

THE PARK DISTRICT LIBERTY TOWNSHIP  
HARDIN COUNTY, OHIO

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AUDITED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 2011 AND 2010

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# Dave Yost • Auditor of State

Board of Commissioners  
The Park District Liberty Township  
P.O. Box 228  
Ada, Ohio 45810

We have reviewed the *Independent Auditor's Report* of The Park District Liberty Township, Hardin County, prepared by E.S. Evans and Company, for the audit period January 1, 2010 to December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Park District Liberty Township is responsible for compliance with these laws and regulations.

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Dave Yost  
Auditor of State

December 11, 2012

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THE PARK DISTRICT LIBERTY TOWNSHIP  
HARDIN COUNTY, OHIO

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TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT -----	PAGE	1
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGE IN FUND CASH BALANCE – GENERAL FUND – FOR THE YEAR ENDED DECEMBER 31, 2011 -----		3
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGE IN FUND CASH BALANCE – GENERAL FUND – FOR THE YEAR ENDED DECEMBER 31, 2010 -----		4
NOTES TO FINANCIAL STATEMENTS -----		5
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY <u>GOVERNMENT AUDITING STANDARDS</u> -----		13
SCHEDULE OF FINDINGS-----		15
SCHEDULE OF PRIOR AUDIT FINDINGS -----		18

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# **E.S. Evans and Company**

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E.S. Evans, CPA, PFS (1930-1999) • Robert E. Wendel, CPA • Dan F. Clifford, CPA, CVA  
Steven D. Hooker, CPA • John E. Klay, CPA

August 28, 2012

## INDEPENDENT AUDITOR'S REPORT

The Park District Liberty Township  
Hardin County, Ohio

Board of Commissioners:

We have audited the accompanying financial statements of The Park District Liberty Township, Hardin County, (the District) as of and for the years ended December 31, 2011 and 2010. 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 that 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 fund the accompanying financial statements present, GAAP require presenting entity wide statements. While the District does not follow GAAP, generally accepted auditing standards require 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 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 District 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 fund cash balances of The Park District Liberty Township, Hardin County, as of December 31, 2011 and 2010, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 2, during 2011, The Park District Liberty Township adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

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 August 28, 2012, 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.

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THE PARK DISTRICT LIBERTY TOWNSHIP  
HARDIN COUNTY, OHIO

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STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGE IN FUND CASH BALANCE - GENERAL FUND

For the Year Ended December 31, 2011

<u>Cash Receipts:</u>	
Property and Other Local Taxes	\$ 146,077
Gifts and Donations	3,165
Fees	21,650
Trust	7,713
Intergovernmental	22,085
Earnings on Investments	5
Miscellaneous	42
Total Cash Receipts	200,737
<u>Cash Disbursements:</u>	
Current:	
Conservation/Recreation:	
Salaries	49,333
Health Insurance	7,634
Supplies	25,991
Contracts - Repair	14,046
Property Insurance	6,870
Advertising and Printing	252
Utilities	30,316
Auditor Fees	3,624
Public Employees Retirement	6,780
Workers Compensation	1,620
Other	4,609
Capital Improvement	9,546
Capital Equipment	5,140
Debt Service:	
Redemption of Principal	59,461
Interest and Other Fiscal Charges	6,270
Total Cash Disbursements	231,492
Total Cash Receipts Over/(Under)	
Cash Disbursements	(30,755)
<u>Fund Cash Balance - January 1, 2011</u>	50,670
<u>Fund Cash Balance - December 31, 2011 - Unassigned</u>	\$ 19,915

The accompanying notes are an integral part  
of these financial statements.

