



Mary Taylor, CPA  
Auditor of State



**MEAD TOWNSHIP PARK DISTRICT  
BELMONT COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government–Wide Financial Statements - 2007:	
Statement of Net Assets – Cash Basis.....	7
Statement of Activities – Cash Basis.....	8
Fund Financial Statements - 2007:	
Statement of Cash Basis Assets and Fund Balance – Governmental Fund.....	9
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – Governmental Fund.....	10
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance - Budget and Actual - Budget Basis – General Fund.....	11
Government–Wide Financial Statements - 2006:	
Statement of Net Assets – Cash Basis.....	12
Statement of Activities – Cash Basis.....	13
Fund Financial Statements - 2006:	
Statement of Cash Basis Assets and Fund Balance – Governmental Fund.....	14
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – Governmental Fund.....	15
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance - Budget and Actual - Budget Basis – General Fund.....	16
Notes to the Basic Financial Statements.....	17
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	25
Schedule of Findings.....	27
Schedule of Prior Audit Findings.....	29

**This page intentionally left blank.**



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Mead Township Park District  
Belmont County  
536 West 42<sup>nd</sup> Street  
Shadyside, Ohio 43947

To the Board of Park Commissioners:

We have audited the accompanying financial statements of the governmental activities and the major fund of Mead Township Park District, Belmont County, Ohio (the Park District), as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Park District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Park District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash financial position of the governmental activities and major fund of the Mead Township Park District, Belmont County, as of December 31, 2007 and 2006, and the changes in cash financial position and the budgetary comparison for the General Fund thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2008, on our consideration of the Park 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.

Mead Township Park District  
Belmont County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

**Mary Taylor, CPA**  
Auditor of State

September 3, 2008

**Mead Township Park District**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
Unaudited

This discussion and analysis of the Mead Township Park District's financial performance provides an overall review of the Park District's financial activities for the years ended December 31, 2007 and 2006, within the limitations of the Park District's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Park District's financial performance.

**Highlights**

Key highlights for 2006 and 2007 are as follows:

Net assets of governmental activities decreased \$8,520 in 2006 and increased \$6,815 in 2007.

Program cash receipts represent 44.2% and 42.6% of total receipts in 2007 and 2006. In 2007 and 2006, program cash receipts represent a grant received from the Belmont County Department of Job and Family Services for the Summer Enrichment and Recreation Grant Program, and camp fees. In addition, in 2006, the Park District received funding from Shadyside Local School District to assist in the Summer Enrichment and Recreation Grant Program.

General receipts represent 55.8% and 57.4% of the Park District's total receipts in 2007 and 2006, respectively, of which intergovernmental receipts make up 97.8% and 64.5%, in 2007 and 2006, respectively. In addition, in 2006, the Park District received a promissory note in the amount of \$15,000 to purchase playground equipment to be placed at Mead Township Park.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Park District's cash basis of accounting.

**Report Components**

The Statement of Net Assets and the Statement of Activities provide information about the cash activities of the Park District as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Park District as a way to segregate money whose use is restricted to a particular specified purpose. The Park District's major fund is the General Fund. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Park District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Park District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

**Mead Township Park District**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
Unaudited

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**Reporting the Park District as a Whole**

The Statement of Net Assets and the Statement of Activities reflect how the Park District performed financially during 2006 and 2007, within the limitations of cash basis of accounting. The Statement of Net Assets presents the cash balances of the governmental activities of the Park District at year end. The Statement of Activities compares cash disbursements with program receipts for each governmental program. Program cash receipts include intergovernmental grants and contributions restricted to meeting the operational or capital requirements of a particular program. The comparison of cash disbursements with program cash receipts identifies how the governmental activity draws from the Park District's program cash receipts.

These statements report the Park District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, one may consider these changes as one way to examine the Park District's financial health. Over time, increases or decreases in the Park District's cash position is one indicator of whether the Park District's financial health is improving or not.

In the Statement of Net Assets and the Statement of Activities, the Park District has a single type of activity:

Governmental activities. The Park District's programs and basic services are reported here, including purchased and contracted services and capital outlay. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**Reporting the Park District's Most Significant Funds**

Fund financial statements provide detailed information about the Park District's major funds – not the Park District as a whole. The Park District establishes separate funds to better manage its activities and to help demonstrate that restricted money is being spent for the intended purpose. All of the Park District's activities are reported in governmental funds, focusing on how the money flows into and out of the fund, as well as balances available for spending in future periods. The funds are reported using the cash basis of accounting. The governmental fund financial statements provide a short-term view of the Park District's general government operations. The Park District's major governmental fund is the General Fund.

