MARTINS FERRY PARK DISTRICT
BELMONT COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2005, 2004, AND 2003

Auditor of State
Betty Montgomery

MARTINS FERRY PARK DISTRICT
BELMONT COUNTY

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Auditor of State
Betty Montgomery

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

To the Board of Commissioners:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statement due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare your financial statement pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statement in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statement presents are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statement you prepared using the cash basis and financial statement format the AOS permits.

Betty Montgomery

Betty Montgomery
Auditor of State

September 5, 2006

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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

To the Board of Commissioners:

We have audited the accompanying financial statement of the Martins Ferry Park District, Belmont County, Ohio (the District), as of and for the years ended December 31, 2005, 2004, and 2003. This financial statement is the responsibility of the District's management. Our responsibility is to express an opinion on this financial statement based on our audit.

Except as described in paragraph six, 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The District processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the District because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the District has prepared this financial statement 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 statement of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the District to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2005 and 2004. While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The District has elected not to reformat its statement. Since this District does not use GAAP to measure financial statement amounts, 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 third following paragraph.

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In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statement referred to above for the years ended December 31, 2005 and 2004 does 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, 2005 and 2004, or its changes in financial position for the years then ended.

We were unable to determine the completeness and accuracy of valuation and allocation of charges for services. These revenues represent 55 percent, 41 percent, and 49 percent of revenues of the District for the years ended December 31, 2005, 2004, and 2003, respectively.

Also, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence supporting the completeness and accuracy of charges for services revenues, the financial statement referred to above presents fairly, in all material respects, the cash balance of the Martins Ferry Park District, Belmont County, as of December 31, 2005, 2004, and 2003, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the District to include Management's Discussion and Analysis for the years ended December 31, 2005 and 2004. 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 statement.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2006, 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.

Betty Montgomery

Betty Montgomery
Auditor of State

September 5, 2006

MARTINS FERRY PARK DISTRICT
BELMONT COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCE FOR THE YEARS ENDED DECEMBER 31, 2005, 2004, and 2003

	2005	2004	2003
Cash Receipts:			
Intergovernmental	$62,022	$61,533	$33,224
Charges for Services	83,862	45,182	38,025
Investment Income	11	5	
Other Receipts	7,745	3,751	5,598
Total Cash Receipts	153,640	110,471	76,847
Cash Disbursements:			
General Government		2,509	
Conservation/Recreation	151,078	118,273	118,118
Total Cash Disbursements	151,078	120,782	118,118
Total Cash Receipts Over/(Under) Cash Disbursements	2,562	(10,311)	(41,271)
Other Financing Receipts:			
Other Sources	152	25	
Total Other Financing Receipts	152	25	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	2,714	(10,286)	(41,271)
Cash Balance, January 1	11,439	21,725	62,996
Cash Balance, December 31	**$14,153**	**$11,439**	**$21,725**

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

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MARTINS FERRY PARK DISTRICT
BELMONT COUNTY

NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2005, 2004, AND 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Martins Ferry Park District, Belmont County (the District), as a body corporate and politic. The probate judge of Belmont County appoints a three-member Board of Commissioners to govern the District. The District is leasing a swimming pool, recreation center, park facilities, and ball fields from the City of Martins Ferry.

The District's management believes this financial statement presents all activities for which the District is financially accountable.

B. Basis of Accounting

This financial statement follows the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

This statement includes adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Budgetary Process

The Ohio Revised Code requires the Board of Commissioners to budget annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the function or object level of control, and appropriations may not exceed estimated resources. Appropriation authority includes current year appropriations plus encumbrances carried over from the prior year (if any). The Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgetary Process (Continued)

A summary of 2005, 2004, and 2003 budgetary activity appears in Note 3.

D. Property, Plant, and Equipment

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does not report these items as assets.

2. CASH

The Ohio Rev. Code prescribes allowable deposits. The carrying amount of cash at December 31, 2005 was $14,153, at December 31, 2004 was $11,439, and at December 31, 2003 was $21,725. Deposits are insured by the Federal Deposit Insurance Corporation.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2005, 2004, and 2003, follows:

2005 Budgeted vs. Actual Receipts

	Budgeted Receipts	Actual Receipts	Variance
	$136,000	$153,792	$17,792

2005 Budgeted vs. Actual Budgetary Basis Expenditures

	Appropriation Authority	Budgetary Expenditures	Variance
	$106,600	$151,078	($44,478)

2004 Budgeted vs. Actual Receipts

	Budgeted Receipts	Actual Receipts	Variance
	$99,847	$110,496	$10,649

2004 Budgeted vs. Actual Budgetary Basis Expenditures

	Appropriation Authority	Budgetary Expenditures	Variance
	$73,000	$120,782	($47,782)

3. BUDGETARY ACTIVITY (Continued)

2003 Budgeted vs. Actual Receipts

	Budgeted Receipts	Actual Receipts	Variance
	$82,184	$76,847	($5,337)

2003 Budgeted vs. Actual Budgetary Basis Expenditures

	Appropriation Authority	Budgetary Expenditures	Variance
	$128,650	$118,118	$10,532

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority by $44,478 for the year ended December 31, 2005 and by $47,782 for the year ended December 31, 2004.

