



**LAGRANGE COMMUNITY PARK BOARD
LORAIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2006, 2005 & 2004



Mary Taylor, CPA
Auditor of State

**LAGRANGE COMMUNITY PARK BOARD
LORAIN COUNTY**

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Mary Taylor, CPA
Auditor of State

LaGrange Community Park Board
Lorain County
355 South Center Street
LaGrange, Ohio 44050

To the Board of Trustees:

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 a February 2, 2005 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 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

February 21, 2007

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

LaGrange Community Park Board
Lorain County
355 South Center Street
LaGrange, Ohio 44050

To the Board of Trustees:

We have audited the accompanying financial statements of the LaGrange Community Park Board, Lorain County, Ohio, (the Board) as of and for the years ended December 31, 2006, December 31, 2005, and December 31, 2004. These financial statements are the responsibility of the Board'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 Board 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.

Revisions to GAAP would require the Board to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2006, December 31, 2005, and December 31, 2004. While the Board does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Board has elected not to reformat its statements. Since this Board does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2006, December 31, 2005, and December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Board as of December 31, 2006, December 31, 2005, and December 31, 2004, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the LaGrange Community Park Board, Lorain County, Ohio, as of December 31, 2006, December 31, 2005, and December 31, 2004, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Board to include Management's Discussion and Analysis for the year ended December 31, 2006, December 31, 2005 and December 31, 2004. The Board 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 February 21, 2007, on our consideration of the Board'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

February 21, 2007

**LAGRANGE COMMUNITY PARK BOARD
LORAIN COUNTY**

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

| | <u>General</u> |
|---|-----------------------------|
| Cash Receipts: | |
| Member Contributions | \$ 105,400 |
| Charges for Services | 18,572 |
| Donations | <u>23,221</u> |
| Total Cash Receipts | <u>147,193</u> |
| Cash Disbursements: | |
| Leisure Time Activities | 44,705 |
| Capital Outlay | <u>33,664</u> |
| Total Cash Disbursements | <u>78,369</u> |
| Total Receipts Over/(Under) Disbursements | 68,824 |
| Fund Cash Balances, January 1, 2006 | <u>24,647</u> |
| Fund Cash Balances, December 31, 2006 | <u><u>\$ 93,471</u></u> |

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

**LAGRANGE COMMUNITY PARK BOARD
LORAIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

| | <u>General</u> |
|---|-------------------------|
| Cash Receipts: | |
| Member Contributions | \$ 80,611 |
| Charges for Services | 4,127 |
| Donations | <u>7,225</u> |
| Total Cash Receipts | <u>91,963</u> |
| Cash Disbursements: | |
| Leisure Time Activities | 27,950 |
| Capital Outlay | <u>73,693</u> |
| Total Cash Disbursements | <u>101,643</u> |
| Total Receipts Over/(Under) Disbursements | (9,680) |
| Fund Cash Balances, January 1, 2005 | <u>34,327</u> |
| Fund Cash Balances, December 31, 2005 | <u><u>\$ 24,647</u></u> |

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

**LAGRANGE COMMUNITY PARK BOARD
LORAIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2004**

| | <u>General</u> |
|---|-------------------------|
| Cash Receipts: | |
| Member Contributions | \$ 54,819 |
| Charges for Services | 2,300 |
| Donations | <u>27,363</u> |
| Total Cash Receipts | <u>84,482</u> |
| Cash Disbursements: | |
| Leisure Time Activities | 34,771 |
| Capital Outlay | <u>102,064</u> |
| Total Cash Disbursements | <u>136,835</u> |
| Total Receipts Over/(Under) Disbursements | (52,353) |
| Fund Cash Balances, January 1, 2004 | <u>86,680</u> |
| Fund Cash Balances, December 31, 2004 | <u><u>\$ 34,327</u></u> |

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

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**LAGRANGE COMMUNITY PARK BOARD
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006, 2005, AND 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The LaGrange Community Park Board, Lorain County, Ohio, (the Board) is a Joint Recreation Board established by the LaGrange Township and Village of LaGrange under the authority of Ohio Revised Code Section 755.14(B). The Board is comprised of five members who are residents of either the Village or the Township. A chairperson is appointed for a term of one year on an alternating basis by the Township and the Village. The other Board members are appointed by the Township and the Village proportionately. The Board exercises all powers to equip, operate, and maintain parks, playgrounds, playfields, gymnasiums, public baths, swimming pools, and recreation centers.

The Board's management believes these financial statements present all activities for which the Board 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.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

As of December 31, 2006, December 31, 2005, and December 31, 2004 the Board did not own any investments.

D. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. The Board of Trustees 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.

**LAGRANGE COMMUNITY PARK BOARD
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006, 2005, AND 2004
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

3. Encumbrances

The Ohio Revised Code requires the Board to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are cancelled, and reappropriated in the subsequent year. The Board did not encumber all commitments required by Ohio law.