Table 1 provides a summary of the Park District's net assets for 2007 compared to 2006 and 2006 compared to 2005 on a cash basis:

**(Table 1)**  
**Net Assets**

	Governmental Activities		
	2007	2006	2005
<b>Assets</b>			
Cash and Cash Equivalents	\$9,615	\$2,800	\$11,320
Total Assets	\$9,615	\$2,800	\$11,320
<b>Net Assets</b>			
Unrestricted	\$9,615	\$2,800	\$11,320
Total Net Assets	\$9,615	\$2,800	\$11,320



**Mead Township Park District**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
Unaudited

**The Park District as a Whole**

As mentioned previously, in 2006 and 2007, net assets of governmental activities decreased by \$8,520 and increased by \$6,815, respectively. The primary reason contributing to the decrease in cash balance was the purchase of playground equipment.

Table 2 reflects the changes in net assets on a cash basis in 2007 compared to 2006, and 2006 compared to 2005.

**(Table 2)**  
**Changes in Net Assets**

	Governmental Activities 2007	Governmental Activities 2006	Governmental Activities 2005
Receipts:			
Program Cash Receipts:			
Charges for Services	\$4,930	\$5,475	\$3,760
Operating Grants and Contributions	20,000	30,150	20,000
Capital Grants and Contributions	0	2,235	7,500
Total Program Cash Receipts	<u>24,930</u>	<u>37,860</u>	<u>31,260</u>
General Receipts:			
Intergovernmental	30,816	32,911	32,022
Note Proceeds	0	15,000	0
Donations	701	3,140	0
Other	0	7	95
Total General Receipts	<u>31,517</u>	<u>51,058</u>	<u>32,117</u>
Total Receipts	<u>56,447</u>	<u>88,918</u>	<u>63,377</u>
Current Disbursements:			
Recreation:			
Contract Services	2,300	2,900	7,186
Materials and Supplies	108	275	518
Insurance	2,837	2,834	2,700
Repairs	222	6,358	9,410
Capital Outlay	18,846	31,977	24,701
Other	5,231	7,207	2,247
Summer Camp	19,970	30,108	19,768
Debt Service:			
Redemption of Principal	18	14,982	0
Interest and Other Fiscal Charges	100	797	0
Total Disbursements	<u>49,632</u>	<u>97,438</u>	<u>66,530</u>
Increase (Decrease) in Net Assets	\$6,815	(\$8,520)	(\$3,153)
Net Assets Beginning of Year	<u>2,800</u>	<u>11,320</u>	<u>14,473</u>
Net Assets End of Year	<u>\$9,615</u>	<u>\$2,800</u>	<u>\$11,320</u>

**Mead Township Park District**  
Management's Discussion and Analysis  
For the Years Ended December 31, 2007 and 2006  
Unaudited

Program cash receipts represent 44.2% and 42.6% of total receipts in 2007 and 2006, respectively. In 2007 and 2006 program cash receipts represent a grant received from the Belmont County Department of Job and Family Services for the Summer Enrichment and Recreation Grant Program, and camp fees. In addition, in 2006, the Park District received funding from Shadyside Local School Park District to assist in the Summer Enrichment and Recreation Grant Program.

General receipts represent 55.8% and 57.4% of the Park District's total receipts in 2007 and 2006, respectively, of which intergovernmental receipts make up 97.8% and 64.5% in 2007 and 2006, respectively. Since these monies are provided by the county, it can be seen how any decreases in this funding source could have a substantial impact on the services of the Park District. In addition, in 2006, the Park District received a promissory note in the amount of \$15,000 to purchase playground equipment to be placed at Mead Township Park.

Disbursements for the General Government represent the overhead costs of running the Park District, and costs to operate the Summer Enrichment and Recreation Grant Program.

**The Park District's Funds**

The Park District's major governmental fund is the General Fund. The receipts were \$56,447 and \$88,918 for 2007 and 2006, respectively. The cash fund balance was \$9,615 and \$2,800 for 2007 and 2006, respectively.

