



Dave Yost • Auditor of State

WARREN REDEVELOPMENT & PLANNING CORPORATION
TRUMBULL COUNTY

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Dave Yost • Auditor of State

Warren Redevelopment & Planning Corporation
Trumbull County
418 Main Ave SW Suite 205
Warren, Ohio 44481-1060

To the Board of Directors:

We have selectively tested certain accounts, financial records, files, and reports of the Warren Redevelopment & Planning Corporation, Trumbull County, Ohio, (the Corporation) as of and for the year ended December 31, 2012, under the authority of Ohio Revised Code Section 117.10 and following Ohio Admin. Code Section 117-4-02. We have also selectively tested certain financial records, files, and reports over Federal compliance for the years ending December 31, 2008 through 2013.

There are reportable findings and conditions as a result of performing these procedures. Our reportable findings and conditions follow the financial presentation. Financial statement related comments are items 2012-001 through 2012-007 and Federal related comments are items 2012-002 through 2012-004 and 2012-007. Our engagement was not designed to result in expressing an opinion on the accompanying financial statements, and we express no opinion on them.

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

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

Dave Yost
Auditor of State
Columbus, Ohio

February 26, 2016

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Warren Redevelopment & Planning Corp.

Balance Sheet

December 31, 2012

ASSETS

Current Assets

Checking Account	\$	13,778.72
Chase - Parking		1,651.05
Chase - WRAP		25.00
Chase - RLF		45,279.12
Payroll account		5,080.22
Accounts Receivable		38,133.34
Note Receivable/WPS		31,587.63
Prepaid lease costs		11,856.00

Total Current Assets		147,391.08
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Property and Equipment

Land - 124 N Park	2,995.74
Land - North River Road	41,112.12
Land- 1534 N. Leavitt	44,060.00
Land - 3850 Parkman	121,800.00
Land 279-295 E Market	79,529.28
Martin Property	101,197.28
Building - 124 N Park	70,377.06
Building - 3850 Parkman	13,200.00
A/D - Building - 124 N Park	(31,323.97)
A/D - Building 3850 Parkmen	(1,380.05)
A/D - Building 2218 E Market	(2,168.41)
A/D-Building-141 W. Market St	(1,177.35)
Equipment	26,191.53
A/D - Equipment	(23,297.12)
Furniture & fixtures	5,418.16
Furniture & fixtures - WBE	10,924.31
A/D - Furniture & fixtures	(5,418.24)

Total Property and Equipment	452,040.34
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Other Assets

2705 L/C Receivable	26,504.75
Note Receivable - Sunshine	7,050.00
Note receivable - Trumbull Mobile meals	10,000.00
Prepaid lease costs	35,095.56

Total Other Assets	78,650.31
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Total Assets	\$	678,081.73
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LIABILITIES AND CAPITAL

Current Liabilities

Accounts Payable	\$	7,266.93
Customer Security Deposits		800.00
Federal Withholding Tax Payabl		536.76
Social Security Tax Payable		647.36
Medicare Withholding Tax Pay		180.52
State withholding taxes payabl		407.43
Employee Insurance		130.48

Unaudited - For Management Purposes Only

Warren Redevelopment & Planning Corp.