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. MEMBER CONTRIBUTIONS

LaGrange Township and the Village of LaGrange share expenditures made by the Board. Contributions are received prior to the payment of expenditures. During fiscal year 2006, the Board received \$53,700 from the Village of LaGrange and \$51,700 from LaGrange Township. During fiscal year 2005, the Board received \$40,000 from the Village of LaGrange and \$40,611 from LaGrange Township. During fiscal year 2004, the Board received \$22,460 from the Village of LaGrange and \$32,359 from LaGrange Township.

As of December 31, 2006 both the Township and the Village contributed their required contributions for FY2004, FY2005, and FY2006.

3. EQUITY IN CASH

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 was as follows:

| | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|-----------------|------------------------|------------------------|------------------------|
| Demand deposits | <u>\$93,471</u> | <u>\$24,647</u> | <u>\$34,327</u> |
| Total deposits | <u><u>\$93,471</u></u> | <u><u>\$24,647</u></u> | <u><u>\$34,327</u></u> |

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

4. RISK MANAGEMENT

The Board has no employees or commercial property as of December 31, 2006.

5. COMPLIANCE

Contrary to Ohio Revised Code section 5705.41(D) the Board did not encumber expenditures prior to receiving the goods or services. Contrary to Ohio Revised Code Sections 5705.28(B), 5705.36, and 5705.41(B) the Board did not prepare an operating budget, a certificate of estimated resources, or appropriations at the beginning of each fiscal year.



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*

LaGrange Community Park Board
Lorain County
355 South Center Street
LaGrange, Ohio 44050

To the Board of Trustees:

We have audited the financial statements of the LaGrange Community Park Board, Lorain County, Ohio, (the Board) as of and for the years ended December 31, 2006, December 31, 2005, and December 31, 2004, and have issued our report thereon dated February 21, 2007, wherein we noted the Board prepared its financial statements using accounting practices the Auditor of State prescribes or permits 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 Board'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 Board's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Board'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 Board'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 Board's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2006-003 and 2006-004.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Board'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. However, of the significant deficiencies described above, we believe findings number 2006-003 is also a material weakness.

We also noted certain internal control matters that we reported to the Board's management in a separate letter dated February 21, 2007.

Compliance and Other Matters

As part of reasonably assuring whether the Board'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 instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2006-001, 2006-002, and 2006-003.

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

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



Mary Taylor, CPA
Auditor of State

February 21, 2007

**LAGRANGE COMMUNITY PARK BOARD
LORAIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2006, 2005, AND 2004**

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

FINDING NUMBER 2006-001

Noncompliance Citation

Encumbrance of Funds

Ohio Revised Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" certificate – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Board can authorize the drawing of a warrant for the payment of the amount due. The Board has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Board.

2. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. Super Blanket Certificate – The Board may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Sixty-one percent (38 out of 62) of the expenditures tested were not certified by the fiscal officer at the time the commitment was incurred and there was no evidence that the Board followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

**LAGRANGE COMMUNITY PARK BOARD
LORAIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2006, 2005, AND 2004
(Continued)**

FINDING NUMBER 2006-001 (Continued)

Encumbrance of Funds (Continued)

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Board's funds exceeding budgetary spending limitations, we recommend that the Clerk certify that the funds are or will be available prior to obligation by the Board. When prior certification is not possible, "then and now" certification should be used.

We recommend the Board certify purchases to which Section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The fiscal officer should sign the certification at the time the Board incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The fiscal officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation. The fiscal officer should deny payment for any expenditure without prior certification.

Official's Response:

The Board now prepares purchase orders for all purchases.

FINDING NUMBER 2006-002

Noncompliance Citation

Budgetary Compliance

Ohio Revised Code Section 5705.28(B)(2)(a) provides that if the Board does not levy taxes the Board must adopt an operating budget which includes estimated receipts from all sources and a statement of all expenses that are anticipated to occur during the fiscal year. This budget is not required to be filed with the county auditor or county budget commission, but must be adopted by the Board's taxing authority (LaGrange Township) on or before July 15th each year for the ensuing fiscal year. Ohio Revised Code Section 5705.28(B)(2)(c) provides that appropriations from each fund are limited to estimated resources available for expenditures from the fund, and appropriations shall be made from each fund only for the purposes for which the fund is established.

Ohio Revised Code Section 5705.36(A)(1) requires, in part, that on or about the first day of the year, the Board should prepare a certificate of estimated resources which identifies the total amount of revenue expected from all sources which is available for expenditures from each fund along with any unencumbered balances that existed at the end of the preceding year. Ohio Revised Code Section 5705.36(A)(2) requires that this certificate is to be amended if the Board expects the actual amount of revenue will be greater or less than the amount estimated on the certificate.

Ohio Revised Code Section 5705.41(B) prohibits a subdivision or taxing unity from expending money unless it has been appropriated as provided in Chapter 5705. Ohio Revised Code Section 5705.38(A) provides that, on or about the first day of each fiscal year, the Board should adopt an appropriation measure.

**LAGRANGE COMMUNITY PARK BOARD
LORAIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2006, 2005, AND 2004
(Continued)**

FINDING NUMBER 2006-002 (Continued)

Budgetary Compliance (Continued)

During the audit, the Board was required to develop an operating budget, prepare a certificate of estimated resources, and adopt an appropriation measure. The Board prepared an operating budget for each year. This budget was presented to the Township before the beginning of the fiscal year; however, the budget was not formally approved by the Township prior to July 15th of each year and it was not formally approved by the Board at the beginning of the fiscal year. A certificate of estimated resources and appropriation measure were not adopted.