**General Fund Budgeting Highlights**

The Park District's only budgeted fund is the General Fund. The original and final budget amounts in 2007 changed due to the budgeting for the Summer Camp grant. The original and final budget amounts in 2006 changed due to the budgeting for the Summer Camp grant and the proceeds and payment of promissory note.

**Capital Assets and Debt Administration**

The Park District does not currently keep track of its capital assets and infrastructure.

In 2006, the Park District received a promissory note in the amount of \$15,000 to purchase playground equipment to be placed at Mead Township Park.

**Current Issues**

An issue for the Park District is to provide quality services to the public while staying within the restrictions imposed by limited or shrinking funding. With no paid staffing, it is a challenge for the Park District to meet all applicable ORC requirements related to its functioning. The Park District relies heavily on the volunteers who serve as Park Commissioners to govern the Park District.

**Contacting the Government's Financial Management**

This financial report is designed to provide the citizens, taxpayers, investors, and creditors with a general overview of the Park District's finances and to reflect the Park District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Lisa Coffland, Fiscal Officer, 536 W. 42<sup>nd</sup> Street, Shadyside, Ohio 43947.

MEAD TOWNSHIP PARK DISTRICT  
BELMONT COUNTY

STATEMENT OF NET ASSETS - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$9,615</u>
<i>Total Assets</i>	<u><u>\$9,615</u></u>
<b>Net Assets</b>	
Unrestricted	<u>\$9,615</u>
<i>Total Net Assets</i>	<u><u>\$9,615</u></u>

See accompanying notes to the basic financial statements.

**MEAD TOWNSHIP PARK DISTRICT  
BELMONT COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities	
<b>Governmental Activities</b>				
Current Disbursements:				
Recreation:				
Contract Services	\$2,300		(\$2,300)	
Materials and Supplies	108		(108)	
Insurance	2,837		(2,837)	
Repairs	222		(222)	
Capital Outlay	18,846		(18,846)	
Other	5,231		(5,231)	
Summer Camp	19,970	\$4,930	\$20,000 4,960	
Debt Service:				
Redemption of Principal	18		(18)	
Interest and Other Fiscal Charges	100		(100)	
<i>Total Governmental Activities</i>	<u>\$49,632</u>	<u>\$4,930</u>	<u>\$20,000</u> <u>(24,702)</u>	
<b>General Receipts</b>				
			30,816	
			701	
			<u>31,517</u>	
			Change in Net Assets 6,815	
			<u>Net Assets Beginning of Year</u> 2,800	
			<u>Net Assets End of Year</u> <u>\$9,615</u>	

See accompanying notes to the basic financial statements.

MEAD TOWNSHIP PARK DISTRICT  
BELMONT COUNTY

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCE  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>General</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$9,615</u>
<i>Total Assets</i>	<u><u>\$9,615</u></u>
<b>Fund Balance</b>	
Unreserved:	
Undesignated (Deficit), Reported in:	
General Fund	<u>\$9,615</u>
<i>Total Fund Balance</i>	<u><u>\$9,615</u></u>

See accompanying notes to the basic financial statements.

**MEAD TOWNSHIP PARK DISTRICT  
BELMONT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	General
<b>Cash Receipts:</b>	
Intergovernmental	\$50,816
Charges for Services	4,930
Donations	701
	701
<i>Total Cash Receipts</i>	<i>56,447</i>
<b>Cash Disbursements:</b>	
Current Disbursements:	
Recreation:	
Contract Services	2,300
Materials and Supplies	108
Insurance	2,837
Repairs	222
Capital Outlay	18,846
Other	5,231
Summer Camp	19,970
Debt Service:	
Redemption of Principal	18
Interest and Other Fiscal Charges	100
	100
<i>Total Cash Disbursements</i>	<i>49,632</i>
<i>Excess of Cash Receipts Over/(Under) Cash Disbursements</i>	<i>6,815</i>
<i>Fund Cash Balance, January 1</i>	<i>2,800</i>
<b><i>Fund Cash Balance, December 31</i></b>	<b><i>\$9,615</i></b>

See accompanying notes to the basic financial statements.

