



**HIGHLAND COMMUNITY PARK DISTRICT  
MORROW COUNTY**

**REGULAR AUDIT**

**FOR THE PERIOD JANUARY 1, 2008 - AUGUST 10, 2009**



**Mary Taylor, CPA**  
Auditor of State





# Dave Yost • Auditor of State

January 13, 2011

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 10, 2011. Thus, I am certifying this audit report for release under the signature of my predecessor.

A handwritten signature in black ink that reads "Dave Yost".

DAVE YOST  
Auditor of State

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HIGHLAND COMMUNITY PARK DISTRICT  
MORROW COUNTY

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Mary Taylor, CPA  
Auditor of State

Highland Community Park District  
Morrow County  
PO Box 222  
Marengo, Ohio 43334

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

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

**Mary Taylor, CPA**  
Auditor of State

November 29, 2010

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Highland Community Park District  
Morrow County  
PO Box 222  
Marengo, Ohio 43334

To the Board of Trustees:

We have audited the accompanying financial statements of Highland Community Park District, Morrow County, Ohio, (the District) as of and for the period January 1, 2009 to August 10, 2009 and for the year ended December 31, 2008. 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.

Instead of the funds the accompanying financial statements present, 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 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 period January 1, 2009 to August 10, 2009 and year ended December 31, 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District for the period ended August 10, 2009 and year ended December 31, 2008, or its changes in financial position for the period and 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 Highland Community Park District, Morrow County, Ohio, for the period ended August 10, 2009 and year ended December 31, 2008, and its cash receipts and disbursements for the period and year then ended on the accounting basis Note 1 describes.

As disclosed in Note 5, the District amended its Articles of Incorporation and as of August 10, 2009 operates as a Non-Profit Corporation.

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 29, 2010, 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.



**Mary Taylor, CPA**  
Auditor of State

November 29, 2010

**HIGHLAND COMMUNITY JOINT PARK DISTRICT  
MORROW COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE PERIOD JANUARY 1, 2009 TO AUGUST 10, 2009**

	<u>All Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>			
Sales	\$ 33,302	\$ -	\$ 33,302
Gift and Donations	973	-	973
Investment Income	173	-	173
Miscellaneous	8,579	-	8,579
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	43,027	-	43,027
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Current Disbursements:			
Current:			
Concession inventory	15,554	-	15,554
Maintenance	4,650	-	4,650
Materials and Supplies	765	-	765
Utilities	1,232	-	1,232
Contracts - Services	9,703	-	9,703
Other	2,861	-	2,861
Capital Outlay	74	-	74
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	34,839	-	34,839
	<hr/>	<hr/>	<hr/>
Total Receipts Over Disbursements	8,187	-	8,187
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	20,006	121	20,127
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, August 10</b>	<b><u>\$ 28,193</u></b>	<b><u>\$ 121</u></b>	<b><u>\$ 28,314</u></b>

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

**HIGHLAND COMMUNITY JOINT PARK DISTRICT  
MORROW 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>All Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>			
Sales	\$ 54,641	\$ -	\$ 54,641
Gifts and donations	175	-	175
Investment income	23	-	23
Rental Income	600	-	600
Gate Fees	4,144	-	4,144
Miscellaneous	2,761	-	2,761
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	62,344	-	62,344
	<hr/>	<hr/>	<hr/>
<b>Cash Disbursements:</b>			
Current Disbursements:			
Current:			
Concession inventory	28,261	-	28,261
Maintenance	14,779	-	14,779
Materials and Supplies	3,420	-	3,420
Utilities	4,343	-	4,343
Contracts - Services	13,551	-	13,551
Other	1,275	-	-
Capital Outlay	7,392	-	7,392
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	73,021	-	71,746
	<hr/>	<hr/>	<hr/>
Total Receipts (Under) Disbursements	(10,677)	-	(10,677)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	30,683	121	30,804
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 20,006</u></b>	<b><u>\$ 121</u></b>	<b><u>\$ 20,127</u></b>

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

**HIGHLAND COMMUNITY PARK DISTRICT  
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD JANUARY 1, 2009 TO AUGUST 10, 2009  
AND YEAR ENDED DECEMBER 31, 2008**

**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 Highland Community Park District, Morrow County, Ohio, (the District) as a body corporate and politic. The District is directed by a seven member Board of Commissioners 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 land to construct, maintain and operate a recreational and/or activity center to educate the public as to the 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. 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. Deposit and Investments**

The District's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

**D. Fund Accounting**

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

**1. General Fund**

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

**HIGHLAND COMMUNITY PARK DISTRICT  
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD JANUARY 1, 2009 TO AUGUST 10, 2009  
AND YEAR ENDED DECEMBER 31, 2008  
(Continued)**

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

**D. Fund Accounting (continued)**

**2. Capital Project Fund**

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

Capital Improvement Fund – This fund received local grant proceeds to construct exercise stations along the District's walking paths.

**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, function or object level of control, and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

**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 individual commitments are made. The District did not use the encumbrance method of accounting.