Balance Sheet

December 31, 2012

Local withholding taxes payabl	339.90	
Accrued state unemployment tax	89.95	
Accrued workers' compensation	(129.22)	
Accrued real estate taxes	8,376.12	
Accrued wages	2,169.22	
Warren RLF Payments Payable	99,161.36	
Warren Loan Proceeds Payable	(54,784.75)	
Parking proceeds payable	568.30	
N/P City of Warren - Sir Bentl	12,000.00	
	<hr/>	
Total Current Liabilities		77,760.36
Long-Term Liabilities		
N/P 161 W Market - City loan	50,000.00	
N/P 124 N Park - City loan	75,000.00	
N/P Wrap Const/Equip-City Loan	94,483.98	
Campbell Ct. Prop. - City Loan	77,400.00	
North River Road	44,000.00	
N/P 141/147 W. Market St.	56,739.95	
N/P Martin Prop. - City loan	100,000.00	
	<hr/>	
Total Long-Term Liabilities		497,623.93
		<hr/>
Total Liabilities		575,384.29
Capital		
Fund balance - general	(33,253.36)	
Fund balance - 124 N Park	(2,267.65)	
Fund balance - 323 E Market	(310.12)	
Fund balance - 624 Mahoning	(3,636.37)	
Fund balance	48,380.00	
Fund Balance - North River	38,000.00	
Fund Balance - 3850 Parkman Ro	127,824.83	
Fund Balance - 2218 E Market	89,826.92	
Retained Earnings	(167,376.97)	
Fund Balance - North River	(88.98)	
Net Income	5,599.14	
	<hr/>	
Total Capital		102,697.44
		<hr/>
Total Liabilities & Capital	\$	<u>678,081.73</u>

Unaudited - For Management Purposes Only

Warren Redevelopment & Planning Corp.
Income Statement
For the Twelve Months Ending December 31, 2012

	Current Month		Year to Date	
Revenues				
RLF Application Fee	\$ 1,075.00	0.74	\$ 1,075.00	0.74
RLF Loan Fees	875.00	0.60	875.00	0.60
Economic Development Services	95,333.26	65.65	95,333.26	65.65
Design review fees	150.00	0.10	150.00	0.10
Parking Management Fee	15,000.00	10.33	15,000.00	10.33
Rental - 418 Main	6,050.00	4.17	6,050.00	4.17
Rental - 124 N Park	4,000.00	2.75	4,000.00	2.75
Rental - Parkman Rd. Property	6,850.00	4.72	6,850.00	4.72
2705 L/C Interest	1,813.72	1.25	1,813.72	1.25
Donations-First Flight	725.00	0.50	725.00	0.50
RPC Admin. Fees	13,350.00	9.19	13,350.00	9.19
	145,221.98	100.00	145,221.98	100.00
Total Revenues				
Cost of Sales				
	0.00	0.00	0.00	0.00
Total Cost of Sales				
	145,221.98	100.00	145,221.98	100.00
Gross Profit				
Expenses				
Salaries and wages	70,840.32	48.78	70,840.32	48.78
Employee benefits	4,717.90	3.25	4,717.90	3.25
First Flight pay out	662.00	0.46	662.00	0.46
Bank service charges	88.87	0.06	88.87	0.06
Contributions	100.00	0.07	100.00	0.07
Dues and subscriptions	674.00	0.46	674.00	0.46
Utilities	1,873.53	1.29	1,873.53	1.29
Insurance - General	1,000.00	0.69	1,000.00	0.69
Insurance - 124 N Park	502.00	0.35	502.00	0.35
Legal and accounting	3,800.00	2.62	3,800.00	2.62
Meetings and conferences	512.50	0.35	512.50	0.35
WBE - Meeting & Conferences	30.00	0.02	30.00	0.02
Miscellaneous expense	1,020.00	0.70	1,020.00	0.70
WBE - Misc. Expense	775.00	0.53	775.00	0.53
Office expense	8,980.84	6.18	8,980.84	6.18
WBE - Office Expenses	4,108.62	2.83	4,108.62	2.83
WBE - Independent Contractor	21,300.00	14.67	21,300.00	14.67
Postage expense	892.23	0.61	892.23	0.61
WBE - Advertising	540.00	0.37	540.00	0.37
Repairs & Maint. 124 N. Park	575.00	0.40	575.00	0.40
RLF loan management costs	176.00	0.12	176.00	0.12
Taxes - real estate - 124 N. P	1,322.00	0.91	1,322.00	0.91
Taxes - payroll	5,635.17	3.88	5,635.17	3.88
Holding Cost-124 N. Park	999.50	0.69	999.50	0.69
Holding costs - Leeds property	8.00	0.01	8.00	0.01
Holding costs 1534 N Leavitt	303.78	0.21	303.78	0.21
Holding costs - 2705 N River	46.00	0.03	46.00	0.03
Holding costs - Parkman road	3,852.96	2.65	3,852.96	2.65
Holding Costs - Campbell Ct.	1,546.92	1.07	1,546.92	1.07
Holding Cost-Martin Properties	1,277.20	0.88	1,277.20	0.88
Holding Cost-Peninsula Project	1,462.50	1.01	1,462.50	1.01
	139,622.84	96.14	139,622.84	96.14
Total Expenses				

