



**HOWLAND TOWNSHIP PARK DISTRICT  
TRUMBULL COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



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**REPORT OF INDEPENDENT ACCOUNTANTS**

Howland Township Park District  
Trumbull County  
P.O. Box 8528  
Warren, Ohio 44484

To the Board of Commissioners:

We have audited the accompanying financial statements of Howland Township Park District, Trumbull County, Ohio, (the Park District) as of and for the years ended December 31, 1999 and December 31, 1998. 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 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.

As discussed in 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 fund cash balances and reserve for encumbrances of the Park District as of December 31, 1999 and December 31, 1998 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 June 28, 2000 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.

This report is intended solely for the information and use of the management, the Board 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.

A handwritten signature in black ink, appearing to read "Jim Petro".

**Jim Petro**  
Auditor of State

June 28, 2000



**HOWLAND TOWNSHIP PARK DISTRICT  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCE - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<b>Governmental Fund Type</b>
	<b>General</b>
<b>Cash Receipts:</b>	
Taxes	\$113,758
Charges for Services	1,868
Intergovernmental Receipts	10,452
Interest	588
Gifts	650
All Other Revenue	1,458
Total Cash Receipts	128,774
<b>Cash Disbursements:</b>	
General Government	22,925
Capital Outlay	5,501
Debt Service	19,809
Contract Services	24,868
Supplies and Materials	38,640
Total Cash Disbursements	111,743
Total Cash Receipts Over Cash Disbursements	17,031
Fund Cash Balance, January 1, 1999	31,188
Fund Cash Balance, December 31, 1999	<b>\$48,219</b>
Reserve for Encumbrances, December 31, 1999	\$190

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

**HOWLAND TOWNSHIP PARK DISTRICT  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCE - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<b>Governmental Fund Type</b>
	<b>General</b>
<b>Cash Receipts:</b>	
Taxes	\$108,524
Charges for Services	2,290
Intergovernmental Receipts	10,129
Interest	558
Gifts	500
All Other Revenue	2,950
Total Cash Receipts	124,951
<b>Cash Disbursements:</b>	
General Government	37,474
Capital Outlay	14,616
Debt Service	20,000
Contract Services	26,336
Supplies and Materials	49,308
Total Cash Disbursements	147,734
Total Cash Receipts (Under) Cash Disbursements	(22,783)
Fund Cash Balance, January 1, 1998	53,971
<b>Fund Cash Balance, December 31, 1998</b>	<b>\$31,188</b>
Reserve for Encumbrances, December 31, 1998	\$4,615

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



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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Howland Township Park District, Trumbull 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 (Ohio Revised Code, Chapter 1545). The Park District is directed by an appointed three-member Board of Commissioners. The Park District provides recreational activities for all citizens. 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. 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 Park District uses fund accounting to segregate cash and investments that are restricted as to use. The Park 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.

**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 Board of Commissioners must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

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

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

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

**3. Encumbrances**

The Ohio Revised Code requires the Park District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

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

**F. Property, Plant and Equipment**

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

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	<u>1999</u>	<u>1998</u>
Demand deposits	<u>\$48,219</u>	<u>\$31,188</u>

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 1999 and December 31, 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	<u>\$127,690</u>	<u>\$128,774</u>	<u>\$1,084</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	<u>\$156,554</u>	<u>\$111,933</u>	<u>\$44,621</u>

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

**3. BUDGETARY ACTIVITY (Continued)**

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	<u>\$122,627</u>	<u>\$124,951</u>	<u>\$2,324</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	<u>\$176,598</u>	<u>\$152,349</u>	<u>\$24,249</u>

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of 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.

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 Park District.

**5. RISK MANAGEMENT**

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

- Commercial Property Coverage
- Commercial General Liability
- Employers Liability
- Contractors Equipment
- Errors and omissions

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

Howland Township Park District  
Trumbull County  
P.O. Box 8528  
Warren, Ohio 44484

To the Board of Commissioners:

We have audited the accompanying financial statements of Howland Township Park District, Trumbull County, Ohio (the Park District), as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated June 28, 2000. 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 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 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a immaterial instance of noncompliance that we have reported to management of the Park District in a separate letter dated June 28, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered 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. 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 Park District in a separate letter dated June 28, 2000.

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

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

June 28, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**HOWLAND TOWNSHIP PARK DISTRICT**  
**TRUMBULL 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 8, 2000**