



**WARREN PARK DISTRICT
JEFFERSON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 -1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**WARREN PARK DISTRICT
TABLE OF CONTENTS**

| TITLE | PAGE |
|---|-------------|
| Report of Independent Accountants | 1 |
| Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1999 | 3 |
| Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 1998 | 4 |
| Notes to the Financial Statements | 5 |
| Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> | 9 |
| Schedule of Findings | 11 |

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

Voinovich Government Center
242 Federal Plaza West, Suite 302
Youngstown, Ohio 44503

Telephone 330-797-9900
800-443-9271

Facsimile 330-797-9949

REPORT OF INDEPENDENT ACCOUNTANTS

Warren Park District
Jefferson County
220 Adams Lane
Rayland, Ohio 43943

To the Board of Commissioners:

We have audited the accompanying financial statements of Warren Park District, Jefferson County, Ohio, (the District) as of and for the years ended December 31, 1999 and December 31, 1998. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as noted below, we conducted our audit in accordance with generally accepted auditing standards 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.

The District discarded all supporting documentation in regards to pool admissions. As such, we could not satisfy ourselves as to amounts reflected as charges for services beyond those amounts recorded as received.

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

In our opinion, except for the effects if any adjustments required to be made had we been presented with supporting documentation for pool admissions, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Warren Park District as of December 31, 1999 and December 31, 1998, and its combined 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 September 22, 2000 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

Jim Petro
Auditor of State

September 22, 2000

**WARREN PARK DISTRICT
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1999**

| | <u>Governmental Fund Type</u> | | Totals (Memorandum Only) |
|---|-------------------------------|-------------------------|---|
| | <u>General</u> | <u>Debt Service</u> | |
| Cash Receipts: | | | |
| General Property Tax | \$55,102 | \$361 | \$55,463 |
| Investment Income | 2,588 | | 2,588 |
| Fees | 15,373 | | 15,373 |
| Concession Sales | 7,651 | | 7,651 |
| Other Receipts | 582 | | 582 |
| | <hr/> | <hr/> | <hr/> |
| Total Cash Receipts | 81,296 | 361 | 81,657 |
| | <hr/> | <hr/> | <hr/> |
| Cash Disbursements: | | | |
| Current: | | | |
| Salaries - Employees | 33,017 | | 33,017 |
| Supplies | 17,195 | | 17,195 |
| Contracts - Repair | 2,747 | | 2,747 |
| Utilities | 3,442 | | 3,442 |
| Insurance | 2,908 | | 2,908 |
| Auditors and Treasurers Fees | 1,312 | 17 | 1,329 |
| Public Employees Retirement | 4,410 | | 4,410 |
| Workers' Compensation | 2,077 | | 2,077 |
| Unemployment Compensation | 2,640 | | 2,640 |
| Debt: | | | |
| Payment of Principal | | 24,265 | 24,265 |
| Payment of Interest | | 15,455 | 15,455 |
| Other | 2,712 | | 2,712 |
| | <hr/> | <hr/> | <hr/> |
| Total Cash Disbursements | 72,460 | 39,737 | 112,197 |
| | <hr/> | <hr/> | <hr/> |
| Total Receipts Over/(Under) Disbursements | 8,836 | (39,376) | (30,540) |
| | <hr/> | <hr/> | <hr/> |
| Fund Cash Balances, January 1 | 35,064 | 47,763 | 82,827 |
| | <hr/> | <hr/> | <hr/> |
| Fund Cash Balances, December 31 | <u>\$43,900</u> | <u>\$8,387</u> | <u>\$52,287</u> |

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

**WARREN PARK DISTRICT
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 ALL GOVERNMENT FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1998**

| | <u>Governmental Fund Type</u> | | Totals (Memorandum Only) |
|---|-------------------------------|-------------------------|---|
| | <u>General</u> | <u>Debt Service</u> | |
| Cash Receipts: | | | |
| General Property Tax | \$56,050 | \$39,799 | \$95,849 |
| Grants | 7,500 | | 7,500 |
| Investment Income | 1,532 | 745 | 2,277 |
| Fees | 13,749 | | 13,749 |
| Concession Sales | 7,460 | | 7,460 |
| Other Receipts | 2,476 | | 2,476 |
| | <hr/> | <hr/> | <hr/> |
| Total Cash Receipts | 88,767 | 40,544 | 129,311 |
| | <hr/> | <hr/> | <hr/> |
| Cash Disbursements: | | | |
| Current: | | | |
| Salaries - Employees | 30,803 | | 30,803 |
| Supplies | 16,994 | | 16,994 |
| Contracts - Repair | 4,013 | | 4,013 |
| Utilities | 3,637 | | 3,637 |
| Insurance | 3,008 | | 3,008 |
| Auditors and Treasurers Fees | 3,457 | 1,933 | 5,390 |
| Public Employees Retirement | 4,114 | | 4,114 |
| Workers' Compensation | 508 | | 508 |
| Unemployment Compensation | 667 | | 667 |
| Debt: | | | |
| Payment of Principal | | 22,236 | 22,236 |
| Payment of Interest | | 17,484 | 17,484 |
| Other | 1,367 | | 1,367 |
| | <hr/> | <hr/> | <hr/> |
| Total Cash Disbursements | 68,568 | 41,653 | 110,221 |
| | <hr/> | <hr/> | <hr/> |
| Total Receipts Over/(Under) Disbursements | 20,199 | (1,109) | 19,090 |
| | <hr/> | <hr/> | <hr/> |
| Fund Cash Balances, January 1 | 14,865 | 48,872 | 63,737 |
| | <hr/> | <hr/> | <hr/> |
| Fund Cash Balances, December 31 | \$35,064 | \$47,763 | \$82,827 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