We recommend the Board comply with the above Ohio Revised Code Sections.

Official's Response:

The Board was previously told to send our budget to the County. We submit our budget to the Township on or before July of each year. We then adopt it on January of each year, which is reflected in our minutes.

Auditor of State's Analysis:

Finding 2003-001 for the audit of fiscal year ending December 31, 2003 indicates the budget does not have to be sent to the County.

The Board was notified of the various approvals needed at the post audit for fiscal year ended December 31, 2003, on September 6, 2005. We inspected fiscal year 2006 for the proper approvals. The Board's minutes of August 8, 2006 reflect the budget for fiscal year 2007 was sent to the Township. This date is after the July 15th deadline. We did not note formal approval of the budget in the Township's minutes and we did not note formal approval of the budget by the Board in the beginning of fiscal year 2007.

FINDING NUMBER 2006-003

Noncompliance Citation and Material Weakness

Concession Stand Receipts

The Board opened a concession stand in 2006. This concession stand is open during scheduled baseball games held at the Board's baseball fields. Currently, the financial information for the concession stand is maintained by a volunteer who submits financial information to the Board when requested. Information maintained for the concession stand includes the cost and sales price per item, total expenses, and total sales per day.

The concession stand does not generate inventory records and does not create detailed purchasing or sales records that would aid in maintaining inventory records. Proper inventory records would allow the Board to reconcile inventory sold to sales revenue and aid in the reordering process.

**LAGRANGE COMMUNITY PARK BOARD
LORAIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2006, 2005, AND 2004
(Continued)**

FINDING NUMBER 2006-003 (Continued)

Concession Stand Receipts (Continued)

While we could not ensure the completeness of concession stand revenue, we were able to agree revenue documented as received to the bank statements. We did note revenue received was not deposited in a timely manner with the Board's depository. Ohio Revised Code Section 9.38 provides, in part, that any public official other than a state officer, employee, or agent shall deposit all public moneys received by that person with the treasurer of the public office or properly designated depository on the business day next following the day of receipt, if the total amount of such moneys received exceeds one thousand dollars. If the total amount of the public moneys so received does not exceed one thousand dollars, the person shall deposit the moneys on the business day next following the day of the receipt, unless the public office of which that person is a public official adopts a policy permitting a different time period, not to exceed three business days next following the day of receipt, for making such deposits, and the person is able to safeguard the moneys until such time as the moneys are deposited. The policy shall include provisions and procedures to safeguard the public moneys until they are deposited, which requires all public moneys be deposited with the fiscal officer or properly designated depository on the next business day. Concession stand revenue was deposited between four and twelve days after it was received.

We recommend detailed sales and expenditure information for the concession stand be maintained. We recommend the Board generate and maintain detailed inventory records. We also recommend concession stand receipts be properly deposited with the fiscal officer or Board's depository within one business day.

Official's Response:

The Board now has two cash registers to track sales. All receipts for inventory purchases have been maintained from the beginning. All sales receipts per day during 2006 for the concession stand were furnished to the auditors. Deposits are now made within 24 hours.

FINDING NUMBER 2006-004

Significant Deficiency

Cash Reconciliation

Reconciliation of the Board's cash accounts with its cash ledgers is a necessary control procedure to adequately safeguard cash and to provide an accurate picture of the Board's financial position. The Board completed monthly bank reconciliations for January 2004 through June 2005, and August, October, and November, 2006. At various times during the audit period, the Board had checks outstanding at month end, but there was no indication of the outstanding checks on the bank reconciliations. We noted these outstanding checks had not been recorded as expenditures on the Board's ledgers when they were written.

We recommend the Board reconcile their bank balances with their cash fund balances monthly. This review should include a listing of outstanding checks from month to month. If a check is no longer included on the outstanding check list and does not show as being cleared on the bank statement, the Board should have an explanation as to why it is no longer on the outstanding check list.

**LAGRANGE COMMUNITY PARK BOARD
LORAIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2006, 2005, AND 2004
(Continued)**

FINDING NUMBER 2006-004 (Continued)

Cash Reconciliation (Continued)

Official's Response:

The checking account is reconciled each month on a separate paper, not on the bank statement. No mention or inquiry about this was ever during our meeting with the auditors.

Auditor of State's Analysis:

The separate paper was not maintained by the Board and therefore not available for inspection.

**LAGRANGE COMMUNITY PARK BOARD
LORAIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2006, 2005, AND 2004**

| Finding Number | Finding Summary | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i> |
|----------------|---|------------------|--|
| 2003-001 | The Board is required to develop an operating budget, prepare a certificate of estimated resources, and adopt an appropriation measure for the year. None of these items were completed | No | Not Corrected, See finding 2006-002 |



Mary Taylor, CPA
Auditor of State

LAGRANGE COMMUNITY PARK BOARD

LORAIN 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 26, 2007**