**MEAD TOWNSHIP PARK DISTRICT  
BELMONT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES  
IN FUND CASH BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Cash Receipts</b>				
Intergovernmental	\$32,890	\$57,820	\$50,816	(\$7,004)
Charges for Services	0	0	4,930	\$4,930
Donations	0	0	701	\$701
<i>Total Cash Receipts</i>	<u>32,890</u>	<u>57,820</u>	<u>56,447</u>	<u>(1,373)</u>
<b>Cash Disbursements</b>				
Current Disbursements:				
Recreation:				
Contract Services	3,300	3,300	2,300	1,000
Material and Supplies	350	350	108	242
Insurance	2,900	2,900	2,837	63
Repairs	2,100	2,100	222	1,878
Capital Outlay	20,000	24,930	18,846	6,084
Other	7,000	7,000	5,231	1,769
Summer Camp	0	20,000	19,970	30
Debt Service:				
Redemption of Principal	0	0	18	(18)
Interest and Fees	0	0	100	(100)
<i>Total Cash Disbursements</i>	<u>35,650</u>	<u>60,580</u>	<u>49,632</u>	<u>10,948</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>(2,760)</u>	<u>(2,760)</u>	<u>6,815</u>	<u>9,575</u>
<i>Fund Cash Balance Beginning of Year</i>	<u>2,800</u>	<u>2,800</u>	<u>2,800</u>	<u>0</u>
<i>Fund Cash Balance End of Year</i>	<u>\$40</u>	<u>\$40</u>	<u>\$9,615</u>	<u>\$9,575</u>

See accompanying notes to the basic financial statements.

MEAD TOWNSHIP PARK DISTRICT  
BELMONT COUNTY

STATEMENT OF NET ASSETS - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$2,800</u>
<i>Total Assets</i>	<u><u>\$2,800</u></u>
<b>Net Assets</b>	
Unrestricted	<u>\$2,800</u>
<i>Total Net Assets</i>	<u><u>\$2,800</u></u>

See accompanying notes to the basic financial statements.



**MEAD TOWNSHIP PARK DISTRICT  
BELMONT COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets	
Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>Governmental Activities</b>					
Current Disbursements:					
Recreation:					
Contract Services	\$2,900			(\$2,900)	
Materials and Supplies	275			(275)	
Insurance	2,834			(2,834)	
Repairs	6,358			(6,358)	
Capital Outlay	31,977		\$2,235	(29,742)	
Other	7,207			(7,207)	
Summer Camp	30,108	\$5,475	\$30,150	5,517	
Debt Service:					
Redemption of Principal	14,982			(14,982)	
Interest and Other Fiscal Charges	797			(797)	
<i>Total Governmental Activities</i>	<u>\$97,438</u>	<u>\$5,475</u>	<u>\$30,150</u>	<u>\$2,235</u>	<u>(59,578)</u>
 <b>General Receipts</b>					
				32,911	
Intergovernmental				15,000	
Note Proceeds				3,140	
Donations				7	
Other				7	
				<u>51,058</u>	
				(8,520)	
				<u>11,320</u>	
				<u>\$2,800</u>	

See accompanying notes to the basic financial statements.

MEAD TOWNSHIP PARK DISTRICT  
BELMONT COUNTY

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCE  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>General</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$2,800</u>
<i>Total Assets</i>	<u><u>\$2,800</u></u>
<b>Fund Balance</b>	
Unreserved:	
Undesignated (Deficit), Reported in:	
General Fund	<u>\$2,800</u>
<i>Total Fund Balance</i>	<u><u>\$2,800</u></u>

See accompanying notes to the basic financial statements.

**MEAD TOWNSHIP PARK DISTRICT  
BELMONT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	General
<b>Cash Receipts:</b>	
Intergovernmental	\$65,296
Note Proceeds	15,000
Charges for Services	5,475
Donations	3,140
Other	7
	7
<i>Total Cash Receipts</i>	88,918
<b>Cash Disbursements:</b>	
Current Disbursements:	
Recreation:	
Contract Services	2,900
Materials and Supplies	275
Insurance	2,834
Repairs	6,358
Capital Outlay	31,977
Other	7,207
Summer Camp	30,108
Debt Service:	
Redemption of Principal	14,982
Interest and Other Fiscal Charges	797
	797
<i>Total Cash Disbursements</i>	97,438
<i>Excess of Cash Receipts Over/(Under) Cash Disbursements</i>	(8,520)
<i>Fund Cash Balance, January 1</i>	11,320
<b><i>Fund Cash Balance, December 31</i></b>	<b>\$2,800</b>

See accompanying notes to the basic financial statements.