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

**WARREN PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Warren Park District, Jefferson County, (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a three-member Board of Commissioners appointed by the probate judge of Jefferson County. The District provides operates a swimming pool and shelter house and provides recreational services to residents.

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

B. Basis of Accounting

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

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

C. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

1. 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.

2. Debt Service Fund

The debt service fund is used to accumulate resources for the payment of note indebtedness:

New Pool Fund - The District uses this fund to make debt payments for the construction of a new pool.

D. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

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

**WARREN PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

E. 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. EQUITY IN POOLED CASH AND INVESTMENTS

The District maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

| | <u>1999</u> | <u>1998</u> |
|-----------------|-----------------|-----------------|
| Demand deposits | <u>\$52,287</u> | <u>\$82,827</u> |

Deposits: Deposits are insured by the Federal Depository Insurance Corporation. , (2) collateralized by securities specifically pledged by the financial institution to the District.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1998 and 1998 follows:

| 1999 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$46,439 | \$81,296 | \$34,857 |
| Debt Service | 0 | 361 | 361 |
| Total | \$46,439 | \$81,657 | \$35,218 |

**WARREN PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

| 1999 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$81,503 | \$72,460 | \$9,043 |
| Debt Service | 47,763 | 39,737 | 8,026 |
| Total | \$129,266 | \$112,197 | \$17,069 |

| 1998 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$43,361 | \$88,767 | \$45,406 |
| Debt Service | 41,544 | 40,544 | (1,000) |
| Total | \$84,905 | \$129,311 | \$44,406 |

| 1998 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|------------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$58,226 | \$68,568 | (\$10,342) |
| Debt Service | 90,416 | 41,653 | 48,763 |
| Total | \$148,642 | \$110,221 | \$38,421 |

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Park Commissioners. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the District.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the District.

**WARREN PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

5. DEBT

Debt outstanding at December 31, 1999:

| | Principal | Interest Rate |
|-------------------------|-----------|------------------|
| General Obligation Note | \$163,356 | 8.75% |
| Total | \$163,356 | |

The Park District issued a General Obligation Note on July 13, 1990, in the amount of \$331,000 at 8.75% for a term of fifteen years to construct a swimming pool. Interest and principal payments are due monthly to Belmont National Bank. The Note is secured by the property of the District.

Amortization of the above debt, including interest, is scheduled as follows:

| Year ending December 31: | General Obligation Note |
|-----------------------------|-------------------------------|
| 2000 | \$39,720 |
| 2001 | 39,720 |
| 2002 | 39,720 |
| 2003 | 39,720 |
| 2004 | 39,720 |
| Subsequent | 12,988 |
| Total | \$211,588 |

6. RETIREMENT SYSTEM

The District's full-time 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.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PERS contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries. The District has paid all contributions required through December 31, 1999.

7. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

Voinovich Government Center
242 Federal Plaza West, 302
Youngstown, Ohio 44503
Telephone 330-797-9900
800-443-9271
Facsimile 330-797-9949

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

Warren Park District
Jefferson County
220 Adams Lane
Rayland, Ohio 43943

To the Board of Commissioners:

We have audited the accompanying financial statements of Warren Park District, Jefferson County, Ohio (the District), as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated September 22, 2000. Our report was qualified for lack of documentation of swimming pool receipts. Except as described in the preceding sentence, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 1999-41241-001. We also noted a certain immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated September 22, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated September 22, 2000.

Warren Park District
Jefferson 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 the management, and 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

September 22, 2000

**WARREN PARK DISTRICT
SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998**

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

FINDING NUMBER 1999-41241-001

Ohio Revised Code §149.351 establishes guidelines against the destruction or damage of records. All records are the property of the public office and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided for under Sections 149.38 to 149.42, Revised Code.

The Clerk/Treasurer did not retain records in accordance with the aforementioned provisions. Supporting documentation for swimming pool receipts had been destroyed and were not presented for audit.

The District should establish a records retention schedule so that all records will be retained to support and document financial activities of the District.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

WARREN PARK DISTRICT

JEFFERSON 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
NOVEMBER 28, 2000**