



Dave Yost • Auditor of State



WARREN PARK DISTRICT  
JEFFERSON COUNTY

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# Dave Yost • Auditor of State

Warren Park District  
Jefferson County  
406 Walden St.  
Tiltonsville, Ohio 43963

To the Board of Commissioners:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial 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.

A handwritten signature in black ink that reads "Dave Yost".

**Dave Yost**  
Auditor of State

March 17, 2011

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Warren Park District  
Jefferson County  
406 Walden St.  
Tiltonville, Ohio 43963

To the Board of Commissioners:

We have audited the accompanying financial statements of Warren Park District, Jefferson County, (the District) as of and for the years ended December 31, 2008 and 2007. 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.

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 these financial statements 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 statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the District's larger (i.e. major) funds separately. 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 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 statements referred to above for the years ended December 31, 2008 and 2007 do 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, 2008 and 2007, or its changes in financial position for the years then ended.

We were unable to obtain sufficient evidence to support the completeness of the pool admissions, concession sales and recreation facility rent receipts comprising 24% of the General Fund operating receipts in 2008 and 27% for 2007, nor were we able to satisfy ourselves by other auditing procedures.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding the operating receipts noted in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the General Fund of the Warren Park District, Jefferson County, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

Also, In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Special Revenue Fund Type of the Warren Park District, Jefferson County, as of December 31, 2008 and 2007, and its combined 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 March 17, 2011, 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.



**Dave Yost**  
Auditor of State

March 17, 2011

WARREN PARK DISTRICT  
JEFFERSON COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

|   | <u>All Fund Types</u>    |                            | <b>Totals<br/>(Memorandum<br/>Only)</b> |
|---|--------------------------|----------------------------|---|
|   | <u>General</u>           | <u>Special<br/>Revenue</u> |   |
| <b>Cash Receipts:</b>                     |                          |                            |   |
| Property and Other Local Taxes            | \$35,834                 | \$47,072                   | \$82,906                                |
| Charges for Services                      | 18,335                   |                            | 18,335                                  |
| Intergovernmental                         | 20,960                   | 16,678                     | 37,638                                  |
| Total Cash Receipts                       | 75,129                   | 63,750                     | 138,879                                 |
| <b>Cash Disbursements:</b>                |                          |                            |   |
| Recreation                                | 105,107                  |                            | 105,107                                 |
| Total Cash Disbursements                  | 105,107                  |                            | 105,107                                 |
| Total Receipts Over/(Under) Disbursements | (29,978)                 | 63,750                     | 33,772                                  |
| Fund Cash Balances, January 1             | 10,509                   | 147,536                    | 158,045                                 |
| <b>Fund Cash Balances, December 31</b>    | <b><u>(\$19,469)</u></b> | <b><u>\$211,286</u></b>    | <b><u>\$191,817</u></b>                 |

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

WARREN PARK DISTRICT  
JEFFERSON COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2007

|   | All Fund Types         |                         | Totals<br>(Memorandum<br>Only) |
|---|------------------------|-------------------------|--------------------------------|
|   | General                | Special<br>Revenue      |                                |
| <b>Cash Receipts:</b>                     |                        |                         |                                |
| Property and Other Local Taxes            | \$29,373               | \$46,978                | \$76,351                       |
| Charges for Services                      | 18,881                 |                         | 18,881                         |
| Intergovernmental                         | 15,961                 | 16,000                  | 31,961                         |
| Miscellaneous                             | 2,916                  |                         | 2,916                          |
| Total Cash Receipts                       | <u>67,131</u>          | <u>62,978</u>           | <u>130,109</u>                 |
| <b>Cash Disbursements:</b>                |                        |                         |                                |
| Recreation                                | <u>69,665</u>          |                         | <u>69,665</u>                  |
| Total Cash Disbursements                  | <u>69,665</u>          |                         | <u>69,665</u>                  |
| Total Receipts Over/(Under) Disbursements | <u>(2,534)</u>         | <u>62,978</u>           | <u>60,444</u>                  |
| Fund Cash Balances, January 1             | <u>13,043</u>          | <u>84,558</u>           | <u>97,601</u>                  |
| <b>Fund Cash Balances, December 31</b>    | <b><u>\$10,509</u></b> | <b><u>\$147,536</u></b> | <b><u>\$158,045</u></b>        |

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

**WARREN PARK DISTRICT  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007**

**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 Warren Park District, Jefferson County, (the District) as a body corporate and politic. The probate judge of Jefferson County appoints a three-member Board of Commissioners to govern the District. The Commissioners are authorized to acquire, develop, protect, maintain, and improve park lands and facilities. The Commissioners may convert acquired land into forest reserves. The Commissioners are also responsible for activities related to conserving natural resources, including streams, lakes, submerged lands, and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of these assets conducive to the general welfare.