4. RETIREMENT SYSTEM

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 retirement benefits, including postretirement healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2005, 2004, and 2003, OPERS members contributed 8.5 percent of their gross salaries. The District contributed an amount equal to 13.55 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2005.

5. RISK MANAGEMENT

The District is exposed to various risks of property and casualty losses, and injuries to employees.

The District insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

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 coverage 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 judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

PEP retains casualty risks up to $250,000 per occurrence, including claim adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding $250,000, up to $1,750,000 per claim and $10,000,000 in the aggregate per year. Governments can elect additional coverage, from $2,000,000 to $12,000,000 with the General Reinsurance Corporation, through contracts with PEP.

5. RISK MANAGEMENT (Continued)

If losses exhaust PEP's retained earnings, APEEP provides *excess of funds available* coverage up to $5,000,000 per year, subject to a per-claim limit of $2,000,000.

Property Coverage

Through 2004, PEP retained property risks, including automobile physical damage, up to $100,000 on any specific loss in any one occurrence. The Travelers Indemnity Company reinsured losses exceeding $100,000 up to $500 million per occurrence. APEEP's Guarantee Fund was responsible for losses and loss adjustment expenses exceeding operating contributions.

Beginning in 2005, Travelers reinsures specific losses exceeding $250,000 up to $600 million per occurrence. APEEP reinsures members for specific losses exceeding $100,000 up to $250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop loss is reached by payment of losses between $100,000 and $250,000, Travelers will reinsure specific losses exceeding $100,000 up to their $600 million per occurrence limit. The aggregate stop-loss limit for 2005 was $1,682,589.

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.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Members may withdraw on each anniversary of the date they joined PEP. They must provide written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contribution, minus the subsequent year's premium. Also upon withdrawal, payments for all property and casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the withdrawal.

Financial Position

PEP's financial statement (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2005 and 2004:

Casualty Coverage	2005	2004
Assets	$29,719,675	$27,437,169
Liabilities	(15,994,168)	(13,880,038)
Retained earnings	$13,725,507	$13,557,131

5. RISK MANAGEMENT (Continued)

Property Coverage	2005	2004
Assets	$4,443,332	$3,648,272
Liabilities	(1,068,245)	(540,073)
Retained earnings	$3,375,087	$3,108,199

The Casualty Coverage assets and retained earnings above include approximately $14.3 million and $12 million of unpaid claims to be billed to approximately 430 member governments in the future, as of December 31, 2005 and 2004, respectively. PEP will collect these amounts in future annual premium billings when PEP's related liabilities are due for payment. The District's share of these unpaid claims is approximately $6,186.

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Auditor of State
Betty Montgomery

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

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

To the Board of Commissioners:

We have audited the financial statement of the Martins Ferry Park District, Belmont County, Ohio (the District), as of and for the years ended December 31, 2005, 2004, and 2003, and have issued our report thereon dated September 5, 2006, wherein we noted the District followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted the District uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the District because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. In addition, we qualified our opinion because we could not determine the completeness or accuracy of Charges for Services revenue. Except as discussed in the preceding sentence, 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 to determine our auditing procedures in order to express our opinion on the financial statement and not to opine 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 reportable conditions. 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 judgment, could adversely affect the District's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statement. Reportable conditions are described in the accompanying Schedule of Findings as items 2005-003 and 2005-004.

A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statement we audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. We consider reportable condition 2005-003 listed above to be a material weakness. Also, in a separate letter to the District's management dated September 5, 2006, we reported other matters involving internal control over financial reporting which we did not deem reportable conditions.

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Compliance and Other Matters

As part of reasonably assuring whether the District's financial statement is free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2005-001 and 2005-002. In a separate letter to the District's management dated September 5, 2006, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of management and the Board of Commissioners. It is not intended for anyone other than these specified parties.

Betty Montgomery

Betty Montgomery
Auditor of State

September 5, 2006

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

FINDING NUMBER 2005-001

Noncompliance Citation

Ohio Rev. Code Section 5705.41(B) prohibits a subdivision or taxing unit from making an expenditure of money unless it has been properly appropriated.

At December 31, 2005, expenditures exceeded appropriations as follows:

Fund	Appropriations	Expenditures	Variance
General	$106,600	$151,078	($44,478)

At December 31, 2004, expenditures exceeded appropriations as follows:

Fund	Appropriations	Expenditures	Variance
General	$73,000	$120,782	($47,782)

Failure to certify the availability of funds properly can result in overspending funds and negative cash fund balances.

We recommend the District Treasurer and District Commissioners compare expenditures to appropriations to ensure expenditures remain within their respective budgeted amounts. The District Treasurer should not certify the availability of funds and should deny payment requests exceeding appropriations. The District Treasurer may request the District Commissioners to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

Officials' Response

The District Treasurer intends to have better control of this in the future and to keep the budget in line with appropriations and to keep appropriations up to date.