**MEAD TOWNSHIP PARK DISTRICT  
BELMONT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES  
IN FUND CASH BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Cash Receipts</b>				
Intergovernmental	\$35,125	\$65,625	\$65,296	(\$329)
Note Proceeds	0	15,000	15,000	\$0
Charges for Services	0	5,475	5,475	\$0
Donations	0	2,990	3,140	\$150
Other	0	0	7	\$7
<i>Total Cash Receipts</i>	<u>35,125</u>	<u>89,090</u>	<u>88,918</u>	<u>(172)</u>
<b>Cash Disbursements</b>				
Current Disbursements:				
Recreation:				
Contract Services	3,300	2,900	2,900	0
Material and Supplies	600	341	275	66
Insurance	2,700	2,834	2,834	0
Repairs	7,000	6,358	6,358	0
Capital Outlay	24,000	31,803	31,977	(174)
Other	7,000	7,700	7,207	493
Summer Camp	0	30,500	30,108	392
Debt Service:				
Redemption of Principal	0	14,982	14,982	0
Interest and Fees	0	797	797	0
<i>Total Cash Disbursements</i>	<u>44,600</u>	<u>98,215</u>	<u>97,438</u>	<u>777</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>(9,475)</u>	<u>(9,125)</u>	<u>(8,520)</u>	<u>605</u>
<i>Fund Cash Beginning of Year</i>	<u>11,320</u>	<u>11,320</u>	<u>11,320</u>	<u>0</u>
<i>Fund Cash Balance End of Year</i>	<u>\$1,845</u>	<u>\$2,195</u>	<u>\$2,800</u>	<u>\$605</u>

See accompanying notes to the basic financial statements.

**Mead Township Park District**  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2007 and 2006

**Note 1 – Description of the Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Mead Township Park District, Belmont County (the Park District), as a body corporate and politic. The probate judge of Belmont County appoints a three-member Board of Commissioners to govern the Park District. The Park District leases property from Mayflower Vehicle Systems, Inc. for one dollar annually to operate certain recreational facilities (ballfields) within Mead Township.

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

**Reporting Entity**

A reporting entity is comprised of the primary government, component units and other organizations included to assure that the basic financial statements are not misleading. The primary government of the Park District consists of all funds that are not legally separate from the Park District.

Component units are legally separate organizations for which the Park District is financially accountable. Component units may also include organizations that are fiscally dependent upon the Park District in that the Park District approves their budget, the issuance of their debt or the levying of their taxes. The Park District has no component units. The Park District participates in Public Entities Pool of Ohio ("PEP"). Note 6 to the financial statements provide additional information for this entity.

**Note 2 – Summary of Significant Accounting Policies**

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements which have been applied to the extent they are applicable to the cash basis of accounting. Following are the most significant of the Park District's accounting policies.

**A. Basis of Presentation**

The Park District's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-Wide Financial Statements:** The statement of net assets and the statement of activities display information about the Park District as a whole.

The Statement of Net Assets presents the cash balance of the governmental activities of the Park District at year end. The Statement of Activities compares disbursements with program cash receipts for each of the Park District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Park District is responsible. Program cash receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program and receipts of interest earned on grants that is required to be used to support a particular program. General receipts are all receipts not classified as program cash receipts, with certain limited exceptions. The comparison of direct disbursements with program cash receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Park District's general receipts.

**Mead Township Park District**  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2007 and 2006  
(Continued)

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**Fund Financial Statements:** During the year, the Park District segregates transactions related to certain Park District functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Park District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. The Park District only has one Fund.

**B. Fund Accounting**

The Park District uses fund accounting to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The Park District only uses governmental fund types.

**Governmental Funds** – Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. The following is the Park District's major governmental fund:

**General Fund** – The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the Park District for any purpose provided it is expended or transferred according to the general laws of Ohio.

**C. Basis of Accounting**

The Park District's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Park District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Park District are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

**D. Budgetary Data**

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Park District may appropriate. The appropriation resolution is the Park District's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Park District. The legal level of control has been established by the Park District at the fund/function level.

