



**Auditor of State
Betty Montgomery**

**NATIONAL TRAIL PARKS AND RECREATION DISTRICT
CLARK COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2003	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Proprietary Fund Type – For the Year Ended December 31, 2003	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2002	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Proprietary Fund Type – For the Year Ended December 31, 2002	6
Notes to the Financial Statements	7
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	13

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

National Trail Parks and Recreation District
Clark County
76 East High Street
Springfield, Ohio 45502

To the Board of Trustees:

We have audited the accompanying financial statements of the National Trail Parks and Recreation District, Clark County, (the District), as of and for the years ended December 31, 2003 and 2002. 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 and reserves for encumbrances of the District as of December 31, 2003 and 2002, 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 September 15, 2004, 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.

National Trail Parks and Recreation District
Clark County
Independent Accountants' Report
Page 2

This report is intended solely for the information and use of management, Board of Trustees, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

September 15, 2004

**NATIONAL TRAIL PARKS AND RECREATION DISTRICT
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Type</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Intergovernmental	\$2,065,669		\$1,300,000	\$3,365,669
Charges for Services	109,750			109,750
Investment Income	1		32,894	32,895
Gifts and Donations	7,797	\$15,150	1,021,063	1,044,010
Fees	331,358			331,358
Rental Income	22,462			22,462
Other Receipts	39,583	33,183	16,940	89,706
	<u>2,576,620</u>	<u>48,333</u>	<u>2,370,897</u>	<u>4,995,850</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Salaries - Employees	1,657,333			1,657,333
Supplies and Materials	301,900	1,441	1,550,351	1,853,692
Contracts - Services	246,888	13,900	144,704	405,492
Miscellaneous Fees	93,990			93,990
Travel and Training	11,006			11,006
Public Employees Retirement	194,013			194,013
	<u>2,505,130</u>	<u>15,341</u>	<u>1,695,055</u>	<u>4,215,526</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>71,490</u>	<u>32,992</u>	<u>675,842</u>	<u>780,324</u>
Other Financing Receipts/(Disbursements):				
Refunds	4,556			4,556
Reimbursements	(13,811)		(6,912)	(20,723)
	<u>(9,255)</u>		<u>(6,912)</u>	<u>(16,167)</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	62,235	32,992	668,930	764,157
Fund Cash Balances, January 1	<u>26,706</u>	<u>2,134</u>	<u>822,383</u>	<u>851,223</u>
Fund Cash Balances, December 31	<u>\$88,941</u>	<u>\$35,126</u>	<u>\$1,491,313</u>	<u>\$1,615,380</u>
Reserves for Encumbrances, December 31	<u>\$30,076</u>	<u>\$0</u>	<u>\$947,894</u>	<u>\$977,970</u>

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

**NATIONAL TRAIL PARKS AND RECREATION DISTRICT
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCE
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Proprietary Fund Type</u>
	<u>Enterprise</u>
Operating Cash Receipts:	
Charges for Services	\$1,567,490
Investment Income	7
Miscellaneous	7,819
	<u>1,575,316</u>
Total Operating Cash Receipts	<u>1,575,316</u>
Operating Cash Disbursements:	
Salaries	1,096,771
County and State Fees	39,159
Public Employees' Retirement	133,105
Contract - services	223,174
Supplies and Materials	558,280
Equipment	3,534
Travel and Training	4,049
Reimbursement	21,480
Other Expenses	14,006
	<u>2,093,558</u>
Total Operating Cash Disbursements	<u>2,093,558</u>
Excess of Operating Receipts Over/(Under) Operating Disbursements	<u>(518,242)</u>
Non-Operating Cash Receipts:	
Intergovernmental Revenues	544,250
	<u>544,250</u>
Total Non-Operating Cash Receipts	<u>544,250</u>
Non-Operating Cash Disbursements:	
Debt Service	8,923
	<u>8,923</u>
Total Non-Operating Cash Disbursements	<u>8,923</u>
Net Receipts Over/(Under) Disbursements	17,085
Fund Cash Balances, January 1	<u>20,430</u>
Fund Cash Balances, December 31	<u><u>\$37,515</u></u>
Reserves for Encumbrances, December 31	<u><u>\$26,536</u></u>

