



**RICHLAND TOWNSHIP MEMORIAL PARK DISTRICT
BELMONT COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**RICHLAND TOWNSHIP MEMORIAL PARK DISTRICT
BELMONT COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balance - For the Year Ended December 31, 2000	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balance - For the Year Ended December 31, 1999	4
Notes to the Financial Statement	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	9
Schedule of Findings	11

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REPORT OF INDEPENDENT ACCOUNTANTS

Richland Township Memorial Park District
Belmont County
P.O. Box 513
St. Clairsville, Ohio 43950

To the Board of Park Commissioners:

We have audited the accompanying financial statements of the Richland Township Memorial Park District, Belmont County, Ohio (the Park District), as of and for the years ended December 31, 2000 and 1999. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described Note 1, the Park District prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balance of the Richland Township Memorial Park District, Belmont County, as of December 31, 2000 and 1999, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2001, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Jim Petro
Auditor of State

July 23, 2001

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**RICHLAND TOWNSHIP MEMORIAL PARK DISTRICT
BELMONT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2000**

Cash Receipts:

Intergovernmental Revenues	\$25,526
Distribution from Richland Township	10,000
Charges for Services - Pool	40,449
Charges for Services - Park	1,365
Shelter Rental Fee	14,290
Other Receipts	<u>2,173</u>
 Total Cash Receipts	 <u>93,803</u>

Cash Disbursements:

Salaries and Fringe Benefits	48,362
Materials and Supplies	19,518
Other Expenses	805
Repairs and Maintenance	5,342
Utilities	6,173
Insurance	5,467
Accounting and Auditing Services	3,000
Capital Outlay	800
Miscellaneous	1,312
Debt:	
Payment of Principal	21,366
Payment of Interest and Fiscal Charges	<u>1,579</u>
 Total Cash Disbursements	 <u>113,724</u>

Total Cash Receipts (Under) Cash Disbursements	<u>(19,921)</u>
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Other Financing Receipts:

Proceeds from the Sale of Public Debt:	
Sale of Notes & Line of Credit	<u>22,350</u>

Excess Cash Receipts and Other Financing Receipts Over Cash Disbursements	2,429
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Cash Balance, January 1	<u>2,823</u>
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Cash Balance, December 31	<u><u>\$5,252</u></u>
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The notes to the financial statement are an integral part of this statement.

**RICHLAND TOWNSHIP MEMORIAL PARK DISTRICT
BELMONT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 1999**

Cash Receipts:

Intergovernmental Revenues	\$21,643
Distribution from Richland Township	10,000
Charges for Services - Pool	51,556
Charges for Services - Park	3,567
Shelter Rental Fee	14,661
Other Receipts	<u>1,257</u>
 Total Cash Receipts	 <u>102,684</u>

Cash Disbursements:

Salaries and Fringe Benefits	41,814
Materials and Supplies	20,972
Other Expenses	735
Repairs and Maintenance	7,878
Utilities	6,744
Insurance	4,784
Accounting and Auditing Services	3,000
Capital Outlay	650
Miscellaneous	4,700
Debt:	
Payment of Principal	35,485
Payment of Interest and Fiscal Charges	<u>2,241</u>
 Total Cash Disbursements	 <u>129,003</u>

Total Cash Receipts (Under) Cash Disbursements (26,319)

Other Financing Receipts:

Proceeds from the Sale of Public Debt:	
Sale of Notes	<u>26,094</u>

Total Cash Receipts and Other Financing Receipts Over Cash Disbursements (225)

Cash Balance, January 1 3,048

Cash Balance, December 31 \$2,823

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

**RICHLAND TOWNSHIP MEMORIAL PARK DISTRICT
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Richland Township Memorial Park District, Belmont County (the Park District), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Park District is directed by a three-member Board of Park Commissioners appointed by the probate judge of Belmont County. The Park District provides maintenance and operations of the park.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

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

C. Budgetary Process

The Ohio Revised Code requires the Park District to adopt an annual budget.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the function level of control, and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Park District to reserve (encumber) appropriations when commitments are made. The Park District did not encumber all commitments required by Ohio law.

**RICHLAND TOWNSHIP MEMORIAL PARK DISTRICT
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgetary Process (Continued)

A summary of 2000 and 1999 budgetary activity appears in Note 3.

D. Property, Plant and Equipment

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

2. CASH

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

	<u>2000</u>	<u>1999</u>
Demand deposits	<u>\$5,252</u>	<u>\$2,823</u>

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999, follows:

2000 Budgeted vs. Actual Receipts

<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
<u>\$111,723</u>	<u>\$116,153</u>	<u>\$4,430</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
<u>\$109,000</u>	<u>\$113,724</u>	<u>(\$4,724)</u>

1999 Budgeted vs. Actual Receipts

<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
<u>\$107,047</u>	<u>\$128,778</u>	<u>\$21,731</u>

**RICHLAND TOWNSHIP MEMORIAL PARK DISTRICT
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Appropriation Authority	Budgetary Expenditures	Variance
\$102,730	\$129,003	(\$26,273)

The Park District's expenditures exceeded appropriations at December 31, 2000 and 1999.