THE PARK DISTRICT LIBERTY TOWNSHIP  
HARDIN COUNTY, OHIO

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STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGE IN FUND CASH BALANCE - GENERAL FUND

For the Year Ended December 31, 2010

<u>Cash Receipts:</u>	
Property and Other Local Taxes	\$ 147,979
Gifts and Donations	4,854
Fees	25,414
Trust	4,850
Intergovernmental	21,844
Earnings on Investments	64
Miscellaneous	6,087
Total Cash Receipts	211,092
<u>Cash Disbursements:</u>	
Current:	
Conservation/Recreation:	
Salaries	38,996
Health Insurance	6,083
Supplies	22,613
Contracts - Repair	3,992
Property Insurance	12,942
Advertising and Printing	126
Utilities	23,707
Auditor Fees	3,327
Public Employees Retirement	5,796
Workers Compensation	2,017
Other	5,493
Capital Improvement	52,896
Capital Equipment	7,933
Debt Service:	
Redemption of Principal	39,522
Interest and Other Fiscal Charges	7,133
Total Cash Disbursements	232,576
Total Cash Receipts Over/(Under)	
Cash Disbursements	(21,484)
<u>Other Financing Receipts:</u>	
Proceeds from Loan	20,000
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	(1,484)
Fund Cash Balance - January 1, 2010	52,154
<u>Fund Cash Balance - December 31, 2010</u>	\$ 50,670

The accompanying notes are an integral part  
of these financial statements.

THE PARK DISTRICT LIBERTY TOWNSHIP  
HARDIN COUNTY, OHIO

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NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010

Note 1 - Summary of Significant Accounting Policies

Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of The Park District Liberty Township, Hardin County, (the District), as a body corporate and politic. The common pleas judge of Hardin County appoints a three-member Board of Commissioners to govern the District. The Commissioners are authorized to acquire, develop, protect, maintain, and improve park lands and facilities. The Commissioners 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. On December 21, 2009 the Commissioner's voted to rename the previously known Ada War Memorial Park District to The Park District Liberty Township.

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

Basis of Accounting

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements basis of accounting. The District recognizes receipts when received 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.

Deposits and Investments

The Park District did not have any investments. All money is maintained in interest bearing checking and savings accounts.

Fund Accounting

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

General Fund

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

THE PARK DISTRICT LIBERTY TOWNSHIP  
HARDIN COUNTY, OHIO

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NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010

Note 1 - Summary of Significant Accounting Policies - (continued)

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

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.

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, object level of control, and appropriations may not exceed estimated resources. The District Board of Commissioners must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2011 and 2010 budgetary activity appears in Note 4.

Fund Balance

For December 31, 2011, the fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

*Non-spendable* – The District classifies assets as non-spendable when legally or contractually required to maintain the amounts intact.

*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.

THE PARK DISTRICT LIBERTY TOWNSHIP  
HARDIN COUNTY, OHIO

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NOTES TO FINANCIAL STATEMENTS

December 31, 2011 and 2010

Note 1 - Summary of Significant Accounting Policies - (continued)

Fund Balance – (continued)

*Committed* – Commissioners can commit amounts via formal action (resolution). The District must adhere to these commitments unless the Commissioners amend 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.

*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 District Commissioners or a District official delegated that authority by resolution, or by State Statute.

*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.

The District 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.

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.

Note 2 – Change in Accounting Principle

For fiscal year 2011, the District adopted Governmental Accounting Standard Board (GASB) Statement No. 54. Implementing GASB Statement No. 54 had no effect on fund balances previously reported.

THE PARK DISTRICT LIBERTY TOWNSHIP  
HARDIN COUNTY, OHIO

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NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010

Note 3 – Equity in Pooled Cash

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

		<u>2011</u>		<u>2010</u>
Demand Deposits	\$	<u>19,915</u>	\$	<u>50,670</u>
Total Deposits	\$	<u><u>19,915</u></u>	\$	<u><u>50,670</u></u>

Deposits are insured by the Federal Depository Insurance Corporation.

