and for the years ended December 31, 2001, December 31, 2000 and December 31, 1999. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the District prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the District as of December 31, 2001, December 31, 2000 and December 31, 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2002 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, the Board of Park Commissioners and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

**JIM PETRO**  
Auditor of State

May 2, 2002

**HIGHLAND COMMUNITY PARK DISTRICT  
MORROW COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>			
Grants	\$ -	\$ 138,860	\$ 138,860
Investment Income	3,178	0	3,178
Gifts and Donations	53,202	0	53,202
Other Receipts	292	0	292
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	56,672	138,860	195,532
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Current:			
Supplies	147	0	147
Building Maintenance	0	4,742	4,742
Rentals	531	0	531
Advertising and Printing	634	68	702
Utilities	17	0	17
Insurance	3,606	0	3,606
Capital Outlay	72,836	78,268	151,104
Other	848	0	848
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	78,619	83,078	161,697
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	(21,947)	55,782	33,835
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	83,417	0	83,417
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b>\$ 61,470</b>	<b>\$ 55,782</b>	<b>\$ 117,252</b>
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*The notes to the financial statements are an integral part of this statement.*

**HIGHLAND COMMUNITY PARK DISTRICT  
MORROW COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCE  
GOVERNMENTAL FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<b>Governmental</b>
	<b>General</b>
<b>Cash Receipts:</b>	
Investment Income	\$ 3,899
Gifts and Donations	140,637
Other Receipts	292
	144,828
<b>Cash Disbursements:</b>	
Current:	
Supplies	169
Equipment	4,977
Rentals	418
Advertising and Printing	4,793
Utilities	2,013
Insurance	2,236
Capital Outlay	108,157
Other	272
	123,035
Total Cash Disbursements	123,035
Total Receipts Over Disbursements	21,793
Fund Cash Balances, January 1	61,624
<b>Fund Cash Balances, December 31</b>	<b>\$ 83,417</b>

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



**HIGHLAND COMMUNITY PARK DISTRICT  
MORROW COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCE  
GOVERNMENTAL FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<b>Governmental</b>
	<b>General</b>
<b>Cash Receipts:</b>	
Investment Income	\$ 967
Gifts and Donations	133,806
Other Receipts	19
	134,792
<b>Cash Disbursements:</b>	
Current:	
Supplies	14
Equipment	11,601
Professional Services	5,175
Capital Outlay	56,362
Other	16
	73,168
Total Cash Disbursements	73,168
Total Receipts Over Disbursements	61,624
Fund Cash Balances, January 1	0
<b>Fund Cash Balances, December 31</b>	<b>\$ 61,624</b>

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

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**HIGHLAND COMMUNITY PARK DISTRICT  
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 – 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Highland Community Park District, Morrow County, (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a seven-member Board of Commissioners. One member is appointed by each of the following entities: Chester Township, Bennington Township, South Bloomfield Township, Highland School Board, Village of Chesterville, Village of Marengo and Village of Sparta. The District acquires lands to construct, maintain and operate a recreational and/or activity center to educate the public as to health benefits of sports, exercise and especially baseball; to promote and educate the public especially children, in all aspects of sport safety; and to encourage the establishment, organization and development of recreational facilities by public authorities.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

**C. Fund Accounting**

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

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Capital Projects Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The District had the following significant Capital Projects Fund:

*Capital Improvement Fund* - This fund received grant proceeds for the construction of a new concession stand, the addition of new lighting, and the upgrading of parking lots and walkways.

**HIGHLAND COMMUNITY PARK DISTRICT  
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 – 1999  
(Continued)**

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

**D. 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 legal level of control and appropriations may not exceed estimated resources. Appropriation Authority includes current year appropriations plus encumbrances carried over from the prior year (if any). The Board must annually approve appropriation measures and subsequent amendments.

**2. Estimated Resources**

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

**3. Encumbrances**

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made.

The District did not follow budgetary requirements relating to adopting a budget, establishing appropriations and estimated resources, and encumbering.

**E. Property, Plant and Equipment**

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

**2. EQUITY IN POOLED CASH**

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

	<u>2001</u>	<u>2000</u>	<u>1999</u>
Demand Deposits	\$117,252	\$83,417	\$61,624

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

At December 31, 2001, \$17,252 of deposits were not insured or collateralized, contrary to Ohio law.

**3. RISK MANAGEMENT**

The District has obtained commercial insurance for general liability.

**4. SUBSEQUENT EVENTS**

The District entered into the following contracts during February and March 2002 for construction of a concession stand: Fishburn Industries, \$30,000 for general interior work; Ellis Concrete, \$61/yard for concrete; and Dan's Custom Concrete, \$1/square foot for labor related to the concrete work.



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Highland Community Park District  
Morrow County  
3627 Ruggles Road  
Fredericktown, Ohio 43019

To the Board of Commissioners:

We have audited the accompanying financial statements of Highland Community Park District, Morrow County, Ohio, (the District) as of and for the years ended December 31, 2001, December 31, 2000 and December 31, 1999, and have issued our report thereon dated May 2, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2001-30659-001 and 2001-30659-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated May 2, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated May 2, 2002.

Highland Community Park District  
Morrow County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

This report is intended solely for the information and use of management and the Board of Park Commissioners, and is not intended to be and should not be used by anyone other than these specified

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

**JIM PETRO**  
Auditor of State

May 2, 2002

**HIGHLAND COMMUNITY PARK DISTRICT  
MORROW COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2001, 2000 AND 1999**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>Finding Number</b>	<b>2001-30659-001</b>
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**Budgetary Requirements**

Ohio Rev. Code Sections 5705.28(B)(2)(a), 5705.28(B)(2)(c), 5705.36, 5705.38, 5705.41(B) and 5705.41(D) require the District to adopt a budget, establish appropriations and estimated resources, and certify the availability of funds prior to incurring an obligation. These requirements were effective for the years ending December 31, 2001, and December 31, 2000.

The District did not follow these budgetary requirements. .

<b>Finding Number</b>	<b>2001-30659-002</b>
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**Collateral**

Ohio Rev. Code Section 135.18 states the treasurer shall require a public depository to pledge security for the repayment of all public moneys deposited in the public depository. Such security may consist of federal deposit insurance, surety company bonds, or pledged securities. Ohio Rev. Code Section 135.181 also allows, in lieu of the pledging requirements prescribed in section 135.18 of the Revised Code, a public depository may pledge a single pool of eligible securities to secure the repayment of all public moneys deposited in the institution and not otherwise secured pursuant to law, provided that at all times the total value of the securities so pledged, is at least equal to one hundred five percent of the total amount of all public deposits to be secured by the pooled securities, including the portion of such deposits covered by any federal deposit insurance.

The District had uncollateralized deposits of \$17,252 at December 31, 2001.

We recommend the District monitor its depository balances in relation to pledged security to ensure all deposits are properly secured.







STATE OF OHIO  
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**HIGHLAND COMMUNITY PARK DISTRICT**

**MORROW 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  
MAY 23, 2002**