



Mary Taylor, CPA  
Auditor of State



**BELMONT PARK DISTRICT  
BELMONT COUNTY**

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Mary Taylor, CPA  
Auditor of State

Belmont Park District  
Belmont County  
45300 Roscoe Road  
St. Clairsville, Ohio 43950

To the Board of Park Commissioners:

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

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**Mary Taylor, CPA**  
Auditor of State

December 2, 2008

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Belmont Park District  
Belmont County  
45300 Roscoe Road  
St. Clairsville, Ohio 43950

To the Board of Park Commissioners:

We have audited the accompanying financial statement of the Belmont Park District, Belmont County, Ohio (the District), as of and for the years ended December 31, 2007 and 2006. 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.

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

As described more fully in Note 1, the 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.

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 GAAP presentation requirements. The Auditor of State permits, but does not require park districts to reformat their statements. The District has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statement referred to above for the years ended December 31, 2007 and 2006 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, 2007 and 2006, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balance of the Belmont Park District, Belmont County, Ohio, as of December 31, 2007 and 2006, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The District has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2008, 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.

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

December 2, 2008



**BELMONT PARK DISTRICT  
BELMONT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCE  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

	<b>2007</b>	<b>2006</b>
<b>Cash Receipts:</b>		
Local Government Allocated From Belmont County	\$30,817	\$32,911
Facility Rent	24,450	17,725
Jamboree Parking Fees	13,490	21,334
Donation	200,000	200,000
Earnings on Investments	80	397
Miscellaneous	1,095	28
	<b>269,932</b>	<b>272,395</b>
<b>Cash Disbursements:</b>		
Current Disbursements:		
Conservation/Recreation:		
Salaries	16,837	17,341
Supplies	2,049	5,195
Repairs	23,283	1,582
Equipment	2,500	
Advertising and Printing	1,929	
Utilities	29,520	25,172
Other	18,250	15,814
Capital Outlay	163,490	203,691
	<b>257,858</b>	<b>268,795</b>
Total Cash Disbursements	<b>257,858</b>	<b>268,795</b>
Total Cash Receipts Over/(Under) Cash Disbursements	12,074	3,600
Cash Balance, January 1	4,965	1,365
	<b>4,965</b>	<b>1,365</b>
<b>Cash Balance, December 31</b>	<b>\$17,039</b>	<b>\$4,965</b>

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

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**BELMONT PARK DISTRICT  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2007 AND 2006**

**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 Belmont Park District, Belmont County (the District), as a body corporate and politic. The Probate Judge of Belmont County appoints a three-member Board of Park Commissioners to govern the District. The District was formed to develop the new Belmont County Fairgrounds.

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

**B. Accounting Basis**

This financial statement follows the accounting basis 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**

**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. The Board of Park Commissioners 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 individual 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 during 2007 and 2006.

A summary of 2007 and 2006 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 statements do not report these items as assets.

**BELMONT PARK DISTRICT  
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**2. Cash**

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 was as follows:

	2007	2006
Demand deposits	\$17,039	\$4,965

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation.

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2007 and 2006 follows:

2007 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$278,220	\$269,932	(\$8,288)

2007 Budgeted vs. Actual Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$249,000	\$257,858	(\$8,858)

2006 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$109,320	\$272,395	\$163,075

2006 Budgeted vs. Actual Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$107,600	\$268,795	(\$161,195)

Contrary to Ohio law, expenditures were greater than appropriations at the legal level of control for 2007 and 2006.

Contrary to Ohio law, the District incurred obligations before obtaining the clerk's prior certification during 2007 and 2006.

**4. Risk Management**

**Commercial Insurance**

The District has obtained commercial insurance for the following risks:

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



# 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*

Belmont Park District  
Belmont County  
45300 Roscoe Road  
St. Clairsville, Ohio 43950

To the Board of Park Commissioners:

We have audited the financial statement of the Belmont Park District, Belmont County, Ohio (the District), as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated December 2, 2008, 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statement, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

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 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 District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the 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 or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain matters that we reported to the District's management in a separate letter dated December 2, 2008.

### **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 2007-001 through 2007-004.

We did note certain noncompliance or other matters that we reported to the District's management in a separate letter dated December 2, 2008.

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

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

December 2, 2008

**BELMONT PARK DISTRICT  
BELMONT COUNTY**

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

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

**FINDING NUMBER 2007-001**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41(D)(1) states that no subdivision shall make any contract or give any order involving the expenditure of money are to be made unless there is attached thereto a certificate of the fiscal officer of the subdivision. The fiscal officer must certify that the amount required to meet such a commitment 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 Ohio Rev. Code Section 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 District can authorize the drawing of a warrant for the payment of the amount due. The 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 District.

2. **Blanket Certificate** – Fiscal officers may prepare "blanket" certificates for a certain sum of money not exceeding an amount established by resolution or ordinance adopted by a majority of the members 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 District may also make expenditures and contracts for any amount from a specific line item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

The Treasurer did not obtain prior certification for 100% of transactions tested in 2007 and 2006. We found no evidence of the Treasurer using a "then and now" certificate. The Treasurer did not require certification of a purchase order before the District incurred an obligation. The Treasurer's failure to properly certify the availability of funds can result in overspending.