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

**NATIONAL TRAIL PARKS AND RECREATION DISTRICT
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Type</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Intergovernmental Revenue	\$1,632,943		\$6,762	\$1,639,705
Charges for Services	107,535			107,535
Investment Income	1,319		9,449	10,768
Gifts and Donations	3,504	\$14,250	640,730	658,484
Fees	382,975			382,975
Rental Income	19,240			19,240
Other Receipts	46,698		2,248	48,946
	<u>2,194,214</u>	<u>14,250</u>	<u>659,189</u>	<u>2,867,653</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Salaries - Employees	1,568,028			1,568,028
Supplies and Materials	300,224	516	164,568	465,308
Equipment	5,562			5,562
Contracts - Services	231,021	15,081	120,640	366,742
Miscellaneous Fees	107,059			107,059
Travel and Training	17,816			17,816
Public Employees Retirement	191,082			191,082
	<u>2,420,792</u>	<u>15,597</u>	<u>285,208</u>	<u>2,721,597</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>(226,578)</u>	<u>(1,347)</u>	<u>373,981</u>	<u>146,056</u>
Other Financing Receipts/(Disbursements):				
Refunds	2,694			2,694
Reimbursements	(25,000)			(25,000)
	<u>(22,306)</u>			<u>(22,306)</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(248,884)	(1,347)	373,981	123,750
Fund Cash Balances, January 1	<u>275,590</u>	<u>3,481</u>	<u>448,402</u>	<u>727,473</u>
Fund Cash Balances, December 31	<u>\$26,706</u>	<u>\$2,134</u>	<u>\$822,383</u>	<u>\$851,223</u>
Reserves for Encumbrances, December 31	<u>\$19,865</u>	<u>\$0</u>	<u>\$58,877</u>	<u>\$78,742</u>

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

**NATIONAL TRAIL PARKS AND RECREATION DISTRICT
CLARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCE
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2002**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$1,677,004
Investment Income	852
Miscellaneous	9,758
Total Operating Cash Receipts	1,687,614
Operating Cash Disbursements:	
Salaries	1,070,741
County and State Fees	36,295
Public Employees' Retirement	131,925
Contracts - Services	263,844
Supplies and Materials	632,023
Equipment	1,363
Travel and Training	10,259
Other Expenses	17,583
Total Operating Cash Disbursements	2,164,033
Excess of Operating Receipts Over/(Under) Operating Disbursements	(476,419)
Non-Operating Cash Receipts:	
Intergovernmental Revenues	550,230
Other Non-Operating Revenues	10
Total Non-Operating Cash Receipts	550,240
Non-Operating Cash Disbursements:	
Debt Service	165,825
Total Non-Operating Cash Disbursements	165,825
Net Receipts Over/(Under) Disbursements	(92,004)
Fund Cash Balances, January 1	112,434
Fund Cash Balances, December 31	\$20,430
Reserves for Encumbrances, December 31	\$13,657

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

**NATIONAL TRAIL PARKS AND RECREATION DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The National Trail Parks and Recreation District, Clark 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 seven-member Board of Trustees, two are appointed by the City of Springfield, two by the Clark County Board of County Commissioners, two by the Clark County Park District, and the seventh member to be selected by the first six. The District will equip, operate and maintain parks, playgrounds, swimming pools, recreation centers, bikeways, golf courses, tennis facilities, and other related activities and facilities within the County, owned or managed by the Board of County Commissioners of Clark County, Ohio, Clark County Park District, and the City of Springfield, Ohio.

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. Cash and Investments

As permitted by the Ohio Revised Code, the City of Springfield Treasurer holds the District's cash as custodian for the District. The District's assets are held in the City's cash and investment pool and are valued at the Treasurer's reported carrying amount.

Money market mutual funds (including STAR Ohio) are recorded at share values reported by the mutual fund.

