



Dave Yost • Auditor of State



**HISTORICAL PARKS COMMISSION  
FAIRFIELD COUNTY**

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# Dave Yost • Auditor of State

Historical Parks Commission  
Fairfield County  
407 East Main Street  
Lancaster, Ohio 43130

To the Board of Park Commissioners:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your Commission 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.

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**Dave Yost**  
Auditor of State

August 30, 2012

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Historical Parks Commission  
Fairfield County  
407 East Main Street  
Lancaster, Ohio 43130

To the Board of Park Commissioners:

We have audited the accompanying financial statements of the Historical Parks Commission, Fairfield County, Ohio, (the Commission) as of and for the years ended December 31, 2011 and 2010. These financial statements are the responsibility of the Commission'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 Commission 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 combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Commission's larger (i.e. major) funds separately. While the Commission 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 commissions to reformat their statements. The Commission 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, 2011 and 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Commission as of December 31, 2011 and 2010, 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 combined fund cash balances as of December 31, 2011 and 2010 and the reserves for encumbrances as of December 31, 2010 of the Historical Parks Commission, Fairfield County, Ohio and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 2, during 2011 the Historical Parks Commission adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2012, on our consideration of the Commission'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 black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

August 30, 2012



**HISTORICAL PARKS COMMISSION  
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>All Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts</b>				
Intergovernmental	\$ 50,231	\$ -	\$ 10,000	\$ 60,231
County Contributions	127,400	-		127,400
Recreation Fees, Permits and Fines	6,890	-		6,890
Gifts and Donations	14,871	5,150	10,923	30,944
Rent	14,440	-		14,440
Miscellaneous	1,512	-		1,512
<i>Total Cash Receipts</i>	<u>215,344</u>	<u>5,150</u>	<u>20,923</u>	<u>241,417</u>
<b>Cash Disbursements</b>				
Current Disbursements:				
Conservation/Recreation:				
Salaries	30,000	-	-	30,000
Fringe Benefits	19,205	-	-	19,205
Materials and Supplies	12,776	-	6,075	18,851
Contractual Services	62,030	-	265	62,295
Capital Outlay	11,300	-	-	11,300
<i>Total Cash Disbursements</i>	<u>135,311</u>	<u>-</u>	<u>6,340</u>	<u>141,651</u>
<i>Excess of Receipts Over Disbursements</i>	80,033	5,150	14,583	99,766
<i>Fund Cash Balances, January 1 restated - see Note 2</i>	<u>136,377</u>	<u>15,226</u>	<u>15,080</u>	<u>166,683</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	-	20,376	29,663	50,039
Assigned	12,004	-	-	12,004
Unassigned	204,406	-	-	204,406
<i>Fund Cash Balances, December 31</i>	<u>\$ 216,410</u>	<u>\$ 20,376</u>	<u>\$ 29,663</u>	<u>\$ 266,449</u>

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

**HISTORICAL PARKS COMMISSION  
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>All Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Intergovernmental	\$ 50,307	\$ -	\$ 61,550	\$ 111,857
County Contributions	127,400	-	-	127,400
Recreation Fees, Permits and Fines	1,613	-	-	1,613
Gifts and Donations	5,427	1,253	13,646	20,326
Rent	17,525	-	-	17,525
Miscellaneous	927	-	-	927
Total Cash Receipts	<u>203,199</u>	<u>1,253</u>	<u>75,196</u>	<u>279,648</u>
<b>Cash Disbursements:</b>				
Current Disbursements:				
Conservation/Recreation:				
Salaries	31,154	-	-	31,154
Fringe Benefits	18,713	-	-	18,713
Materials and Supplies	10,238	-	-	10,238
Contractual Services	79,140	-	79,806	158,946
Total Cash Disbursements	<u>139,245</u>	<u>-</u>	<u>79,806</u>	<u>219,051</u>
Excess of Receipts Over/(Under) Disbursements	63,954	1,253	(4,610)	60,597
Fund Cash Balances, January 1	<u>70,989</u>	<u>15,407</u>	<u>19,690</u>	<u>106,086</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$ 134,943</u></b>	<b><u>\$ 16,660</u></b>	<b><u>\$ 15,080</u></b>	<b><u>\$ 166,683</u></b>
Reserve for Encumbrances, December 31	<u>\$ 8,558</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,558</u>

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

**HISTORICAL PARKS COMMISSION  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

Created in 1981 under Chapter 1545 of the Ohio Revised Code, the constitution and laws of the State of Ohio establish the rights and privileges of the Historical Parks Commission, Fairfield County, (the Commission) as a body corporate and politic. The probate judge of Fairfield County appoints a three-member Board of Commissioners (the Board) to govern the Commission. The Board is authorized to acquire, develop, protect, maintain, and improve park lands and facilities. The Board may convert acquired land into forest reserves. The Commissioners are also responsible for activities related to conserving natural resources, including streams, lakes, submerged lands, and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of these assets conducive to the general welfare. The Board exercises total control over the operation of the Commission, including budgeting, appropriation, and contracting. The Board appoints the Director/Secretary to operate the Commission. The Fairfield County Auditor is the Fiscal Agent for the Commission.

