



**HUNTER'S RUN CONSERVANCY DISTRICT
FAIRFIELD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2008-2007



Mary Taylor, CPA
Auditor of State

HUNTER'S RUN CONSERVANCY DISTRICT
FAIRFIELD COUNTY

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Mary Taylor, CPA
Auditor of State

Hunter's Run Conservancy District
Fairfield County
1365 Rock Mill Road
Lancaster, Ohio 43130

To the Board of Directors:

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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

November 10, 2009

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Hunter's Run Conservancy District
Fairfield County
1365 Rock Mill Road
Lancaster, Ohio 43130

To the Board of Directors:

We have audited the accompanying financial statements of Hunter's Run Conservancy District, Fairfield County, Ohio (the District) as of and for the years ended December 31, 2008 and 2007. 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 require 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 Governments 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, 2008 and 2007 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, 2008 and 2007, 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 Hunter's Run Conservancy District, Fairfield County, Ohio as of December 31, 2008 and 2007, 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 November 10, 2009, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

Mary Taylor, CPA
Auditor of State

November 10, 2009

**HUNTER'S RUN CONSERVANCY DISTRICT
FAIRFIELD COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

| | <u>Governmental Fund Types</u> | | <u>Totals (Memorandum Only)</u> |
|---|--------------------------------|-----------------------------|---|
| | <u>General</u> | <u>Capital Projects</u> | |
| Cash Receipts: | | | |
| Assessments Collected | \$ 41,260 | \$ - | \$ 41,260 |
| Earnings on Investments | 911 | - | 911 |
| Total Cash Receipts | <u>42,171</u> | <u>-</u> | <u>42,171</u> |
| Cash Disbursements: | | | |
| Current: | | | |
| Salaries & Benefits | 20,284 | - | 20,284 |
| Supplies and Materials | 5,328 | - | 5,328 |
| Accounting, Legal Fees and Insuranace | 6,559 | - | 6,559 |
| Equipment | 3,174 | - | 3,174 |
| Contractual Services | 9,006 | - | 9,006 |
| Capital Outlay | 35,830 | 5,832 | 41,662 |
| Total Cash Disbursements | <u>80,181</u> | <u>5,832</u> | <u>86,013</u> |
| Total Receipts (Under) Disbursements | <u>(38,010)</u> | <u>(5,832)</u> | <u>(43,842)</u> |
| Fund Cash Balances, January 1 | <u>117,361</u> | <u>23,678</u> | <u>141,039</u> |
| Fund Cash Balances, December 31 | <u><u>\$ 79,351</u></u> | <u><u>\$ 17,846</u></u> | <u><u>\$ 97,197</u></u> |

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

**HUNTER'S RUN CONSERVANCY DISTRICT
FAIRFIELD COUNTY**

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

| | <u>Governmental Fund Types</u> | | <u>Totals (Memorandum Only)</u> |
|--|--------------------------------|-----------------------------|---|
| | <u>General</u> | <u>Capital Projects</u> | |
| Cash Receipts: | | | |
| Assessments Collected | \$ 39,309 | \$ - | \$ 39,309 |
| Intergovernmental | 1,431 | - | 1,431 |
| Earnings on Investments | 11 | - | 11 |
| | <hr/> | <hr/> | <hr/> |
| Total Cash Receipts | 40,751 | - | 40,751 |
| | <hr/> | <hr/> | <hr/> |
| Cash Disbursements: | | | |
| Current: | | | |
| Salaries & Benefits | 17,501 | - | 17,501 |
| Supplies and Materials | 3,004 | - | 3,004 |
| Accounting, Legal Fees and Insurance | 21,744 | - | 21,744 |
| Equipment | 2,149 | - | 2,149 |
| Contractual Services | 720 | - | 720 |
| | <hr/> | <hr/> | <hr/> |
| Total Cash Disbursements | 45,118 | - | 45,118 |
| | <hr/> | <hr/> | <hr/> |
| Total Receipts (Under) Disbursements | (4,367) | - | (4,367) |
| | <hr/> | <hr/> | <hr/> |
| Fund Cash Balances, January 1 | 121,728 | 23,678 | 145,406 |
| | <hr/> | <hr/> | <hr/> |
| Fund Cash Balances, December 31 | <u>\$ 117,361</u> | <u>\$ 23,678</u> | <u>\$ 141,039</u> |

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

**HUNTER'S RUN CONSERVANCY DISTRICT
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

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 Hunter's Run Conservancy District, Fairfield County, Ohio (the District) as a body corporate and politic. The District is directed by a three member Board of Directors appointed by the Court of Common Pleas. The District provides conservation and flood control to the City of Lancaster.