A summary of the period ending August 10, 2009 and year ending 2008 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.

**HIGHLAND COMMUNITY PARK DISTRICT  
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD JANUARY 1, 2009 TO AUGUST 10, 2009  
AND YEAR ENDED DECEMBER 31, 2008  
(Continued)**

**2. Equity in Pooled Deposits**

The District maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31, 2008 and August 10, 2009 was as follows:

	2009	2008
Demand deposits	\$28,314	\$20,127

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

**3. Budgetary Activity**

Budgetary activity for the period ending August 10, 2009 and year ending December 31, 2008 follows:

2009 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$43,027	\$43,027
Capital Projects	0	0	0
Total	\$0	\$43,027	\$43,027

2009 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$34,839	(\$34,839)
Capital Projects	0	0	0
Total	\$0	\$34,839	(\$34,839)

2008 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$62,344	\$62,344
Capital Projects	0	0	0
Total	\$0	\$62,344	\$62,344

2008 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$73,021	(\$73,021)
Capital Projects	0	0	0
Total	\$0	\$73,021	(\$73,021)

**HIGHLAND COMMUNITY PARK DISTRICT  
MORROW COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD JANUARY 1, 2009 TO AUGUST 10, 2009  
AND YEAR ENDED DECEMBER 31, 2008  
(Continued)**

**3. Budgetary Activity (Continued)**

Contrary to Ohio Revised Code Section 5705.28 B(2)(c), the District did not adopt an operating budget for 2008 or 2009. Also, contrary to Ohio Revised Code Section 5705.41(B) the District did not adopt a permanent appropriation measure for 2008 or 2009. As a result, total expenditures exceeded appropriations for 2008 and 2009.

**4. Risk Management**

**Commercial Insurance**

The District has obtained commercial insurance for the following risks:

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

**5. Change in Status/Subsequent Event**

On August 10, 2009, the Highland Community Recreation District amended its Articles of Incorporation to Not-For-Profit status. As a result and pursuant to Ohio Rev. Code Section 117.10, the Auditor of State is no longer required to audit the Park District, as it no longer meets the definition of a "public entity". The following is a schedule of receipts and expenditures transactions which occurred subsequent to the closing date of August 10, 2009 and this report date of November 29, 2010:

Receipts		Expenditures	
Sales	\$ 45,717	Concession	\$ 33,054
Donations	330	Maintenance	4,071
Miscellaneous	6,418	Materials & Supplies	3,782
Total receipts	<u>\$ 52,465</u>	Utilities	4,203
		Contract Services	4,458
		Other	1,203
		Total	<u>\$ 50,771</u>





# 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*

Highland Community Park District  
Morrow County  
PO Box 22  
Marengo, Ohio 43334

To the Board of Trustees:

We have audited the financial statements of Highland Community Park District, Morrow County, Ohio, (the District) as of and for the period January 1, 2009 to August 10, 2009 and for the year ended December 31, 2008, and have issued our report thereon dated November 29, 2010, wherein we noted the District followed 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 District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that material financial statement misstatements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings that we consider a significant deficiency in internal control over financial reporting. We consider finding 2009-01 to be a significant deficiency. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### **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 we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2009-002 through 2009-004.

We did note certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated November 29, 2010.

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

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

**Mary Taylor, CPA**  
Auditor of State

November 29, 2010

**HIGHLAND COMMUNITY PARK DISTRICT  
MORROW COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE PERIOD JANUARY 1, 2009 to AUGUST 10, 2009  
AND THE YEAR ENDED DECEMBER 31, 2008**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2009-001**

**District Policies – Significant Deficiency**

Volunteers provide all support to concession stand activity and one individual is in charge of all concession purchases, inventory and daily cash collection summaries. Concession sales are deposited to a concession bank account each day and then paid to the fiscal officer monthly. The individual assigned these functions is not covered by a surety bond.

Additionally, the District provides a credit card for use by the Park District personnel.

The District Board has not developed a formal policy over concession stand operations or credit card use and the Board does not receive reports of concession receipt or expenditure activity at each meeting.

The lack of policies over concession operations, credit card and cell phone usage could lead to unauthorized use of inventory, loss of cash collections or unauthorized use of the District's credit card.

We recommend the District adopt formal policies over concession stand cash collections, inventory purchases, and credit card use. The policies should include at what detail records should be maintained, how this activity will be monitored by someone independent of the operations and for concessions what documents and schedules should be completed to assure cash collections are reasonable based on purchases of inventory for resale. Additionally, the Board should require receipt and expenditure reports be submitted for the Board review at each meeting.

Periodically, concession inventory should be observed by someone independent of concession purchases and cash collections for reasonableness. All individuals collecting cash should be covered under a blanket surety bond.