FINDING NUMBER 2005-002

Noncompliance Citation

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing authority from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

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

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

FINDING NUMBER 2005-002
(Continued)

Noncompliance Citation - Ohio Rev. Code Section 5705.41(D)(1) (Continued)

Then and Now Certificate - If the fiscal officer can certify that both at the time the contract or order was made and at the time that he/she is completing his/her 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 for the payment of the amount due. The taxing authority has 30 days from the receipt of such certificate to approve payment by resolution or ordinance.

Amounts of less than $3,000 ($1,000 prior to 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.

Blanket Certificate – Fiscal officers may prepare "blanket" certificates not exceeding an amount established by resolution or ordinance of the legislative authority against any specific line item account and cannot extend beyond the end of the fiscal year. (Prior to September 23, 2003, blanket certificates were limited to $5,000 and three months.) The blanket certificate 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. Blanket certificates cannot be issued unless there has been an amount approved by the legislative authority for the blanket.

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.

No obligations paid by the District had a signed statement attached indicating the purchase was lawfully appropriated or in the process of collection to the credit of the appropriate fund, and free from any previous encumbrance. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the District's expenditures exceeding budgetary spending limitations, we recommend that the District Treasurer certify that the funds are or will be available prior to the obligation by the District. When prior certification is not possible, "then and now" certification should be used.

We recommend the District certify purchases to which Section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language Section 5705.41(D) requires to authorize disbursements. The District Treasurer should sign the certification at the time the District incurs a commitment, and only when the requirements of Section 5705.41(D) are satisfied. The District Treasurer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

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

FINDING NUMBER 2005-002
(Continued)

Noncompliance Citation - Ohio Rev. Code Section 5705.41(D)(1) (Continued)

Officials' Response

The District Treasurer intends to have better control of this in the future and to keep the budget in line with appropriations and to keep appropriations up to date.

FINDING NUMBER 2005-003

Material Weakness

All local public offices shall maintain an accounting system and accounting records sufficient to enable the public office 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.

The District is leasing the swimming pool, recreation center, and ball fields from the City of Martins Ferry. Documentation was not maintained supporting the amounts recorded in the District's financial statement as Charges for Services and deposited into their bank account for daily swimming pool admissions, pool passes, pool rentals, recreation center rentals, and the use of the ball fields. Pool concessions, which are also recorded as Charges for Services in the financial statement, were accounted for using a cash register for a portion of the audit period; however, no reconciliation of cash register tapes to amounts deposited was performed. Concession cost of goods sold type of documentation or inventory records were not prepared.

As a result, the District cannot adequately determine or effectively monitor if amounts deposited into their bank account for Charges for Services were accurate and recipients of these services paid correct rates. Due to these situations, we were unable to satisfy ourselves concerning the completeness and accuracy of Charges for Services revenues.

We recommend the District establish a procedure that will support and reconcile pool admission deposits to a manual count record or pre-numbered tickets. Pool rentals, recreation center rentals, ball field rentals, and pool passes should also be documented using pre-numbered contracts, pre-numbered passes, or sign-in sheets and should be reconciled to daily deposits. Concession cash register tapes should be reconciled to deposits each day and all variances should be adequately explained. Perpetual inventory records should be established for all concession items sold and should be periodically verified through physical count. Additionally, the District should develop a comparison of concession receipts versus monies expended to purchase goods sold. This will aid in determining if appropriate costs are being charged.

Officials' Response

The District Treasurer intends to have better control of this in the future.

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

FINDING NUMBER 2005-004

Reportable Condition

All local public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted balances of appropriations. In addition, when designing the public office's system of internal control and the specific control activities, management should consider:

- Verifying the existence and valuation of assets and liabilities and periodically reconciling them to the accounting records.
- Performing analytical procedures to determine the reasonableness of financial data.
- Ensuring the collection and compilation of the data needed for the timely preparation of financial statements.

Budgeted receipt and expenditure amounts posted to the District’s computer system did not always agree to source documents, such as the Certificate of Estimated Resources and the Appropriations Resolution.

As a result, information available for District officials to monitor year-to-date total comparisons of estimated resources versus actual receipts and appropriations versus expenditures was not accurate.

We recommend the District Treasurer post estimated resources and appropriations to the computer system as received from the County Budget Commission and approved by the District Commissioners.

Officials’ Response

The District Treasurer intends to have better control of this in the future and to keep the budget in line with appropriations and to keep appropriations up to date.

MARTINS FERRY PARK DISTRICT
BELMONT COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2005, 2004, AND 2003

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***
2002-001	Ohio Rev. Code Section 5705.41(D) for not properly certifying the availability of funds prior to incurring an obligation.	No	Not Corrected; Repeated as Finding No. 2005-002.
2002-002	Ohio Rev. Code Section 5705.41(B) for expenditures exceeding appropriations.	No	Not Corrected; Repeated as Finding No. 2005-001.
2002-03	Ohio Rev. Code Section 5705.38 for not passing appropriations.	Yes	Not Applicable.
2002-004	Ohio Admin. Code Section 117-2-02 for not maintaining proper accounting records.	Yes	Not Applicable.
2002-005	Material Weakness for not maintaining records supporting Charges for Services receipts.	No	Not Corrected; Repeated as Finding No. 2005-003

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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
OCTOBER 10, 2006