



**Auditor of State  
Betty Montgomery**



MARTINS FERRY PARK DISTRICT  
BELMONT COUNTY

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Martins Ferry Park District  
Belmont County  
P.O. Box 21  
Martins Ferry, Ohio 43935

We were engaged to audit the accompanying financial statements of the Martins Ferry Park District, Belmont County, Ohio (the District), as of and for the years ended December 31, 2002, 2001 and 2000. These financial statements are the responsibility of the District's management.

The accompanying 2001 and 2000 financial statements present receipts and disbursements by totals only. Ohio Administrative Code Section 117-2-02(A) requires governments to classify receipt and disbursement transactions. In addition, we were unable to obtain source documentation to support the receipt and disbursement totals of the 2001 and 2000 financial statements.

Since the District did not classify receipt and disbursement transactions or provide source documentation to support the receipts and disbursements of the 2001 and 2000 financial statements and we were not able to apply alternative auditing procedures to satisfy ourselves as to the completeness, existence and valuation of receipts and disbursements, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the 2001 and 2000 financial statements.

Our responsibility regarding the financial statement as of and for the year ended December 31, 2002 is to express an opinion based on our audit.

Except as discussed in the seventh paragraph below, we conducted our audit as of and for the year ended December 31, 2002 in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 discussed in Note 1, the District prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

We were not able to support the receipts within the 2002 revenue account titled Charge for Services, nor were we able to satisfy ourselves as to those receipts by other auditing procedures. Charge for Services represent 29 percent of revenues of the 2002 financial statement.

In our opinion, except for the effects of such adjustment, if any, as might have been determined to be necessary, had we been able to obtain the source documentation to support Charge for Services for 2002, the 2002 financial statement referred to in the first paragraph presents fairly, in all material respects, the cash balance of Martins Ferry Park District, Belmont County as of December 31, 2002, and its cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

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In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2004 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 grants. That report is an integral part of an engagement performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our engagement.

This report is intended solely for the information and use of management, the Board of Park Commissioners and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

January 23, 2004

**MARTINS FERRY CITY PARK DISTRICT  
BELMONT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCE**

**FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>2002</u>
<b>Cash Receipts:</b>	
Grants	\$ 31,578
Gifts and Donations	29,455
Charge for Services	39,886
Contracts - Services	12,547
Sale of Asset	<u>23,662</u>
 Total Cash Receipts	 <u>137,128</u>
<b>Cash Disbursements:</b>	
Current:	
Salaries - Employees	23,659
Supplies	29,796
Contracts - Services	14,626
Other	<u>16,249</u>
 Total Cash Disbursements	 <u>84,330</u>
 Total Cash Receipts Over/(Under) Cash Disbursements	 <u>52,798</u>
 Cash Balance, January 1	 <u>10,198</u>
 <b>Cash Balance, December 31</b>	 <b><u><u>\$62,996</u></u></b>

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

MARTINS FERRY CITY PARK DISTRICT  
BELMONT COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCE

FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>2001</u>
<b>Cash Receipts:</b>	
General Receipts	<u>\$ 64,474</u>
Total Cash Receipts	<u>64,474</u>
<b>Cash Disbursements:</b>	
General Disbursements	<u>55,101</u>
Total Cash Disbursements	<u>55,101</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>9,373</u>
Cash Balance, January 1	<u>825</u>
<b>Cash Balance, December 31</b>	<u><u>\$ 10,198</u></u>

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

MARTINS FERRY PARK DISTRICT  
BELMONT COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCE

FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>2000</u>
<b>Cash Receipts:</b>	
General Receipts	<u>\$8,390</u>
Total Cash Receipts	<u>8,390</u>
<b>Cash Disbursements:</b>	
General Disbursements	<u>7,565</u>
Total Cash Disbursements	<u>7,565</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>825</u>
Cash Balance, January 1	<u>0</u>
<b>Cash Balance, December 31</b>	<u><u>\$825</u></u>

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

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**MARTINS FERRY PARK DISTRICT  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002, 2001 and 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Martins Ferry Park District, Belmont County (the District), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a three-member Board of Park Commissioners appointed by the probate judge of Belmont County. The District is leasing from the City of Martins Ferry, the swimming pool, recreation center and ball fields.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

The District did not classify its receipts or disbursements in the accompanying 2001 and 2000 financial statements. This is a material departure from the requirements of Ohio Administrative Code Section 117-02-02(A). This Ohio Administrative Code Section requires classifying receipts and disbursements.