Note 4 – 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</u> <u>Receipts</u>		<u>Actual</u> <u>Receipts</u>		<u>Variance</u>
General	\$	<u>241,800</u>	\$	<u>200,737</u>	\$	<u>(41,063)</u>

2011 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>		<u>Appropriation</u> <u>Authority</u>		<u>Budgetary</u> <u>Expenditures</u>		<u>Variance</u>
General	\$	<u>241,800</u>	\$	<u>231,492</u>	\$	<u>10,308</u>

2010 Budgeted vs. Actual Receipts

<u>Fund Type</u>		<u>Budgeted</u> <u>Receipts</u>		<u>Actual</u> <u>Receipts</u>		<u>Variance</u>
General	\$	<u>255,772</u>	\$	<u>231,092</u>	\$	<u>(24,680)</u>

2010 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>		<u>Appropriation</u> <u>Authority</u>		<u>Budgetary</u> <u>Expenditures</u>		<u>Variance</u>
General	\$	<u>255,772</u>	\$	<u>232,576</u>	\$	<u>23,196</u>

THE PARK DISTRICT LIBERTY TOWNSHIP  
HARDIN COUNTY, OHIO

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NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010

Note 5 - Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half payment is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the District.

Property owners assess tangible personal property tax. They must file a list of tangible property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the District.

Note 6 – Retirement Systems

Ohio Public Employees Retirement System (OPERS)

The District's 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.

The Ohio Revised Code also prescribes contribution rates. For 2011 and 2010, OPERS members contributed 10 percent of their gross salary. The District contributed an amount equal to 14 percent of participants' gross salaries. The District has paid all required contributions through December 31, 2011.

THE PARK DISTRICT LIBERTY TOWNSHIP  
HARDIN COUNTY, OHIO

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NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010

Note 7 - Risk Management

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

Note 8 – Debt

Debt outstanding at December 31, 2011 was as follows:

Land Contract	\$1,305
Promissory Note #1	20,811
Promissory Note #2	51,271
Promissory Note #3	-
	<u>\$73,387</u>

The District entered into a land contract on April 25, 2006 in the amount of \$136,305 at 4% for the purchase of land. This contract matured on March 29, 2012. Interest and principal were payable semi-annually to Ruth Brown.

The District issued a promissory note (#1) on June 24, 2008 in the amount of \$50,000 at 5% for park improvements. This note matures September 30, 2013. Interest and principal are due semi-annually to Liberty National Bank.

The District issued a promissory note (#2) on December 18, 2009 in the amount of \$65,000 at 6% for the purchase of property. This note matures September 30, 2014. Interest and principal are due semi-annually to Liberty National Bank.

The District issued a promissory note (#3) on April 27, 2010 in the amount of \$20,000 at 6% for the purchase of a scoreboard. This note matured April 27, 2011. Interest was paid semi-annually and principal was due April 27, 2011 to Liberty National Bank.

THE PARK DISTRICT LIBERTY TOWNSHIP  
HARDIN COUNTY, OHIO

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NOTES TO FINANCIAL STATEMENTS  
December 31, 2011 and 2010

Note 8 – Debt – (continued)

Amortization of the District's debt, including interest of \$10,134, is scheduled as follows:

<u>Year ending December 31:</u>	<u>Land Contract</u>	<u>Promissory Note #1</u>	<u>Promissory Note #2</u>	<u>Total</u>
2012	\$ 4,502	\$ 11,598	\$ 20,240	\$ 36,340
2013	-	10,612	19,176	29,788
2014	-	-	17,393	17,393
	<u>\$ 4,502</u>	<u>\$ 22,210</u>	<u>\$ 56,809</u>	<u>\$ 83,521</u>

Note 9 – Subsequent Events

Subsequent events were evaluated through August 28, 2012, which is the date the financial statements were available to be issued. Nothing material was noted to be disclosed.

Note 10 – Other Material Noncompliance

Contrary to Ohio law, the Park District did not properly encumber funds prior to making some purchases.

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# **E.S. Evans and Company**

**Certified Public Accountants**

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Steven D. Hooker, CPA • John E. Klay, CPA

August 28, 2012

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

The Park District Liberty Township  
Hardin County, Ohio

Board of Commissioners:

We have audited the financial statements of The Park District Liberty Township, Hardin County, Ohio, (the District) as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated August 28, 2012, wherein we noted the District prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' Government Auditing Standards.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing 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 District's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control over financial reporting that we consider material weaknesses.