**Mead Township Park District**  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2007 and 2006  
(Continued)

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**D. Budgetary Data (Continued)**

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in receipts are identified by the Park Commissioners. The amounts reported as the original budgeted amounts on the budgetary statement reflect the amounts in the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statement reflect the amounts in the amended certificate of estimated resources in effect at the time final appropriations were passed by the Park District.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Park District during the year.

**E. Restricted Assets**

Cash and cash equivalents are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. The Park District does not have restricted assets.

**F. Inventory and Prepaid Items**

The Park District reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

**G. Capital Assets**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

**H. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Park District had no restricted resources.

The Park District's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

**I. Fund Balance Reserves**

The Park District reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved and undesignated fund balance indicates that portion of fund balance which is available for appropriation in future periods. The Park District did not establish fund balance reserves.

**Mead Township Park District**  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2007 and 2006  
(Continued)

**Note 3 - Compliance**

Contrary to Ohio Rev. Code Section 5705.41(D), the Park District did not properly obtain prior certification before incurring an obligation.

**Note 4 - Grants and Receipts**

The primary source of revenue for the Mead Township Park District is contributions from other governmental entities, such as Belmont County. In 2006 and 2007, the Park District received a grant from the Belmont County Department of Job and Family Services for the Summer Enrichment and Recreation Grant Program. In addition, in 2006, the Park District received funding from Shadyside Local School Park District to assist in the Summer Enrichment and Recreation Grant Program, and an ODNR Grant payment was received for the purpose of finishing the construction of a basketball court.

**Note 5 – Deposits and Investments**

Monies held by the Park District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Park District treasury. Active monies must be maintained either as cash in the Park District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Park Commissioners have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Park District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;



**Mead Township Park District**  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2007 and 2006  
(Continued)

**Note 5 – Deposits and Investments (Continued)**

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAROhio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Park District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

The Park District does not currently participate in any investment programs.

Deposits

The Park District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Park District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**Note 6 – Risk Management**

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

The Park 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

For an occurrence prior to January 1, 2006 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.

For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with PEP.

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 (prior to January 1, 2006) or \$3,000,000 (on or subsequent to January 1, 2006) as noted above.

**Mead Township Park District**  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2007 and 2006  
(Continued)

**Note 6 – Risk Management (Continued)**

Property Coverage

Beginning in 2005, APEEP established a risk-sharing property program. Under the program, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. This amount was increased to \$300,000 in 2007. For 2007, APEEP reinsures members for specific losses exceeding \$100,000 up to \$300,000 per occurrence, subject to an annual aggregate loss payment. For 2006, 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 values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000 in 2006, or \$100,000 and \$300,000 in 2007, Travelers will then reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2007 was \$2,014,548.

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.

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, 2007 and 2006.

	<u>2007</u>	<u>2006</u>
Assets	\$37,560,071	\$36,123,194
Liabilities	(17,340,825)	(16,738,904)
Net Assets	<u>\$20,219,246</u>	<u>\$19,384,290</u>

At December 31, 2007 and 2006, respectively, the liabilities above include approximately \$15.9 million and \$15.0 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$15.0 million and \$14.4 million of unpaid claims to be billed to approximately 443 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Park District's share of these unpaid claims collectible in future years is approximately \$5,700. This payable includes the subsequent year's contribution due if the Park District terminates participation, as described in the last paragraph below.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

**Mead Township Park District**  
Notes to the Basic Financial Statements  
For the Years Ended December 31, 2007 and 2006  
(Continued)

**Note 6 – Risk Management (Continued)**

<u>Contributions to PEP</u>	
2005	\$2,700
2006	\$2,834
2007	\$2,837

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they 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 contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to their withdrawal.

**Note 7 – Contingent Liabilities**

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

**Note 8 – Subsequent Events**

In March, 2008, the Park District obtained \$15,000 promissory note through Huntington Bank to build a concession stand at Mead Township Park.

**This page intentionally left blank.**



# Mary Taylor, CPA

Auditor of State

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

Mead Township Park District  
Belmont County  
536 West 42<sup>nd</sup> Street  
Shadyside, Ohio 43947

To the Park District Board of Park Commissioners:

We have audited the financial statements of the governmental activities and the major fund of Mead Township Park District, Belmont County, Ohio (the Park District), as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Park District's basic financial statements and have issued our report thereon dated September 3, 2008, wherein we noted the Park District uses a comprehensive accounting basis other than generally accepted accounting principles. 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 Park District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Park District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Park District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Park District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Park District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiencies described in the accompany Schedule of Findings to be significant deficiencies in internal control over financial reporting: 2007-002 and 2007-003.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Park District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe none of the significant deficiencies described above are material weaknesses.