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

**C. 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 or legal level of control level of control, and appropriations may not exceed estimated resources. Appropriation Authority includes current year appropriations plus encumbrances carried over from the prior year (if any). The Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

**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 Park District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The District did not properly use the encumbrance method of accounting.

A summary of 2002 budgetary activity appears in Note 2.

**MARTINS FERRY PARK DISTRICT  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002, 2001 and 2000  
(Continued)**

**2. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2002, 2001 and 2000 follows:

2002 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$67,758	\$137,128	\$69,370

2002 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$66,611	\$84,330	(\$17,719)

2001 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$72,203	\$64,474	(\$7,729)

2001 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$43,110	\$55,101	(\$11,991)

2000 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$2,500	\$8,390	\$5,890

2000 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$0	\$7,565	(\$7,565)

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority by \$17,719 for the year ended December 31, 2002, by \$11,891 for the year ended December 31, 2001 and by \$7,565 for the year ended December 31, 2000.

Contrary to Ohio law, the District did not properly obtain the Clerk's prior certification of the availability of funds for 2000, 2001 and partially for 2002.

**MARTINS FERRY PARK DISTRICT  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002, 2001 and 2000  
(Continued)**

**2. BUDGETARY ACTIVITY (Continued)**

Contrary to Ohio law, the District did not pass an appropriation measure until May 2001 for 2001 and did not pass an appropriation at any time during 2000.

**3. CASH**

The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31, 2002 was \$62,996, at December 31, 2001 was \$10,198 and at December 31, 2000 was \$825. Deposits are insured by the Federal Deposit Insurance Corporation.

**4. RETIREMENT SYSTEM**

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2002, members of OPERS contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries through December 31, 2002. The District has paid all contributions required through December 31, 2002.

**5. RISK MANAGEMENT**

**Risk Pool Membership**

The District belongs to the Public Entities Pool of Ohio ("PEP"), a risk sharing pool available to Ohio local governments. PEP provides property and casualty insurance for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgements, settlements and other expenses resulting from covered claims that exceed the member's deductibles.

Casualty Coverage

PEP retains casualty risks up to \$250,000 per occurrence. Claims exceeding \$250,000 are reinsured with APEEP up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000, from the General Reinsurance Corporation.

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Coverage

PEP retains property risks including automobile physical damage up to \$10,000 on any specific loss with an aggregate of \$700,000 for 2001 and \$1,250,000 for 2002. The Travelers Indemnity Company reinsures specific losses exceeding \$10,000 if the annual aggregate is reached and all specific losses exceeding \$100,000. APEEP's Operating Fund and Guarantee Fund pay for losses and loss adjustment expenses should they exceed operating contributions.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

**MARTINS FERRY PARK DISTRICT  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002, 2001 and 2000  
(Continued)**

**5. RISK MANAGEMENT (Continued)**

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31:

<u>Casualty Coverage</u>	<u>2002</u>	<u>2001</u>
Assets	\$20,174,977	\$19,358,458
Liabilities	<u>(8,550,749)</u>	<u>(8,827,588)</u>
Retained earnings	<u>\$11,624,228</u>	<u>\$10,530,870</u>
<u>Property Coverage</u>	<u>2002</u>	<u>2001</u>
Assets	\$2,565,408	\$1,890,323
Liabilities	<u>(655,318)</u>	<u>(469,100)</u>
Retained earnings	<u>\$1,910,090</u>	<u>\$1,421,223</u>



## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Martins Ferry Park District  
Belmont County  
PO Box 21  
Martins Ferry, Ohio 43935

To the Board of Commissioners:

We were engaged to audit the accompanying financial statements of Martins Ferry Park District, Belmont County, Ohio (the District), as of and for the years ended December 31, 2002, 2001 and 2000, and have issued our report thereon dated January 23, 2004, wherein we expressed no opinion on the 2001 and 2000 financial statements since the District did not provide source documentation to support the receipts and disbursements and did not classify receipts and disbursements and we were unable to audit the 2002 Charges for Service revenue since the District did not provide source documentation. Except for the District not providing source documentation for Charges for Service revenue, we conducted our audit as of and for the year ended December 31, 2002 in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our engagement and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2002-001 through 2002-004. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated January 23, 2004.

#### Internal Control Over Financial Reporting

In planning and performing our engagement, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings as items 2002-004 and 2002-005.

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A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and , accordingly would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We believe the reportable conditions described above are material weaknesses. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report that we have reported to management of the District in a separate letter dated January 23, 2004.

This report is intended solely for the information and use of management and the Board of Park Commissioners, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

January 23, 2004

**MARTINS FERRY PARK DISTRICT  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2002, 2001 and 2000**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2002-001**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41(D) states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer 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. The following exceptions to this basic requirement are provided by statute:

- A. Then and Now Certificates - This exception provides that, if the fiscal officer can certify that both at the time the contract or order was made and at the time that the fiscal officer is completing their certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any encumbrance, the taxing authority can authorize the drawing of a warrant. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.
  
- B. Amounts of less than \$1,000 (which was increased to \$3,000 on April 7, 2003) may be paid by the fiscal officer without such affirmation of the taxing authority 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 taxing authority.

Fiscal officers may prepare so-called "blanket" certificates not exceeding \$5,000 against any specific line item account over a period not exceeding 3 months or running beyond 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. Effective September 26, 2003, the \$5,000 limit on the issuance of purchase orders and the requirement that purchase orders not extend beyond three months have been removed from the law. Effective September 26, 2003, purchase orders may not exceed an amount established by resolution or ordinance of the legislative authority, and cannot extend past the end of the fiscal year. In other words, blanket certificates cannot be issued unless there has been an amount approved by the legislative authority for the blanket.

In addition to these blanket certificates, a subdivision may also make expenditures and contracts 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. These are called super blankets. This certification is not to extend beyond the fiscal year.

The District's prior certification was not obtained during 2001, 2000, and for 80 percent of the transactions we tested in calendar year 2002, and there was no evidence of a "Then and Now" certificate being used by the District.

We recommend the District obtain prior certification for all disbursements. In addition, we recommend the District consider utilizing super blankets for specific recurring and reasonably predictable operating expenses.

**MARTINS FERRY PARK DISTRICT  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2002, 2001 and 2000  
(Continued)**

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

**FINDING NUMBER 2002-002**

**Noncompliance Citation**

Ohio Rev. Code §5705.41 (B) prohibits expenditures from exceeding appropriations. Failure to comply with this Section can result in deficit spending by the District.

At December 31, 2002, expenditures exceeded appropriations as follows:

Appropriations	Expenditures	Variance
\$66,611	\$84,330	(\$17,719)

At December 31, 2001, expenditures exceeded appropriations as follows:

Appropriations	Expenditures	Variance
\$43,110	\$55,101	(\$11,991)

At December 31, 2000, expenditures exceeded appropriations as follows:

Appropriations	Expenditures	Variance
\$0	\$7,565	(\$7,565)

We recommend the District monitor actual expenditures as compared to appropriations and amending the appropriation measure when necessary.

**FINDING NUMBER 2002-003**

**Noncompliance Citation**

Ohio Rev. Code §5705.38 states that on or about the first day of each fiscal year, an appropriation measure is to be passed. If the taxing authority wants to postpone the passage of the annual appropriation measure until an amended certificate is received from the County Budget Commission based upon the actual year end balances, it may pass a temporary appropriation measure for meeting the ordinary expenses until April 1.