The Commission's management believes these financial statements present all activities for which the Commission 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 Commission 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**

As the Ohio Revised Code permits, the Fairfield County Treasurer holds the Commission's deposits as the Commission's custodian. The County holds the Commission's assets in its investment pool, valued at the Treasurer's reported carrying amount.

**D. Fund Accounting**

The Commission uses fund accounting to segregate cash that is restricted as to use. The Commission 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.

**HISTORICAL PARKS COMMISSION  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

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

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Commission had the following significant Special Revenue Funds:

Rock Mill: This fund receives donations for the maintenance of a grist mill.

Flight of the Hawk: This fund receives donations for the purposes of landscaping, plantings, and acquiring sculptures.

The Fetter/Hood Barn: This fund receives donations for the purposes of renovating historical barns.

**3. Capital Project Funds**

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Commission had the following significant capital project funds:

Clear Creek Fund: This fund receives federal grant monies for the Commission's corridor project.

Rock Mill Restoration Fund: This fund receives state grants and donations for the purpose of restoring the grist mill.

**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, object level of control, and appropriations may not exceed estimated resources. The Commission must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

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

**HISTORICAL PARKS COMMISSION  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

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

**E. Budgetary Process (Continued)**

**3. Encumbrances**

The Ohio Revised Code requires the Commission to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2011 and 2010 budgetary activity appears in Note 3.

**F. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Commission must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Nonspendable**

The Commission classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. The Commission did not have any nonspendable fund balances.

**2. Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**3. Committed**

The Board can *commit* amounts via formal action (resolution). The Commission must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements. The Commission did not have any committed fund balances.

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Board or a Commission official delegated that authority by resolution, or by State Statute.

**5. Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

**HISTORICAL PARKS COMMISSION  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

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

**F. Fund Balance (Continued)**

The Commission applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Commission is bound to observe constraints imposed upon the use of resources in the governmental funds. The constraints placed on fund balance for the general fund and all other special revenue and capital project funds are presented below:

<b>Fund Balances</b>	<b>General</b>	<b>Special Revenue Funds</b>	<b>Capital Project Funds</b>	<b>Total</b>
<b>Restricted for</b>				
Rock Mill Park	\$0	\$3,675	\$0	\$3,675
Fetter/Hood Barn	0	15,201	0	15,201
Flight of the Hawk	0	1,500	0	1,500
Clear Creek	0	0	4,999	4,999
Rock Mill Restoration	0	0	24,664	24,664
<b>Total Restricted</b>	<b>0</b>	<b>20,376</b>	<b>29,663</b>	<b>50,039</b>
<b>Assigned to</b>				
Other Purposes	12,004	0	0	12,004
<b>Total Assigned</b>	<b>12,004</b>	<b>0</b>	<b>0</b>	<b>12,004</b>
<b>Unassigned</b>				
	204,406	0	0	204,406
<b>Total Fund Balances</b>	<b>\$216,410</b>	<b>\$20,376</b>	<b>\$29,663</b>	<b>\$266,449</b>

**G. Property, Plant, and Equipment**

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

**H. Accumulated Leave**

In certain circumstances, such as upon leaving employment, the Commission's employee is entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**HISTORICAL PARKS COMMISSION  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**2. Change in Accounting Principle and Restatement of Net Assets/Fund Equity**

For fiscal year 2011, the Commission reclassified certain funds as required by the revised fund classification guidance in Governmental Accounting Standard Board (GASB) Statement No. 54. Implementing GASB Statement No. 54 had the following effect on fund balances previously reported:

<u>Fund</u>	<u>Fund Balance at December 31, 2010</u>	<u>GASB 54 Change in Fund Structure</u>	<u>Adjusted Fund Balance at December 31, 2010</u>
General	\$134,943	\$1,434	\$136,377
Special Revenue	16,660	(1,434)	15,226

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2011 and 2010 follows:

2011 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 103,796	\$ 203,445	\$ 99,649
Special Revenue	-	17,049	17,049
Capital Projects	-	20,923	20,923
Total	<u>\$ 103,796</u>	<u>\$ 241,417</u>	<u>\$ 137,621</u>

2011 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 163,093	\$ 147,315	\$ 15,778
Special Revenue	-	-	-
Capital Projects	6,341	6,340	1
Total	<u>\$ 169,434</u>	<u>\$ 153,655</u>	<u>\$ 15,779</u>

2010 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 116,149	\$ 203,199	\$ 87,050
Special Revenue	15,354	1,253	(14,101)
Capital Projects	63,646	75,196	11,550
Total	<u>\$ 195,149</u>	<u>\$ 279,648</u>	<u>\$ 84,499</u>

**HISTORICAL PARKS COMMISSION  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**3. Budgetary Activity (Continued)**

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 152,120	\$ 147,803	\$ 4,317
Special Revenue	-	-	-
Capital Projects	91,363	79,806	11,557
Total	\$ 243,483	\$ 227,609	\$ 15,874

**Note:** For December 31, 2011, actual receipts per the above Budgetary activity do not include the changes in fund structure and revenue sources resulting from the implementation of GASB 54 that are reflected in the Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances all Governmental Fund Types for the fiscal year ended December 31, 2011.