For Management Purposes Only

Warren Redevelopment & Planning Corp.
Income Statement
For the Twelve Months Ending December 31, 2012

	<u>Current Month</u>		<u>Year to Date</u>	
Net Income	\$ 5,599.14	3.86	\$ 5,599.14	3.86

For Management Purposes Only



Dave Yost • Auditor of State

ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

Warren Redevelopment & Planning Corporation
Trumbull County
418 Main Ave SW Suite 205
Warren, Ohio 44481-1060

To the Board of Directors:

We have selectively tested certain accounts, financial records, files, and reports of the Warren Redevelopment & Planning Corporation., Trumbull County, Ohio, (the Organization) as of and for the year ended December 31, 2012, under the authority of Ohio Revised Code Section 117.10 and following Ohio Admin. Code Section 117-4-02. Our engagement was not designed to result in expressing an opinion on the accompanying financial statements, internal control over financial reporting, or compliance. We therefore express no opinion on these matters.

Internal Control Over Financial Reporting

During our procedures related to the internal control over financial reporting we noted matters that, in our judgment, could adversely affect the Organization's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. In addition, these matters could result in the occurrence of misstatements that are caused by error or fraud that would not be detected in a timely manner by employees when performing the assigned functions. These matters are described in the Schedule of Findings as items 2012-001 through 2012-007. These matters will be referred to the City of Warren Council.

Compliance and Other Matters

We tested compliance with certain provisions of laws, regulations, contract, and grant agreements, applicable to the Organization. Noncompliance with these requirements could impact the Organization's ability to determine financial statement amounts. The results of our tests disclosed instances of noncompliance or other matters that are reported in the accompanying Schedule of Findings as items 2012-002 through 2012-004, and 2012-007. These matters will be referred to the Ohio Department of Development.

This report is intended solely for the information and use of management, the Board of Directors and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and are not intended to be and should not be used by anyone 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
Columbus, Ohio

February 26, 2016

**WARREN REDEVELOPMENT AND PLANNING CORP.
TRUMBULL COUNTY**

**SCHEDULE OF FINDINGS
December 31, 2012**

1. Lack of Financial Statements

<i>Finding Number</i>	2012-001
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SFAS No. 117, Financial Statements for Not-for-Profit Organizations, establishes standards for general-purpose external financial statements provided by a not-for-profit organization. Its objective is to enhance the relevance, understandability, and comparability of financial statements issued by those organizations. It requires that those financial statements provide certain basic information that focuses on the entity as a whole and meets the common needs of external users of those statements.

The Statement requires that all not-for-profit organizations provide a statement of financial position, a statement of activities, and a statement of cash flows. It requires reporting amounts for the organization's total assets, liabilities, and net assets in a statement of financial position; reporting the change in an organization's net assets in a statement of activities; and reporting the change in its cash and cash equivalents in a statement of cash flows.

WRAP did not provide complete financial statements and notes to the financial statements for fiscal year 2012, in accordance with SFAS 117. WRAP receives Federal and local monies, and as such, should be accountable and transparent with their financial reporting.

2. Financial Statements Not Agreeing to WRAP's Ledgers

<i>Finding Number</i>	2012-002
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24 CFR §84.21(b) recipients' financial management systems shall provide for the following:

- (2) Records that identify adequately the source and application of funds for federally-sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, income and interest.
- (3) Effective control over and accountability for all funds, property and other assets. Recipients shall adequately safeguard all such assets and assure they are used solely for authorized purposes.
- (7) Accounting records including cost accounting records that are supported by source documentation.