**BELMONT PARK DISTRICT  
BELMONT COUNTY**

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

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**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 District's expenditures exceeding budgetary spending limitations, we recommend the 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 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 Treasurer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

**FINDING NUMBER 2007-002**

**Noncompliance Citation**

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

At December 31, 2007, expenditures exceeded appropriations at the legal level of control as follows:

	Appropriations	Expenditures	Variance
Equipment	\$0	\$2,500	(\$2,500)
Utilities	0	29,520	(29,520)
Repairs	2,000	23,283	(21,283)

At December 31, 2006, expenditures exceeded appropriations at the legal level of control as follows:

	Appropriations	Expenditures	Variance
Supplies	\$1,000	\$5,195	(\$4,195)
Utilities	0	25,172	(25,172)
Salaries	15,000	17,342	(2,342)

The Treasurer did not require the certification of purchase orders before the District incurred an obligation. The Treasurer's failure to properly certify the availability of funds can result in budgetary overspending.

We recommend the Treasurer require prior certification of a purchase order before the District incurs an obligation. The Treasurer should compare expenditures to available appropriations before certifying a purchase order. The Treasurer should deny requests for payment when appropriations are not available.



**BELMONT PARK DISTRICT  
BELMONT COUNTY**

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

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2007-003**

**Noncompliance Citation**

Ohio Rev. Code Section 145.03(A) states a public employees retirement system is hereby created for the public employees of the state and of several local authorities mentioned in Section 145.01 of the Revised Code. Except as provided in division (B) of this Section, membership in the system is compulsory upon being employed and shall continue as long as public employment continues. Section 145.01(A)(1) defines a "public employee", in part, as any person holding an office, not elective, under the state or any county, township, municipal corporation, or park district.

Ohio Rev. Code Section 145.01(A)(1) defines a "public employee", in part, as any person holding an office, not elective, under the state or any county, township, municipal corporation, or park district.

Ohio Rev. Code Section 1545.07, in part, provides that the board may employ a secretary and such other employees as are necessary in the performance of the powers conferred in such sections. The board may appoint a treasurer to act as custodian of the board's funds and as fiscal officer for the park district.

Ohio Rev. Code Section 145.01(A)(4) states that in all cases of doubt, the public employees retirement board shall determine whether any person is a public employee, and its decision is final.

David Burkett was hired as Treasurer in March 2001 as an independent contractor, but the District withheld federal taxes, social security and Medicare from his pay. We were not provided any evidence that the Treasurer was eventually hired as an employee. In addition, during the course of the audit, the District had a groundskeeper and summer employees that earned less than \$600. The minutes did not indicate if these employees were hired as independent contractors or employees. If they were employees, we were not provided any OPERS forms completed by part-time employees. The District did not pay employee and employer shares into Ohio Public Employees Retirement System (OPERS) during 2006 and 2007 for the Treasurer, if, in fact, he was an employee.

By not having the Treasurer or any employees complete membership forms and pay into the OPERS during 2006 and 2007, the District may be required to contribute both the employee and employer share of retirement for its employees' years of service. The OPERS employer and employee amounts for the Treasurer that could be a liability for the District were \$1,401 and \$1,115, for 2007 and 2006, respectively. The Board hired a new Treasurer in 2008 and the Board pays into OPERS for the Treasurer.

We recommend the Board contact the Ohio Public Employees Retirement System to obtain membership forms and require the Treasurer and any employees to complete the forms to become members. The District should then withhold the required employee contributions from the employees' wages and remit payment of the employee and employer shares of the retirement to the OPERS.

**BELMONT PARK DISTRICT  
BELMONT COUNTY**

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

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2007-004**

**Noncompliance Citation**

Ohio Admin. Code Section 117-2-02(C)(1) states, in part, 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 appropriation balances.

The District cash receipts and disbursements ledgers did not include budgetary accounts. By not including budgetary accounts in the ledgers, the Park District Board does not have an effective system to monitor the budget versus actual receipts and disbursements.

We recommend the Treasurer accurately post estimated revenue and appropriations as approved by the Board of Park Commissioners into the cash receipts and disbursements ledgers. This procedure will help ensure more useful comparisons of budget versus actual activity, as well as provide management with an accurate monitoring tool throughout the year.

**Officials' Response:**

We did not receive a response from the District to the findings reported above.

**BELMONT 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(C), not making any expenditure except by a proper warrant	No	Partially corrected; Reissued in Management Letter.
2005-002	Ohio Rev. Code Section 5705.41(D) not proper encumbering	No	Not corrected; Reissued as Finding Number 2007-001.
2005-003	Ohio Rev. Code Section 9.38, not depositing timely	Yes	Corrected
2005-004	Ohio Rev. Code Section 117-2-02(C)(1), estimated receipts and appropriations are not posted to the ledgers	No	Partially corrected; Reissued as Finding Number 2007-004.
2005-005	Ohio Rev. Code Section 145.03, the Park District did not pay into the Ohio Public Employees Retirement System	No	Partially corrected; Reissued in as Finding Number 2007-003.
2005-006	Ohio Rev. Code Section 5705.41(B), expenditures exceeded appropriations	No	Not corrected; Reissued as Finding Number 2007-002.
2005-007	The District should formally establish procedures regarding the rental of camping spaces.	No	Partially corrected; Reissued in Management Letter.
2005-008	The District should establish a schedule of rental fees for the James Carnes Center building.	No	Partially corrected; Reissued in Management Letter.
2005-009	The District should ensure that all expenditures are supported by complete voucher packages.	No	Partially corrected; Reissued in Management Letter.
2005-010	The Treasurer should reconcile all of its bank balances to the check book balances on a monthly basis.	No	Partially corrected; Reissued in Management Letter.
2005-011	The District's Secretary or Treasurer should ensure the minute record reflects all pertinent data of the Board.	No	Partially corrected; Reissued in Management Letter.





**Mary Taylor, CPA**  
Auditor of State

**BELMONT 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  
JANUARY 13, 2009**