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 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. Special Revenue Funds

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

**NATIONAL TRAIL PARKS AND RECREATION DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Sandlot Baseball Fund - This fund receives money from gifts and donations for the purpose of supporting the summer baseball program.

Fireworks Trust Fund - This fund receives money from gifts and donations for the payment of firework displays.

Contractor Retainer Fund – This fund holds a percentage of progress payments on construction contracts to ensure completion of projects in accordance with the contracts. Amounts retained are disbursed to the contractor upon satisfactory completion of the project.

3. Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The District had the following significant Capital Project Fund:

Capital Fund – This fund received money from intergovernmental contributions from Clark County and from gifts and donations. The proceeds are used for various park and pool improvements.

4. Enterprise Funds

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The District had the following significant Enterprise Fund:

Golf Fund - This fund is used to account for charges for services to provide a golf course for the general public.

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 or function level of control, and appropriations may not exceed estimated resources. Appropriation Authority includes current year appropriations plus encumbrances carried over from the prior year (if any). The Board must annually approve appropriation measures and subsequent amendments. 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.

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. A summary of 2003 and 2002 budgetary activity appears in Note 2.

**NATIONAL TRAIL PARKS AND RECREATION DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. 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.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the basis of accounting the District uses.

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 follows:

2003 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$3,094,850	\$2,581,176	(\$513,674)
Special Revenue	205,000	48,333	(156,667)
Capital Projects	5,700,000	2,370,897	(3,329,103)
Enterprise	2,690,000	2,119,566	(570,434)
Total	<u>\$11,689,850</u>	<u>\$7,119,972</u>	<u>(\$4,569,878)</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$2,723,765	\$2,549,017	\$174,748
Special Revenue	230,000	15,341	214,659
Capital Projects	5,988,402	2,649,861	3,338,541
Enterprise	2,521,422	2,129,017	392,405
Total	<u>\$11,463,589</u>	<u>\$7,343,236</u>	<u>\$4,120,353</u>

2002 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$3,140,532	\$2,196,908	(\$943,624)
Special Revenue	130,000	14,250	(115,750)
Capital Projects	1,200,000	659,189	(540,811)
Enterprise	2,652,650	2,237,854	(414,796)
Total	<u>\$7,123,182</u>	<u>\$5,108,201</u>	<u>(\$2,014,981)</u>

**NATIONAL TRAIL PARKS AND RECREATION DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

2. BUDGETARY ACTIVITY (Continued)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,994,796	\$2,465,657	\$529,139
Special Revenue	30,000	15,597	14,403
Capital Projects	1,239,360	344,085	895,275
Enterprise	2,696,308	2,343,515	352,793
Total	\$6,960,464	\$5,168,854	\$1,791,610

3. DEBT

Debt outstanding at December 31, 2003 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$155,000	5.90%

The City of Springfield issued bonds on August 1, 1994, in the amount of \$1,250,000 for a term of ten years for the purpose of improving the municipal golf courses by installing irrigation systems and all necessary appurtenances. The interest is a general obligation of the District. The City of Springfield is responsible for the principal amount of the note. Interest payments are due annually to the City of Springfield, who then pays Huntington Trust Company.

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

Year Ending December 31	General Obligation Bonds
2004	\$164,145

4. 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. PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries. The District has paid all contributions required through December 31, 2003.

**NATIONAL TRAIL PARKS AND RECREATION DISTRICT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

5. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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

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**Auditor of State
Betty Montgomery**

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

National Trail Parks and Recreation District
Clark County
76 East High Street
Springfield, Ohio 45502

To the Board of Trustees:

We have audited the accompanying financial statements of the National Trail Parks and Recreation District, Clark County, (the District), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated September 15, 2004. 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 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 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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated September 15, 2004.

National Trail Parks and Recreation District
Clark County
Independent Accountants' Report 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 Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

September 15, 2004



**Auditor of State
Betty Montgomery**

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800-282-0370

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**NATIONAL TRAIL PARKS AND RECREATION DISTRICT
CLARK 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
NOVEMBER 23, 2004**