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.

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

C. Cash

The District's accounting basis values certificates of deposit at cost.

D. 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:

General Fund

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

Capital Projects Fund

This fund accounts for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The District had the following significant capital projects fund:

Dam Rehabilitation Project Fund - This fund accounts for grants and other resources whose use is restricted to Dam Rehabilitation.

E. Budgetary Process

The Ohio Revised Code requires the Board to budget annually.

HUNTER'S RUN CONSERVANCY DISTRICT
FAIRFIELD COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)

1. **Summary of Significant Accounting Policies** (Continued)

E. **Budgetary Process** (Continued)

Appropriations

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

Estimated Resources

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

Encumbrances

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

A summary of 2008 and 2007 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.

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.

2. **Cash and Investments**

The carrying amount of cash and investments at December 31 was as follows:

| | 2008 | 2007 |
|------------------------|-----------------|------------------|
| Demand Deposits | \$67,155 | \$110,997 |
| Certificate of Deposit | 30,042 | 30,042 |
| Total Deposits | <u>\$97,197</u> | <u>\$141,039</u> |

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.

**HUNTER'S RUN CONSERVANCY DISTRICT
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2008 and 2007 follows:

| 2008 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$38,300 | \$42,171 | \$3,871 |
| Capital Projects | 0 | 0 | 0 |
| Total | \$38,300 | \$42,171 | \$3,871 |

| 2008 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|-----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$80,300 | \$80,181 | \$119 |
| Capital Projects | 0 | 5,832 | (5,832) |
| Total | \$80,300 | \$86,013 | (\$5,713) |

| 2007 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$38,300 | \$40,751 | \$2,451 |
| Total | \$38,300 | \$40,751 | \$2,451 |

| 2007 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$76,060 | \$45,118 | \$30,942 |
| Total | \$76,060 | \$45,118 | \$30,942 |

Contrary to Ohio law, budgetary expenditures exceeded appropriations in the amount of \$3,206 and \$10,830 in the contractual services and capital outlay accounts, respectively, within the General Fund and in the amount of \$5,832 in the Dam Rehabilitation Fund for the year ended December 31, 2008.

In addition, budgetary expenditures exceeded appropriations in the amount of \$6,301 and \$2,494 in the salaries and benefits, and accounting, legal fees, and insurance accounts, respectively, within the General Fund for the year ended December 31, 2007.

**HUNTER'S RUN CONSERVANCY DISTRICT
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

4. Retirement Systems

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

The Ohio Revised Code also prescribes contribution rates. For 2008 and 2007, OPERS members contributed 10% and 9.5%, respectively, of their gross salaries and the District contributed an amount equaling 14% and 13.85%, respectively, of participants' gross salaries. The District has paid all contributions required through December 31, 2008.

5. 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*

Hunter's Run Conservancy District
Fairfield County
1365 Rock Mill Road
Lancaster, Ohio 43130

To the Board of Directors:

We have audited the financial statements of the Hunter's Run Conservancy District, Fairfield County, Ohio (the District) as of and for the year ended December 31, 2008 and 2007, and have issued our report thereon dated November 10, 2009, 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 finding 2008-001 described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District'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. The significant deficiency described above is also a material weakness.

We also noted a certain internal control matter that we reported to the District's management in a separate letter dated November 10, 2009.

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 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 2008-002 and 2008-003.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated November 10, 2009.

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

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



Mary Taylor, CPA
Auditor of State

November 10, 2009

**HUNTER'S RUN CONSERVANCY DISTRICT
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007**

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

FINDING NUMBER 2008-001

Significant Deficiency/Material Weakness

Bank Account Reconciliation

The Secretary/Treasurer should prepare a bank reconciliation each month to reconcile the District's bank account activity with the accounting records. The Treasurer should maintain documentation that the reconciliation was prepared and the District's Board of Directors should review this documentation to ensure the bank account and accounting records activity accounts are reconciled each month.

There was no evidence that reconciliations were being performed or reviewed on a monthly basis.

As a result, the accounting records and the checking account was out of balance \$689.41 and \$462.84 at December 31, 2008 and 2007, respectively. The lack of preparing and reviewing the checking account monthly reconciliations could allow errors and unresolved reconciling items to go undetected by management.

We recommend the Secretary/ Treasurer develop procedures to ensure the checking account is reconciled each month. The Board of Directors should review and approve each month's reconciliation via signature.

The financial statements have been adjusted that reconcile the District's accounting records and checking account.