**FINDING NUMBER 2009-002**

**Operating Budget and Certificate of Estimated Resources – Noncompliance**

Ohio Revised Code Section 5705.28(B)(2)(a) states the taxing authority of a taxing unit that does not levy a tax is not required to adopt a tax budget pursuant to division (A) of this section. Instead, on or before the fifteenth day of July each year, such taxing authority shall adopt an operating budget for the taxing unit for the ensuing fiscal year. The operating budget shall include an estimate of receipts from all sources, a statement of all taxing unit expenses that are anticipated to occur, and the amount required for debt charges during the fiscal year. The operating budget is not required to be filed with the county auditor or the county budget commission. Additionally, Ohio Revised Code Section 5705.36, in part, requires the Fiscal Officer to amend estimated resources as resources increase or decrease during the year.

The District did not adopt an operating budget for 2008 and 2009. As a result, the District had no basis for determining appropriations for each year.

**HIGHLAND COMMUNITY PARK DISTRICT  
MORROW COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE PERIOD JANUARY 1, 2009 TO AUGUST 10, 2009  
AND YEAR ENDED DECEMBER 31, 2008  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2009-002 (Continued)**

**Operating Budget and Certificate of Estimated Resources – Noncompliance (Continued)**

We recommend the Fiscal Officer and Board adopt an operating budget and amend the budget as necessary throughout the year. This will aid in ensuring that total appropriations from each fund do not exceed the total certified resources available for expenditures and a document for the Board to monitor budgeted activity during the year.

**FINDING NUMBER 2009-003**

**Appropriations - Noncompliance**

Ohio Rev. Code Section 5705.41(B) states no subdivision or taxing unit is to expend money unless it has been duly appropriated. Additionally, Ohio Revised Code Section 5705.38 (A) states on or about the first day of each fiscal year, an appropriation measure be passed and Ohio Revised Code Section, 5705.40, requires that appropriations be modified if expenditures are anticipated to exceed original appropriations.

The District did not adopt a permanent appropriation measure for fiscal years 2008 and 2009. As a result, all expenditures exceeded a duly authorized appropriation measure in 2008 and 2009, in the General Fund, by \$73,021 and \$34,839, respectively.

We recommend that the District establish an appropriation measure, based on projected operating budget receipts, for each fiscal year. Appropriations should be modified as necessary, but should not exceed anticipated estimated resources.

**FINDING NUMBER 2009-004**

**Certification of Funds - Noncompliance**

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.

**HIGHLAND COMMUNITY PARK DISTRICT  
MORROW COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE PERIOD JANUARY 1, 2009 TO AUGUST 10, 2009  
AND YEAR ENDED DECEMBER 31, 2008  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2009-004 (Continued)**

**Certification of Funds – Noncompliance (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 resolution.

Amounts less than \$3,000 may be paid by the fiscal officer without a resolution 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 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 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 utilize the encumbrance method of accounting, utilize and appropriation ledger, or certify the availability of funds.

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 Fiscal Officer certify that the funds are or will be available prior to obligation by the Fiscal Officer. When prior certification is not possible, "then and now" certification should be used.

**HIGHLAND COMMUNITY PARK DISTRICT  
MORROW COUNTY**

**SCHEDULE OF FINDINGS  
FOR THE PERIOD JANUARY 1, 2009 TO AUGUST 10, 2009  
AND YEAR ENDED DECEMBER 31, 2008  
(Continued)**

<p><b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b></p>
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**FINDING NUMBER 2009-004 (Continued)**

**Certification of Funds – Noncompliance (Continued)**

We 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 Fiscal Officer should sign the certification at the time the District incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The Fiscal Officer should post approved purchase commitments to an appropriation ledger, the proper appropriation code, to reduce the available appropriation.

Officials did not respond to the comments denoted above.

**HIGHLAND COMMUNITY PARK DISTRICT  
MORROW COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE PERIOD JANUARY 1, 2009 TO AUGUST 10, 2009  
AND YEAR ENDED DECEMBER 31, 2008**

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>
2007-001	Record Storage and Retrieval – accounting records could not be located	No	Reissued in Management letter
2007-002	Bank Account Reconciliations	Yes	
2007-003	Policy over gifts and donations	Yes	
2007-004	Policy and procedures over concession stand receipts	No	Reissued as a part of Finding Number 2009-001
2007-005	Appropriation ledger was not maintained	No	Reissued as a part of Finding Number 2009-004
2007-006	ORC 5705.39 Appropriations exceeding estimated resources	No	Reissued as Finding Number 2009-002
2007-007	ORC 5705.36 Amend certificates throughout the year	No	Reissued as Finding Number 2009-002
2007-008	ORC 5705.40 Amend appropriations throughout the year	No	Reissued as a part Finding Number 2009-003
2007-009	ORC 5705.41(B) Expenditures exceeding appropriations	No	Reissued as a part of Finding Number 2009-003
2007-010	ORC 5705.41(D) Certification of funds	No	Reissued as Finding Number 2009-004
2007-011	ORC 5705.36 requires Fiscal Officer to certify to the County Auditor the total amount from all sources	Yes	No Longer Applicable

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**Mary Taylor, CPA**  
Auditor of State

**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  
JANUARY 13, 2011**