We also noted certain internal control matters that we reported to the Park District's management in a separate letter dated September 3, 2008.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the Park District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2007-001 and 2007-002.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Park District's management in a separate letter dated September 3, 2008.

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



**Mary Taylor, CPA**  
Auditor of State

September 3, 2008

MEAD TOWNSHIP PARK DISTRICT  
BELMONT COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006

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

FINDING NUMBER 2007-001

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41(D)(1) states that no orders or contracts involving the expenditure of money are to be made unless there is attached thereto a 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 void and no warrant shall be issued in payment of any amount due thereon.

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 Park District can authorize the drawing of a warrant for the payment of the amount due. The Park District has thirty days from 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 Park District.

2. **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. 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.

3. **Super Blanket Certificate** – The Park 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. No more than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Purchase orders were issued by the Park District Fiscal Officer in 2006 and 2007; however, 53% and 46% of the purchase orders were issued after the obligation date in 2006 and 2007, respectively. We also noted an inordinate number of purchase orders dated the same day as the invoice. In addition, the purchase orders issued in 2006 and 2007 were not encumbered against an appropriation line-item amount.

**MEAD TOWNSHIP PARK DISTRICT  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

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

**FINDING NUMBER 2007-001 (Continued)**

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

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 Park District's funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that funds are or will be available prior to obligation by the Park District. When prior certification is not possible, "then and now" certification should be used.

We recommend the Park 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 fiscal officer should sign the certification at the time the Park District incurs a commitment, and only when the requirements of Section 5705.41(D) are satisfied. The fiscal officer should post approved purchase orders to the proper appropriation code to reduce the available appropriation.

**FINDING NUMBER 2007-002**

**Noncompliance Citation/ Significant Deficiency**

**Ohio Admin. Code Section 117-2-02 (A)** provides that 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 required by rule 117-2-03 of the Administrative Code.

**Ohio Admin. Code Section 117-02-02 (D)(2)** provides that all local public offices may maintain accounting records in a manual or computerized format. The records 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: Receipt ledger, which typically assembles and classifies receipts into separate accounts for each type of receipt of each fund the public office uses. The amount, date, name of the payor, purpose, receipt number, and other information required for the transactions can be recorded on this ledger.

The Park District did not maintain an accounting system and accounting records sufficient to enable the Park District to monitor the revenue budgetary actions approved by the Board. There was no method established whereby the Board of Commissioners and the Fiscal Officer could accurately compare budgeted to actual receipts and file any amended certificates of estimated resources when needed. In addition, the accounting system did not summarize the monthly receipts to allow the receipts to be accurately reported on the annual financial report.

We recommend the Park District Fiscal Officer maintain a receipt ledger to record all revenues and maintain a running balance against estimated receipts.



**MEAD TOWNSHIP PARK DISTRICT  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

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

**FINDING NUMBER 2007-003**

**Significant Deficiency**

The annual financial report is generated from the computerized accounting records maintained by the Park District. This procedure is a manual operation consisting of summarizing and classifying the postings in the accounting system and generating a manually prepared annual financial report.

The Park District received a \$15,000 promissory note through Sky Bank during 2006 for the purpose of purchasing playground equipment. The Park District Fiscal Officer recorded the debt proceeds in the appropriation ledger but when preparing the annual financial report, the debt payments and the debt proceeds were not included as financial activity in the annual financial report.

The financial statements prepared by management should include any debt proceeds and debt payments. We have adjusted the financial statements to reflect the debt activity.

**Officials' Response:**

The officials did not respond to findings above.

**MEAD TOWNSHIP PARK DISTRICT  
BELMONT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2007 AND 2006**

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>
2005-001	Ohio Rev. Code Section 5705.41(D) 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.	No	Not corrected. Reissued as Finding No. 2007-001.
2005-002	Ohio Admin. Code Section 117-2-02 requires the Park District to maintain an adequate accounting system and accounting records.	No	Partially corrected. Reissued as Finding No. 2007-002.



**Mary Taylor, CPA**  
Auditor of State

**MEAD TOWNSHIP 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 14, 2008**