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

**B. Accounting Basis**

These financial statements follow 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).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Deposit and Investments**

The District's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

**D. 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 reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Funds:

**WARREN PARK DISTRICT  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*Pool Levy Fund:* The pool levy fund receives the proceeds from a special levy voted upon by taxpayers for the maintenance of the pool.

**E. 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 District 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.

**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 individual commitments are made. The District did not encumber all commitments required by Ohio law.

A summary of 2008 and 2007 budgetary activity appears in Note 3.

**F. 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.

**2. EQUITY IN POOLED DEPOSITS**

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

|                       |                  |                  |
|-----------------------|------------------|------------------|
|                       | <u>2008</u>      | <u>2007</u>      |
| Total demand deposits | <u>\$191,817</u> | <u>\$158,045</u> |

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

**WARREN PARK DISTRICT  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2008 and 2007 follows:

| 2008 Budgeted vs. Actual Receipts |                      |                    |           |
|-----------------------------------|----------------------|--------------------|-----------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance  |
| General                           | \$0                  | \$75,129           | \$75,129  |
| Special Revenue                   | 0                    | 63,750             | 63,750    |
| Total                             | \$0                  | \$138,879          | \$138,879 |

| 2008 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |             |
|---|----------------------------|---------------------------|-------------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance    |
| General   | \$0                        | \$105,107                 | (\$105,107) |
| Special Revenue                                       | 0                          | 0                         | 0           |
| Total   | \$0                        | \$105,107                 | (\$105,107) |

| 2007 Budgeted vs. Actual Receipts |                      |                    |           |
|-----------------------------------|----------------------|--------------------|-----------|
| Fund Type                         | Budgeted<br>Receipts | Actual<br>Receipts | Variance  |
| General                           | \$0                  | \$67,131           | \$67,131  |
| Special Revenue                   | 0                    | 62,978             | 62,978    |
| Total                             | \$0                  | \$130,109          | \$130,109 |

| 2007 Budgeted vs. Actual Budgetary Basis Expenditures |                            |                           |            |
|---|----------------------------|---------------------------|------------|
| Fund Type   | Appropriation<br>Authority | Budgetary<br>Expenditures | Variance   |
| General   | \$0                        | \$69,665                  | (\$69,665) |
| Special Revenue                                       | 0                          | 0                         | 0          |
| Total   | \$0                        | \$69,665                  | (\$69,665) |

Contrary to Ohio Revised Code Section 5705.38, the District failed to adopt appropriations in 2007 and 2008. In addition, contrary to Ohio Revised Code Section 5705.41(B), all expenditures in 2007 (\$69,665) and 2008 (\$105,107) exceeded appropriations

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

**WARREN PARK DISTRICT  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**4. PROPERTY TAX - (Continued)**

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.

**5. RETIREMENT SYSTEMS**

The District's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2008 and 2007, OPERS requires members to contribute 10% and 9.5%, respectively, of their gross salaries and the District to contribute an amount equaling 14% and 13.85% respectively, of participants' gross salaries.

The amounts the District contributed for pension obligations for December 31, 2008 and 2007 could not be determined.

**6. RISK MANAGEMENT**

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

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

The District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. 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 and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2008, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does 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.

**WARREN PARK DISTRICT  
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**6. RISK MANAGEMENT - (Continued)**

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, 2008 and 2007

|             | <u>2008</u>         | <u>2007</u>         |
|-------------|---------------------|---------------------|
| Assets      | \$35,769,535        | \$37,560,071        |
| Liabilities | (15,310,206)        | (17,340,825)        |
| Net Assets  | <u>\$20,459,329</u> | <u>\$20,219,246</u> |

At December 31, 2008 and 2007, respectively, the liabilities above include approximately \$13.8 million and \$15.9 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$12.9 million and \$15.0 million of unpaid claims to be billed to approximately 445 member governments in the future, as of December 31, 2008, and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Government's share of these unpaid claims collectible in future years is approximately \$4,299.