Officials' Response:

The Secretary/Treasurer is using bank statements along with Quickbooks software to balance for 2009.

FINDING NUMBER 2008-002

Noncompliance Finding - Expenditures Exceeding Appropriations

Ohio Rev. Code Section 5705.28(B)(2)(b) requires the District follow sections 5705.36, 5705.38, 5705.40, 5705.41, 5705.43, 5705.44, and 5705.45 of the Revised Code and states that documents prepared in accordance with such sections are not required to be filed with the county auditor or county budget commission.

Ohio Rev. Code Section 5705.41(B) states no subdivision or taxing unit is to expend money unless it has been appropriated. Expenditures exceeded appropriations as follows:

**HUNTER'S RUN CONSERVANCY DISTRICT
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007
(Continued)**

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

FINDING NUMBER 2008-002 - (Continued)

Noncompliance Finding - Expenditures Exceeding Appropriations (Continued)

| | <u>Total Appropriations</u> | <u>Total Expenditures</u> | <u>Variance</u> |
|------------------------------------|---------------------------------|-------------------------------|-----------------|
| <u>December 31, 2008</u> | | | |
| General Fund: | | | |
| Contractual Services | \$5,800 | \$9,006 | (\$3,206) |
| Capital Outlay | 25,000 | 35,830 | (10,830) |
| Dam Rehabilitation Fund: | | | |
| Capital Outlay | 0 | 5,832 | (5,832) |
| <u>December 31, 2007</u> | | | |
| General Fund: | | | |
| Salaries and Benefits | 11,200 | 17,501 | (6,301) |
| Accounting, Legal Fees & Insurance | 19,250 | 21,744 | (2,494) |

We recommend the Secretary/Treasurer request the Board of Directors approve increased expenditure levels by amending appropriations when necessary. The Secretary/Treasurer should not process expenditures that exceed the appropriation limits established by the Board of Directors.

Officials' Response:

Quickbooks software and new procedures implemented by the Secretary/Treasurer will eliminate the problem.

FINDING NUMBER 2008-003

Noncompliance Finding - Certification of Funds

Ohio Rev. Code Section 5705.28(B)(2)(b) requires the District follow sections 5705.36, 5705.38, 5705.40, 5705.41, 5705.43, 5705.44, and 5705.45 of the Revised Code and states that documents prepared in accordance with such sections are not required to be filed with the county auditor or county budget commission.

Ohio Rev. Code Section 5705.41(D) 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.

HUNTER'S RUN CONSERVANCY DISTRICT
FAIRFIELD COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007
(Continued)

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

FINDING NUMBER 2008-003 - (Continued)

Noncompliance Finding - Certification of Funds (Continued)

1. "Then and Now" Certificates. 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 District can authorize the drawing of a warrant for the payment of the amount due. The District has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts 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 the expenditures by the District.

2. Blanket Certificates. Fiscal officers may prepare "blanket" certificates if the District has approved their use and established maximum amounts.
3. Super Blanket Certificates. The District 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 operation expense. This certification is not to extend beyond the current year. More than one so-called "super blanket" certificate may be outstanding at a particular time for any line item appropriation.

The District did not certify the availability of funds in 2008 and 2007. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

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 District's funds exceeding budgetary spending limitations, we recommend the Secretary/Treasurer certify that the funds are or will be available prior to obligation by the District. When prior certification is not possible, "then and now" certification should be used and approved by the Board of Directors.

We also recommend the District 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 Secretary/Treasurer should sign the certification at the time the District incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The Secretary/Treasurer should post approved purchase commitments to the proper code, to reduce the available appropriations.

Officials' Response:

Procedures will be improved for 2009 by using Quickbooks software and new procedures implemented by the Secretary/Treasurer.

**HUNTER'S RUN CONSERVANCY DISTRICT
FAIRFIELD COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2008 AND 2007**

| Finding Number | Finding Summary | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i> |
|----------------|---|------------------|--|
| 2006-001 | Minutes of meetings. | Yes | |
| 2006-002 | Bank reconciliations. | No | Repeated as finding 2008-001. |
| 2006-003 | Supporting documentation for disbursements. | Yes | |
| 2006-004 | Amending estimated receipts - ORC 5705.36. | Yes | |
| 2006-005 | Certification of funds - ORC 5705.41(D). | No | Repeated as finding 2008-003 |



Mary Taylor, CPA
Auditor of State

HUNTER'S RUN CONSERVANCY DISTRICT
FAIRFIELD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
DECEMBER 1, 2009