The Park District's 2000 and 1999 expenditures were made without properly obtaining the Treasurer's prior certification of available funds.

4. DEBT

Debt outstanding at December 31, 2000, was as follows:

	Principal	Interest Rate
General Obligation Notes	\$13,085	6.80%
Line of Credit	5,515	9.50%
Total	\$18,600	

The Park District issued a general obligation note on March 3, 2000, in the amount of \$16,835, for a term of one year, to refinance debt related to constructing a shelter at the park. Interest and principal payments are due on demand, but if no demand is made, then payment is at maturity to Belmont National Bank.

The Park District obtained a line of credit on September 14, 2000, in the amount of \$10,000, to meet current operating expenses during the fall and winter months when little, if any, operating revenue is generated. As of December 31, 2000, the Park District drew down \$5,515 on this line of credit. Interest and principal payments are due on demand, but if no demand is made, then interest is due each month and principal is due at maturity.

The general obligation notes and the line of credit are collateralized by the taxing authority of the Park District.

5. RETIREMENT SYSTEM

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

**RICHLAND TOWNSHIP MEMORIAL PARK DISTRICT
BELMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2000 AND 1999
(Continued)**

5. RETIREMENT SYSTEM (Continued)

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The Park District contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants' gross salaries. The Park District has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The Park District has obtained commercial insurance for the following risks:

- General liability and casualty
- Building
- Property



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

Richland Township Memorial Park District
Belmont County
P.O. Box 513
St. Clairsville, Ohio 43950

To the Board of Park Commissioners:

We have audited the accompanying financial statements of the Richland Township Memorial Park District, Belmont County, Ohio (the Park District), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated July 23, 2001. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Park District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2000-41007-001 and 2000-41007-002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Park District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Park District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings as item 2000-41007-003.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

Richland Township Memorial Park District
Belmont County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

Jim Petro
Auditor of State

July 23, 2001

**RICHLAND TOWNSHIP MEMORIAL PARK DISTRICT
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999**

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

FINDING NUMBER 2000-41007-001

Ohio Rev. Code Section 5705.41(D) states that no subdivision or taxing unit shall make any contract or order any expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the same has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. Every such contract made without such a certificate shall be null and void and no warrant shall be issued in payment of any amount due thereon. This section also provides two "exceptions" to the above requirements:

1. Then and Now Certificates - If no certificate is furnished as required upon receipt of the fiscal officer's certificate that a sufficient sum was appropriated and free of any previous encumbrances, the Board of Park Commissioners may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid. The "then and now" certification should indicate that monies were available at the time of the purchase and are available now when the certification is made.

2. If the amount involved is less than \$1,000, the fiscal officer may authorize it to be paid without the affirmation of the Board of Park Commissioners.

The Park District's 2000 and 1999 expenditures were not certified by the Park District Treasurer and were not encumbered until the time of payment. The Park District did not utilize the "then and now" certificate option.

We recommend the Park District Treasurer ensure that all expenditures are properly encumbered at the time the obligation is incurred and not at the time the actual payment is made.

FINDING NUMBER 2000-41007-002

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

The 2000 and 1999 expenditures exceeded appropriations in the amount of \$4,724 and \$26,273, respectively. This was the result of audit adjustments for debt service principal retirement not originally reflected on the financial statements.

We recommend the Park District review budget versus actual statements to ensure that expenditures do not exceed appropriations.

**RICHLAND TOWNSHIP MEMORIAL PARK DISTRICT
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999
(Continued)**

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

FINDING NUMBER 2000-41007-003

Reportable Condition

Note proceeds and principal payments should be recorded as receipts and disbursements when general obligation notes mature and are reissued. The Park District is also required to budget for the payment of the principal of general obligation notes and lines of credit and should budget for the receipt of the proceeds of new general obligation notes and lines of credit. The Park District issued several general obligation notes and a line of credit during 2000 and 1999. Note proceeds and principal payments were not recorded on the financial statements nor did the Park District budget for the new general obligation notes and line of credit and principal payments. Audit adjustments were required to be recorded to the Park District's 2000 and 1999 financial statements due to note proceeds and debt service principal payments being understated. The audit adjustments then caused expenditures to exceed appropriations in 2000 and 1999.

We recommend the Park District record note proceeds and principal payments on the financial statements and to budget for the note proceeds and principal payments.



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RICHLAND TOWNSHIP MEMORIAL 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
AUGUST 23, 2001**