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.

| <b><u>Contributions to PEP</u></b> |         |
|------------------------------------|---------|
| 2007                               | \$4,604 |
| 2008                               | \$4,432 |

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 contribution. Withdrawing members have no other future obligation to PEP. 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 the withdrawal.

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# Dave Yost • Auditor of State

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

Warren Park District  
Jefferson County  
406 Walden St.  
Tiltonsville, Ohio 43963

To the Board of Trustees:

We have audited the financial statements of Warren Park District, (the District) as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated March 17, 2011, wherein we noted the District prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We also qualified our opinion because we were unable to obtain sufficient evidence to support the completeness of the pool admissions, concession sales and recreation facility rent receipts in the General Fund for the years ended December 31, 2008 and 2007. 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider findings 2008-003 and 2008-004 described in the accompanying schedule of findings to be material weaknesses.

### **Compliance and Other Matters**

As part of reasonably assuring whether the 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 2008-001 and 2008-002.

We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated March 17, 2011.

We intend this report solely for the information and use of management, the District Board of Trustees and others within the District. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

March 17, 2011

**WARREN PARK DISTRICT  
JEFFERSON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2008 AND 2007**

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

**FINDING NUMBER 2008-001**

**Finding for Recovery**

**Ohio Revised Code Section 149.351** states that all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law under the rules adopted by the records commission.

Additionally, all expenditures made by a governmental entity are required to serve a proper public purpose. **State ex. Rel. McClure V. Hagerman**, 155 Ohio St. 320 (1951). This determination is to be prospective in nature, is to be made by the legislative authority of the entity, and will be upheld unless found to be arbitrary or unreasonable. See **Ohio Attorney General (OAG) Opinion 82-006, Auditor of State Bulletins 2003-005, 2004-002**.

The District Fiscal Officer, Kevin Spong, issued check number 11895 to himself on April 15, 2008 in the amount of \$350. The description on the check stub indicated that this check was a reimbursement for office supplies; however, no evidence was presented to substantiate the validity of the reimbursement.

In accordance with the forgoing facts and pursuant to Ohio Revised Code Section 117.28, a finding for recovery of public money illegally expended is hereby issued against Kevin Spong, Fiscal Officer and his bonding company, Western Surety Company in the amount of \$350 and in favor of the General Fund of the Warren Park District.

**FINDING NUMBER 2008-002**

**Noncompliance Citation**

**Ohio Revised Code Section 5705.38** requires, in part, that on or about the first day of the fiscal year, an appropriation measure be passed. **Ohio Revised Code Section 5705.41(B)** states that no subdivision or taxing unit is to expend money unless it has been appropriated.

The District did not adopt an appropriation measure for either 2007 or 2008 and expenditures are limited by the appropriations established for each fund; therefore, all expenditures made by the District in 2007 (\$69,665) and 2008 (\$105,107) were not in compliance with the Ohio Revised Code.

Failure to pass an appropriation measure, which serves as a tool by which expenditures can be monitored, could result in overspending. The District should pass an appropriation measure as required so that expenditures can be monitored and compliance with the Ohio Revised Code provisions can be attained. Expenditures should be limited to the Board of Commissioners approved appropriations for each fund.

## FINDING NUMBER 2008-003

### Material Weakness

#### Supporting Documentation/Charges for Services

The District Fiscal Officer did not maintain documentation to support revenues generated by pool admissions, season pass sales, concession sales, and recreation facility rental fees. The Board did not employ the use of pre-numbered tickets, tally sheets, or any other method to account for admissions or concessions sales. Duplicate receipts were not always issued for any payments made to the Board for rental fees.

The inability to obtain sufficient evidence to support the completeness of the pool admissions, season pass sales, concession sales, and recreation facility rental fees consisting of 27% of General Fund operating receipts in 2007 and 24% in 2008, and the inability to satisfy ourselves by other auditing procedures resulted in a qualified opinion on the financial statements.

