



**FREDERICKTOWN RECREATION DISTRICT  
KNOX COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**



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

---

**STATE OF OHIO**



**FREDERICKTOWN RECREATION DISTRICT  
KNOX COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balance - For the Year Ended December 31, 2000 .....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balance - For the Year Ended December 31, 1999 .....	4
Notes to the Financial Statements .....	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	9

**This Page Intentionally Left Blank**



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

35 North Fourth Street  
Second Floor  
Columbus, Ohio 43215  
Telephone 614-466-3402  
800-443-9275  
Facsimile 614-728-7199  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

Fredericktown Recreation District  
Knox County  
182 South Main Street  
P.O. Box 86  
Fredericktown, Ohio 43019

To the Board of Directors:

We have audited the accompanying financial statements of the Fredericktown Recreation District, Knox County, Ohio, (the District) as of and for the years ended December 31, 2000 and December 31, 1999. 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 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 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 cash balance and reserves for encumbrances of the District as of December 31, 2000 and December 31, 1999, 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 1, 2001 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 Directors and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**JIM PETRO**  
Auditor of State

June 1, 2001

**FREDERICKTOWN RECREATION DISTRICT  
KNOX COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2000**

<b>Cash Receipts:</b>	
Local Taxes	\$115,347
Intergovernmental	22,537
Charges for Services	15,614
Interest	620
Miscellaneous	<u>3,210</u>
Total Cash Receipts	<u>157,328</u>
<b>Cash Disbursements:</b>	
General Government	54,238
Parks and recreation	84,857
Capital Outlay	<u>19,657</u>
Total Cash Disbursements	<u>158,752</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(1,424)</u>
Cash Balance, January 1, 2000	<u>49,417</u>
<b>Cash Balance, December 31, 2000</b>	<b><u><u>\$47,993</u></u></b>
Reserve for Encumbrances, December 31, 2000	<u><u>\$256</u></u>

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

**FREDERICKTOWN RECREATION DISTRICT  
KNOX COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 1999**

<b>Cash Receipts:</b>	
Local Taxes	\$112,097
Intergovernmental	22,450
Charges for Services	11,553
Interest	733
Miscellaneous	<u>1,358</u>
Total Cash Receipts	<u>148,191</u>
<b>Cash Disbursements:</b>	
General Government	59,986
Parks and Recreation	66,565
Capital Outlay	<u>14,053</u>
Total Cash Disbursements	<u>140,604</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>7,587</u>
Cash Balance, January 1, 1999	<u>41,830</u>
<b>Cash Balance, December 31, 1999</b>	<b><u><u>\$49,417</u></u></b>
Reserve for Encumbrances, December 31, 1999	<u><u>\$4,689</u></u>

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



**FREDERICKTOWN RECREATION DISTRICT  
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Fredericktown Recreation District, Knox 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 purpose of the District is to consolidate recreational facilities, equipment, and programs for increased efficiency. The District is jointly governed by the Village of Fredericktown, Berlin Township, Middlebury Township, Morris Township, Pike Township, and Wayne Township. Each Township appoints one member of the Board and the Village of Fredericktown appoints two, for a total of seven board members. The District provides general governmental services, including park operations.

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. Budgetary Process**

The Ohio Revised Code requires that the District budget annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations, and appropriations may not exceed estimated resources. The Board of Directors 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.

**FREDERICKTOWN RECREATION DISTRICT  
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

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

**D. Budgetary Process (Continued)**

**3. Encumbrances**

The Ohio Revised Code requires the 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 2000 and 1999 budgetary activity appears in Note 3.

**E. 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 CASH**

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$47,993	\$49,417

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2000 and December 31, 1999 follows:

**2000 Budgeted vs. Actual Receipts**

	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
	\$149,300	\$157,328	\$8,028

**2000 Budgeted vs. Actual Budgetary Basis Expenditures**

	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
	\$169,750	\$159,008	\$10,742

**FREDERICKTOWN RECREATION DISTRICT  
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

**1999 Budgeted vs. Actual Receipts**

	Budgeted Receipts	Actual Receipts	Variance
	<u>\$166,500</u>	<u>\$148,191</u>	<u>(\$18,309)</u>

**1999 Budgeted vs. Actual Budgetary Basis Expenditures**

	Appropriation Authority	Budgetary Expenditures	Variance
	<u>\$168,950</u>	<u>\$145,293</u>	<u>\$23,657</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 Directors. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the District. Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**5. RETIREMENT SYSTEMS**

All full-time and seasonal employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS are cost-sharing, multiple-employer plans. These plans provide 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 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. In 1999, the District contributed an amount equal to 13.55% of participants' gross salaries. In 2000, the average employers contribution rate was 10.84% of participants' gross salaries. The Township has paid all contributions required through December 31, 2000.

**FREDERICKTOWN RECREATION DISTRICT  
KNOX COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**6. RISK MANAGEMENT**

The District has obtained commercial insurance for the following risks:

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



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street  
Second Floor  
Columbus, Ohio 43215

Telephone 614-466-3402  
800-443-9275

Facsimile 614-728-7199  
www.auditor.state.oh.us

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

Fredericktown Recreation District  
Knox County  
182 South Main Street  
P.O. Box 86  
Fredericktown, Ohio 43019

To the Board of Directors:

We have audited the accompanying financial statements of the Fredericktown Recreation District, Knox County, Ohio (the District), as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated June 1, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered 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.

Fredericktown Recreation District  
Knox County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

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

**JIM PETRO**  
Auditor of State

June 1, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

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

**FREDERICKTOWN RECREATION DISTRICT**

**KNOX 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 21, 2001**