**4. Retirement Systems**

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

The Ohio Revised Code also prescribes contribution rates. For 2011 and 2010, OPERS members contributed 10% of their gross salaries and the Commission contributed an amount equaling 14% of participants' gross salaries. The Commission paid 94 percent of all contributions required through December 31, 2011.

**5. Risk Management**

The Commission is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; employee injuries, and natural disaster. By contracting with the County Risk Sharing Authority (CORSA) for liability, property, and crime insurance, the Commission has addressed these various types of risk.

The CORSA program has a \$2,500 deductible which is applicable to all insured coverages, including property, automobile, and general liability. General liability insurance is maintained in the amount of \$1,000,000 for each occurrence, no annual aggregate. Other liability insurance includes \$1,000,000 for Ohio Stop Gap, which provides additional coverage beyond the State's Workers' Compensation program, \$1,000,000 for employee benefit liability, \$9,000,000 in excess liability, \$1,000,000 for automobile liability, and \$250,000 for uninsured/under insured motorist liability. Crime insurance for potential employee dishonesty is held in the amount of \$1,000,000. Settlement claims have not exceeded this coverage in any of the last three years.

**6. Public Entity Risk Pool**

**County Risk Sharing Authority, Inc. (CORSA)**

The County Risk Sharing Authority, Inc. (CORSA) is a shared risk pool among forty-one counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/ Self Insurance Program, a group primary and excess insurance/self-insurance and risk management program.



**HISTORICAL PARKS COMMISSION  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**6. Public Entity Risk Pool (Continued)**

Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. The coverage includes comprehensive general liability, automobile liability, certain property insurance, and public officials' errors and omissions liability insurance.

Each member has one vote on all matters requiring a vote, which will be cast by a designated representative. An elected board of not more than nine trustees manage the affairs of the Corporation. Only County Commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the members' obligations to make coverage payments to CORSA. The participating members have no responsibility for the payment of the certificates. The Commission does not have an equity interest in CORSA.

**7. Other Commitments**

The Commission utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end are carried over, and need not be reappropriated. At December 31, 2010, the Commission reserved (encumbered) appropriations when individual commitments are made. Encumbrances outstanding at December 31, 2011 may be reported as part of restricted, committed, or assigned classifications of fund balance. At December 31, 2011 and 2010, the Commission's commitments for encumbrances in the General Fund were \$12,004 and \$8,557 respectively.

**8. Contingent Liabilities**

Amounts grantor agencies pay to the Commission are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**9. Related Organization**

**Fairfield County**

The Commission is a related organization of Fairfield County. The County has no ability to impose its will on the Commission, nor is a burden/benefit relationship in existence. The Commission is its own budgeting and taxing authority. The County Auditor serves as the fiscal agent for the Commission; therefore, the Commission's financial activity is reflected in a County Agency fund.

**10. Subsequent Event**

Effective January 1, 2012, collections will begin on a new 0.4 mill 10-year levy for the purpose of acquiring, operating, and maintaining parklands and facilities, and other programs of the Commission. The levy was approved by voters on November 8, 2011.

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Historical Parks Commission  
Fairfield County  
407 East Main Street  
Lancaster, Ohio 43130

To the Board of Park Commissioners:

We have audited the financial statements of the Historical Parks Commission, Fairfield County, Ohio, (the Commission) as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated August 30, 2012, wherein we noted in 2011 the Commission adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. 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 Commission'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 Commission's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Commission'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 internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Commission's financial statements 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 was not designed to identify all deficiencies in internal control over financial reporting 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.

### **Compliance and Other Matters**

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

We did note certain matters not requiring inclusion in this report that we reported to the Commission's management in a separate letter dated August 30, 2012.

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

August 30, 2012

**HISTORICAL PARKS COMMISSION  
FAIRFIELD COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2011 AND 2010**

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>
2009-001	Donation receipts	No	Partially corrected. Reported in the management letter.
2009-002	Issuing duplicate receipts	No	Partially corrected. Reported in the management letter.

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# Dave Yost • Auditor of State

## HISTORICAL PARKS COMMISSION

### 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  
SEPTEMBER 25, 2012