To adequately support the receipts recorded and reported for pool admissions, season pass sales, concession sales, and recreation facility rental fees, the Board should establish procedures to substantiate the amounts collected. The procedures should include, but not be limited to:

- The use of pre-numbered tickets, tally sheet, or another method that would provide an accurate count of the number of paid admissions.
- Specific procedures by which ticket seller(s) would reconcile the number of tickets sold to cash received.
- The use of tally sheets or daily inventory reconciliations to support concession sales.
- Rental contracts should be executed when a park facility is rented, the contract should indicate the date and hours of use and the applicable fee. The contract could be used as the supporting documentation for the revenue received.
- Daily deposit of the pool admissions, season pass sales, concession sales, and recreation facility rent receipts to the bank by the Fiscal Officer. The deposit record should classify receipts as to type (admissions, concessions sales, rental fees) and be supported by the documentation maintained for that type of receipt for the day.

The District should have an internal control system to reasonably assure that recorded transaction have occurred and are not fictitious, and that all account balances and transactions are included in the financial records. This includes maintain sufficient documentation of all transactions. The District should review the Fall 2007 Auditor of State Best Practices ([http://www.auditor.state.oh.us/publications/Bestpractices/Vol4Issue2 .pdf](http://www.auditor.state.oh.us/publications/Bestpractices/Vol4Issue2.pdf)), which contains information regarding cash handling.

**FINDING NUMBER 2008-004**

**Material Weakness**

**Receipt Coding and Classification**

The District did not correctly code and classify all receipts in 2007 and 2008, resulting in adjustments to the financial statements. The District Fiscal Officer has agreed to and posted the adjustments to the District's accounting records. The corrected amounts are reflected in the accompanying financial statements.

|                              | <b>Account Type</b>       | <b>Amount</b> | <b>Description</b>   |
|------------------------------|---------------------------|---------------|--|
| <b>2007 Adjustment</b>       |                           |               |  |
| General Pool Levy            | Intergovernmental Revenue | \$4,836       | Homestead and rollback receipts were incorrectly posted to General Fund rather than Pool Levy Fund |
| <b>2008 Adjustments</b>      |                           |               |  |
| General Pool Levy            | Intergovernmental Revenue | \$3,460       | Homestead and rollback receipts were incorrectly posted to General Fund rather than Pool Levy Fund |
| General Pool Levy            | Local Taxes               | \$6,756       | Real estate taxes were posted to General Fund rather than Pool Levy Fund                           |
| <b>2008 Reclassification</b> |                           |               |  |
| General                      | Auditor/Treasurer Fees    | \$1,039       | Taxes which were posted at net rather than gross-increase expenditures and revenue.                |
|                              | OPERS                     | \$6,273       |  |
|                              | Local Taxes Revenue       | \$7,312       |  |

Failure to consistently follow a uniform chart of accounts increases the possibility the District will not be able to identify, assemble, analyze, classify, record, and report its transaction correctly or to document compliance with finance-related legal and contractual requirements. The District Fiscal Officer should maintain the accounting system to enable the District to identify, assemble, analyze, classify, record, and report all transactions and to maintain accountability. All transactions should be properly coded and classified according to a chart of accounts to help ensure that financial activity of the District is accurately recorded and reported. In addition, the District should adopt procedures for the review of posting of transactions and subsequent posting to the financial statements.

**Officials' Response:**

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

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**WARREN PARK DISTRICT  
JEFFERSON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2007 AND 2008**

| <b>Finding Number</b> | <b>Finding Summary</b>  | <b>Fully Corrected?</b> | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i><b>Explain</b></i> |
|-----------------------|---|-------------------------|--|
| 2006-001              | ORC 117.28 Finding for Recovery against Fiscal Officer Kevin Spong                        | Yes                     |  |
| 2006-002              | ORC 5705.28, failure to adopt tax budget  | Yes                     |  |
| 2006-003              | ORC 5705.38, failure to adopt appropriations  | No                      | Reissued as Finding 2008-003   |
| 2006-004              | ORC 5705.41(D), failure to encumber   | No longer valid         |  |
| 2006-005              | Material Weakness – Failure to post revenue correctly                                     | No                      | Reissued as Finding 2008-004   |
| 2006-006              | Material Weakness – Failure to provide evidence to support admissions or concession sales | No                      | Reissued as Finding 2008-003   |

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# Dave Yost • Auditor of State

**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  
MAY 17, 2011**