Additionally, Ohio Revised Code Section 1702.15 requires nonprofit corporations to keep correct and complete books and records of account.

The general ledger is an integral component in the financial reporting process and necessary to ensure the following:

- amounts and other data relating to recorded transactions and events have been recorded appropriately.
- assets, liabilities, and equity interests are included in the financial statements at appropriate amounts and any resulting valuation or allocation adjustments are recorded appropriately.
 - financial and other information is disclosed fairly and at appropriate amounts.

**Finding Number 2012-002
 (Continued)**

There were twenty-seven accounts recorded on the financial statements that did not agree to the balances in WRAP's general ledger. Accounts and differences are as follows (financial statement amount less ledger amount):

Accounts Receivable	\$ (1,383)
Notes Receivable / WPS	3,000
Martin Property	(300,000)
A/D - Building 124 N Park	2,991
A/D - Equipment	1,147
A/D - Furniture and Fixtures	1,077
2705 L/C Receivable	62
Prepaid Lease Costs	11,855
Accrued Workers Compensation	(67)
Accrued Real Estate Taxes	(20,950)
Accrued Wages	43
Warren RLF Payments Payable	57,791
Warren Loan Proceeds Payable	(50,570)
N/P 161 W Market - City Loan	(3,077)
N/P Wrap Const/Equip - City Loan	1,209
N/P Martin Property - City Loan	(75,000)
N/P Paul Martin Inc	(225,000)
Parking Management Fee	3,000
Community Services Building Mgt Fee	(3,219)
Salaries and Wages	43
Taxes - payroll	(191)
Holding Cost - 124 N Park	16
Holding Cost - Leeds Property	(5,347)
Holding Cost - 1534 N Leavitt	179
Holding Cost - Parkman Road	96
Holding Cost - Campbell Court	98
Holding Cost - Martin Property	(15,691)

The issues noted above demonstrate a lack of effective control and accountability over federal funds.

3. Bank Reconciliations

<i>Finding Number</i>	2012-003
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24 CFR §84.21(b) recipients' financial management systems shall provide for the following:
 (2) Records that identify adequately the source and application of funds for federally-sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, income and interest.
 (3) Effective control over and accountability for all funds, property and other assets. Recipients shall adequately safeguard all such assets and assure they are used solely for authorized purposes.

**Finding Number 2012-003
(Continued)**

(7) Accounting records including cost accounting records that are supported by source documentation.

The bank reconciliation is an integral component in the financial reporting process and necessary to ensure the following:

- amounts and other data relating to recorded transactions and events have been recorded appropriately.
- assets, liabilities, and equity interests are included in the financial statements at appropriate amounts and any resulting valuation or allocation adjustments are recorded appropriately.
- financial and other information is disclosed fairly and at appropriate amounts.
- transactions and events have been recorded in the correct accounting period.

The following issues were noted during our review of the bank reconciliation:

- Financial statement asset account "Chase - Parking" reported a balance of \$1,651. The bank balance at 12/31/12 was \$6,762. There were no reconciling adjustments on the bank reconciliation to account for the difference.
- Financial statement asset accounts "Chase - RLF" and "Chase WRAP" reported balances of \$45,279 and \$25 respectively. The Chase RLF bank statement balance at December 31, 2012 was \$45,234. WRAP did not provide bank reconciliations for the Chase RLF account. The Chase WRAP amount was for a specific project that had ended and all monies had been spent. The \$25 should have been removed from the financial statements.

The issues noted above over the bank reconciliation demonstrate a lack of effective control and accountability over federal funds.

4. Lack of Support for Notes Receivable Amounts

<i>Finding Number</i>	2012-004
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24 CFR §84.21(b) recipients' financial management systems shall provide for the following:
(2) Records that identify adequately the source and application of funds for federally-sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, income and interest.
(3) Effective control over and accountability for all funds, property and other assets. Recipients shall adequately safeguard all such assets and assure they are used solely for authorized purposes.