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 District's financial statements will not be prevented, or detected and timely corrected. We consider findings 2011-001 and 2011-002 described in the accompanying schedule of findings to be material weaknesses.

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 an instance of noncompliance or other matters that we must report under Government Auditing Standards which is described in the accompanying schedule of findings as item 2011-002.

We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated August 28, 2012.

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 of The Park District Liberty Township and the Auditor of State of Ohio. It is not intended for anyone other than these specified parties.

A handwritten signature in red ink, appearing to read "E. J. ... and ...".

THE PARK DISTRICT LIBERTY TOWNSHIP  
HARDIN COUNTY, OHIO

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SCHEDULE OF AUDIT FINDINGS  
December 31, 2011 and 2010

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number 2011-001 – Material Weakness

To assist in the effective management and reporting of financial resources, the District should have procedures in place to help assure that financial activity is correctly classified in the accounting records and financial statements. The District's 2011 accounting records and financial statements had \$22,085 in revenue classification errors and \$24,764 in expenditure classification errors. In 2010, the District's accounting records and financial statements had \$114,826 of revenue classification errors and expenditure classification errors in the amount of \$11,320. The classification errors consisted of the recording of homestead and rollback receipts as tax revenue instead of intergovernmental receipts, the recording of interest as principal payments, as well as various others.

In addition, the activity and balance of the Park District savings account was not included in the cash journal.

The failure to correctly classify financial activity and to include all financial activity in the accounting records and financial statements may impact the user's understanding of the financial operations, the District's ability to make sound financial decisions, the District's ability to comply with budgetary laws, and may result in the material misstatement of the financial statements. In addition, such undetected errors may result in irregularities not being detected in a timely manner by the Board. The District's accounting records and accompanying financial statements have been adjusted to report financial activity in the correct line items.

The District should utilize governmental accounting resources such as those provided on the Auditor of State website when preparing annual financial statements and recording receipts and disbursements. As part of their monthly review, the Board should review for recording or posting errors in the cash journal.

District Response - The District will work out with the Hardin County Auditor (Mike Bacon) to get a copy of the tax classifications at year-end.

THE PARK DISTRICT LIBERTY TOWNSHIP  
HARDIN COUNTY, OHIO

SCHEDULE OF AUDIT FINDINGS  
December 31, 2011 and 2010

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

Finding Number 2011-002 – Noncompliance Citation and Material Weakness

Purchase Orders

Ohio Revised Code § 5705.41 (D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless there is attached thereto a signed certificate of the fiscal officer certifying that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be null and void and no warrant shall be issued in payment of any amount due thereon.

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

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

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

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

3. Super Blanket Certificate — The 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 operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

THE PARK DISTRICT LIBERTY TOWNSHIP  
HARDIN COUNTY, OHIO

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SCHEDULE OF AUDIT FINDINGS  
December 31, 2011 and 2010

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number 2011-002 – Noncompliance Citation and Material Weakness – (continued)

Purchase Orders – (continued)

We found that the Park District is issuing purchase orders at the time of payment or subsequent to payment being made with no “then and now” certification being used. Failure to properly certify the availability of funds can result in overspending funds and possible negative fund cash balances.

Unless the exceptions noted above are used, prior certification is not only required by Ohio law, but is a key control in the disbursements process to help assure purchase commitments receive prior approval, and to help reduce the possibility of District funds being over expended or exceeding budgetary spending limitations as set by the Commissioners.

To improve controls over disbursements, we recommend all District disbursements receive certification of the Fiscal Officer prior incurring the obligation. When prior certification is not possible, “then and now” certification should be used.

District Response – The District will change the language to utilize the “then and now” certification on the purchase orders.

THE PARK DISTRICT LIBERTY TOWNSHIP  
HARDIN COUNTY, OHIO

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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	Accuracy of Financial Reporting	No	Repeated as Finding 2011-001



# Dave Yost • Auditor of State

THE PARK DISTRICT LIBERTY TOWNSHIP

HARDIN 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 20, 2012