The District failed to pass an appropriation measure for the year 2000. During 2001, the District did not pass the permanent appropriation measure until May 2001. The District did not pass a temporary appropriation measure at the beginning of year 2001 to cover the time until the permanent appropriation measure was passed.

We recommend the District pass the appropriation measure at the beginning of the year. If the District wants to postpone the appropriation measure until later in the year, they should pass a temporary appropriation measure.

**MARTINS FERRY PARK DISTRICT  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2002, 2001 and 2000  
(Continued)**

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

**FINDING NUMBER 2002-004**

**Noncompliance Citation/Material Weakness**

The Park District should maintain adequate financial and budgetary records to provide ongoing and timely information.

Ohio Admin. Code Section 117-2-02(A) requires all local public offices to maintain an accounting system and accounting records sufficient to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

Ohio Admin. Code Section 117-2-02(C), provides suggested systems and documents that may be used to effectively maintain the accounting and budgetary records of the local public office:

- The Park District should integrate the budgetary accounts, at the legal level of control, into the accounting system. The legal level of control is established by the level at which the legislative body appropriates.
- Purchase orders should be used to approve purchase commitments and to encumber funds against the applicable appropriation accounts. Purchase orders are not effective unless the fiscal officer's certificate is attached.
- Vouchers may be used as a written order authorizing the drawing of a check in payment of a lawful obligation. Each voucher shall contain the date, purchase order number, the line item to be charged, amount and approval.

Ohio Admin. Code Section 117-2-02 (D) provides that all local public offices may maintain accounting records in a manual or computerized format. The records used should be based on the nature of operations and services the public office provides, and should consider the degree of automation and other factors. Such records should include the following:

- Cash journal, which typically contains the following information: the amount, date, receipt number, check number, line item, and purchase order number.
- Receipts ledger, which typically assembles and classifies receipts into separate accounts for each type of receipt. The amount, date, name of payor, purpose, and receipt number can be recorded in this ledger.
- Appropriation ledger, which may assemble and classify disbursements or expenditures into separate accounts for, at a minimum, each account listed in the appropriation resolution. The amount, line item, date, check number, purchase order number, encumbrance amount, unencumbered balance, and amount of disbursement can be recorded in this ledger.
- Payroll Journal, which records, assembles and classifies by pay period the name of the employee, hours worked, wage rates, pay dates, withholdings by type, net pay, and the fund and account charged for the payments.

The District failed to maintain proper accounting and budgetary records during 2001 and 2000. The District implemented a cash journal, receipts ledger, and appropriation ledger during late 2002, but failed to maintain a detailed payroll register. Purchase orders and vouchers were not used during 2001 and 2000 and not consistently used during 2002.

Using the aforementioned accounting and budgeting records and documents will provide the District with information required to monitor compliance with the budget, and prepare annual reports in the format required by the Auditor of State.

**MARTINS FERRY PARK DISTRICT  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2002, 2001 and 2000  
(Continued)**

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

**FINDING NUMBER 2002-005**

**Material Weakness**

The District leased the swimming pool, recreation center, and ball fields from the City of Martins Ferry. The District has adopted a charge schedule for the use of the aforementioned park services. The District did not maintain records for daily admissions to the swimming pool, sales of concession items, pool memberships, recreation center rentals, pool rentals and use of the ball fields. Revenue from these recreational activities was deposited, in total, to the bank account without any documented support that would classify the different sources of revenue.

As a result, the District has no means of determining if the rate structure for services is adequate. In addition, the District should have concerns in regards to the completeness of collections.

We recommend the District establish a procedure that will track the number of daily ticket sales for the swimming pool by using a manual counter or the use of pre-numbered tickets. As an alternative, the District could have a supervisor periodically perform headcounts and compare to the daily revenue turned in. The District should also have a procedure to follow sales in the concession area. In addition, pool rentals, recreation center rentals, ball field rentals and season pool passes should be documented with pre-numbered contracts and pre-numbered passes.



**Auditor of State  
Betty Montgomery**

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**MARTINS FERRY PARK DISTRICT**

**BELMONT 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  
APRIL 15, 2004**