



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

WARREN PARK DISTRICT
JEFFERSON COUNTY

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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 the Warren Park District, Jefferson County (the District) as of and for the years ended December 31, 2001 and 2000. 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 *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 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 combined fund cash balances of the Warren Park District, Jefferson County, as of December 31, 2001 and 2000, 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 May 9, 2002 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, the Board of Park Commissioners and other officials authorized to receive this report under § 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

May 9, 2002

**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, 2001**

	<u>Governmental Fund Type</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Debt Service</u>	
Cash Receipts:			
General Property Tax - Real Estate	\$32,124		\$32,124
Tangible Personal Property Tax	17,230		17,230
Investment Income	399		399
Fees	13,610		13,610
Sales	4,378		4,378
Other Receipts	2,312		2,312
	<u>70,053</u>		<u>70,053</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries - Employees	26,990		26,990
Supplies	12,316		12,316
Contracts - Repair	2,380		2,380
Contracts - Services	8,875		8,875
Advertising and Printing	35		35
Public Employees Retirement	3,657		3,657
Workers' Compensation	1,899		1,899
Debt:			
Payment of Principal		28,851	28,851
Payment of Interest		10,869	10,869
Other	2,631	165	2,796
	<u>58,783</u>	<u>39,885</u>	<u>98,668</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	<u>11,270</u>	<u>(39,885)</u>	<u>(28,615)</u>
Other Financing Receipts/(Disbursements):			
Transfers-In		36,575	36,575
Transfers-Out	(36,575)		(36,575)
	<u>(36,575)</u>	<u>36,575</u>	
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(25,305)	(3,310)	(28,615)
Fund Cash Balances, January 1	<u>30,796</u>	<u>3,310</u>	<u>34,106</u>
Fund Cash Balances, December 31	<u>\$5,491</u>	<u>3,310</u>	<u>\$5,491</u>

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, 2000**

	<u>Governmental Fund Type</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Debt Service</u>	
Cash Receipts:			
General Property Tax - Real Estate	\$32,942		\$32,942
Tangible Personal Property Tax	27,730		27,730
Investment Income	1,335		1,335
Fees	15,634		15,634
Sales	5,930		5,930
Other Receipts	517		517
	<hr/>		<hr/>
Total Cash Receipts	84,088		84,088
Cash Disbursements:			
Current:			
Salaries - Employees	28,131		28,131
Supplies	13,804		13,804
Contracts - Repair	2,163		2,163
Contracts - Services	8,376		8,376
Advertising and Printing	33		33
Public Employees Retirement	2,988		2,988
Workers' Compensation	540		540
Debt:			
Payment of Principal		26,418	26,418
Payment of Interest		13,301	13,301
Other	6,405	110	6,515
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	62,440	39,829	102,269
Total Receipts Over/(Under) Disbursements	21,648	(39,829)	(18,181)
Other Financing Receipts/(Disbursements):			
Transfers-In		34,752	34,752
Transfers-Out	(34,752)		(34,752)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(34,752)	34,752	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(13,104)	(5,077)	(18,181)
Fund Cash Balances, January 1	43,900	8,387	52,287
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	\$30,796	\$3,310	\$34,106

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, 2000 AND 2001**

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 operates a swimming pool and shelter house and provides recreations 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 Funds

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

New Pool Fund - This fund is used to accumulate resources to pay general obligation notes, which had been issued to build 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 level of control, and appropriations may not exceed estimated resources. Appropriation Authority includes current year appropriations plus encumbrances

**WARREN PARK DISTRICT
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)

carried over from the prior year (if any). The Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end. The District did not establish appropriations for 2000 or 2001.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. The District did not use the encumbrance method of accounting.

A summary of 2001 and 2000 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 pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 was as follows:

	2001	2000
Demand deposits	\$5,491	\$34,106
Total deposits	\$5,491	\$34,106

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$70,053	(\$70,053)
)Debt Service	0	36,575	(36,575)
Total	\$0	\$106,628	(\$106,628)

**WARREN PARK DISTRICT
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 2001
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$95,358	(\$95,358)
Debt Service	0	39,885	(39,885)
Total	\$0	\$135,243	(\$135,243)

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$84,088	(\$84,088)
Debt Service	0	34,752	(34,752)
Total	\$0	\$118,840	(\$118,840)

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$97,192	(\$97,192)
Debt Service	0	39,829	(39,829)
Total	\$0	\$137,021	(\$137,021)

Contrary to Ohio Revised Code § 5705.38, the District did not pass an appropriation measure for 2000 or 2001. As all expenditures of the District were in excess of the appropriations, Ohio Revised Code § 5705.41 (B) is cited. Also, the District did not certify total amount available for expenditure or obtain a certificate of estimated resources for either fiscal year of the audit period, which is in violation of Ohio Revised Code § 5705.36.

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.

**WARREN PARK DISTRICT
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 2001
(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. DEBT

Debt outstanding at December 31, 2001 was as follows:

	Principal	Interest Rate
New Pool Loan	108,087	8.75%
Total	\$108,087	

The 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 tax revenue of the District.

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

Year ending December 31:	General Obligation Bonds
2002	\$39,720
2003	39,720
2004	39,720
2005	9,923
Total	\$129,083

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 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The District has paid all contributions required through December 31, 2001.

**WARREN PARK DISTRICT
JEFFERSON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 2001
(Continued)**

7. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

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**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 (the District) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 9, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2001-41241-001, 2001-41241-002, and 2001-41241-003.

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 May 9, 2002.

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

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

Jim Petro
Auditor of State

May 9, 2002

**WARREN PARK DISTRICT
JEFFERSON COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2001-41241-001

Ohio Revised Code § 5705.36 states in part that on or about the first day of each fiscal year, the fiscal officer of each subdivision and other taxing unit shall certify to the county auditor the total amount from all sources available for expenditures from each fund set up in tax budget. The amount certified shall include an unencumbered balances that existed at the end of preceding year.

The Clerk did not file a certificate showing the total amount from all sources available for expenditures and the balances existing at the end of the year with the county auditor. Failure to file the certificate could result in appropriations exceeding the amounts of available resources. The Clerk should use a calendar with all applicable budgetary dates as a reminder to file required documents with the county auditor.

FINDING NUMBER 2001-41241-002

Ohio Revised Code § 5705.38 requires that on or about the first day of each fiscal year, an appropriation measure be passed. If the taxing authority wants to postpone the passage of the annual appropriation measure until an amended certificate is received from the county budget commission based on the actual year end balances, it may pass a temporary appropriation measure for meeting the ordinary expenses until April 1.

The District did not pass an appropriation measure for 2000 or 2001, therefore, none of the expenditures made by District during fiscal 2000 and 2001 were properly appropriated. The Clerk should use a calendar with all applicable budgetary dates as a reminder to prepare required documents.

FINDING NUMBER 2001-41241-003

Ohio Revised Code § 5705.41 (B) states that no subdivision or taxing unit is to expend money unless it has been appropriated.

The District did not pass an annual appropriations measure for 2000 or 2001. Therefore, all expenditures made by the District during both years exceeded appropriations.

The District should pass all necessary budgetary measures and monitor such measure to assure compliance with budgetary requirements.

WARREN PARK DISTRICT
JEFFERSON COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 1999 AND 1998

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1999-41241-001	Ohio Revised Code § 149.351 - the District did not maintain records relating to swimming pool receipts.	Yes	



STATE OF OHIO
OFFICE OF THE AUDITOR

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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
JUNE 18, 2002**