(7) Accounting records including cost accounting records that are supported by source documentation

**Finding Number 2012-004
(Continued)**

Proper supporting documentation over notes and interest receivable is an integral component in the financial reporting process and necessary to ensure the following:

- All transactions and events that should have been recorded have been recorded.
- All assets, liabilities, and equity interests that should have been recorded have been recorded.
- All disclosures that should have been included in the financial statements have been included.
- Transactions and events that have been recorded have occurred and pertain to the entity.
- Assets, liabilities, and equity interests exist.
- Disclosed events and transactions have occurred.
- Amounts and other data relating to recorded transactions and events have been recorded appropriately
- Assets, liabilities, and equity interests are included in the financial statements at appropriate amounts and any resulting valuation or allocation adjustments are recorded appropriately.
- Financial and other information is disclosed fairly and at appropriate amounts.
- Transactions and events have been recorded in the correct accounting period.

The following issue was noted during our review of notes receivable:

- WRAP financial statements show "Notes Receivable / WPS" in the amount of \$31,588. The note related to a loan made between WRAP and its subsidiary Warren Parking Systems. WRAP did not provide a promissory note or loan agreement with the subsidiary to support the account balance.

The issues noted above demonstrate a lack of accountability over federal funds. WRAP recorded receivables that were not supported by source documentation.

5. Parking Management Fee Revenue

<i>Finding Number</i>	2012-005
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WRAP collected "Parking Management Fee" revenue in the amount of \$15,000 from Warren Parking Systems (WPS) in 2012.

The fees were related to administrative services provided to WPS. WPS is a for profit subsidiary of WRAP.

There was no agreement in place between WRAP and WPS detailing services or rates.

6. **RPC Administration Fee Revenue**

<i>Finding Number</i>	2012-006
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WRAP collected "RPC Administrative Fee" revenue in the amount of \$13,350 from the Reinvestment Partnership Corporation (RPC) in 2012.

The fees were related to administrative services provided to RPC. RPC is a separate nonprofit organization set up to make adequate and affordable credit to existing and start-up businesses. Anthony Iannucci is the Administrator of RPC.

There was no signed or Board approved agreement provided between WRAP and RPC detailing services or rates.

7. **Lack of Support for Capital Assets**

<i>Finding Number</i>	2012-007
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24 CFR §84.21(b) recipients' financial management systems shall provide for the following:
(2) Records that identify adequately the source and application of funds for federally-sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, income and interest.
(3) Effective control over and accountability for all funds, property and other assets. Recipients shall adequately safeguard all such assets and assure they are used solely for authorized purposes.

(7) Accounting records including cost accounting records that are supported by source documentation

Proper supporting documentation over capital assets is an integral component in the financial reporting process and necessary to ensure the following:

- All transactions and events that should have been recorded have been recorded.
- All assets, liabilities, and equity interests that should have been recorded have been recorded.
- All disclosures that should have been included in the financial statements have been included.
- Transactions and events that have been recorded have occurred and pertain to the entity.
- Assets, liabilities, and equity interests exist.
- Disclosed events and transactions have occurred.
- Amounts and other data relating to recorded transactions and events have been recorded appropriately
- Assets, liabilities, and equity interests are included in the financial statements at appropriate amounts and any resulting valuation or allocation adjustments are recorded appropriately.

**Finding Number 2012-007
(Continued)**

- Financial and other information is disclosed fairly and at appropriate amounts.
- Transactions and events have been recorded in the proper accounts.
- Financial information is appropriately presented and described and information in disclosures is expressed clearly.

The WRAP balance sheet has a net "Property and Equipment" balance of \$452,040. WRAP did not provide a detailed capital asset listing or other applicable documentation to support the account balance.

This is a lack of effective control and accountability over assets.



Dave Yost • Auditor of State

WARREN REDEVELOPMENT AND PLANNING CORPORATION

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
MARCH 31, 2016**