



**SYLVANIA AREA JOINT RECREATION DISTRICT  
LUCAS COUNTY**

**REGULAR AUDIT**

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



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

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**STATE OF OHIO**



**SYLVANIA AREA JOINT RECREATION DISTRICT  
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## REPORT OF INDEPENDENT ACCOUNTANTS

Sylvania Area Joint Recreation District  
Lucas County  
7060 Sylvania Avenue  
Sylvania, Ohio 43560-3528

To the Board of Trustees:

We have audited the accompanying financial statements of Sylvania Area Joint Recreation District, Lucas County, Ohio, (the District) as of and for the years ended December 1999 and 1998. 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 audits 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 audits 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 audits provide 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 1999 and 1998, 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 August 3, 2000 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.

This report is intended solely for the information and use of the audit committee, management, the 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, appearing to read "Jim Petro", written in a cursive style.

**Jim Petro**  
Auditor of State

August 3, 2000

**SYLVANIA AREA JOINT RECREATION DISTRICT  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Type</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$622,663	\$356,139		\$978,802
Intergovernmental	73,702	42,434		116,136
Investment Income	25,054			25,054
Other Receipts	1,147			1,147
	<u>722,566</u>	<u>398,573</u>		<u>1,121,139</u>
<b>Total Cash Receipts</b>				
	<u>722,566</u>	<u>398,573</u>		<u>1,121,139</u>
<b>Cash Disbursements:</b>				
Current:				
General and Administrative	129,541			129,541
Facilities and Maintenance	475,686			475,686
Programs	105,200			105,200
Leases	163,203			163,203
Debt:				
Payment of Principal		150,000		150,000
Payment of Interest		268,681		268,681
Capital Outlay	156,572		\$15,085	171,657
	<u>1,030,202</u>	<u>418,681</u>	<u>15,085</u>	<u>1,463,968</u>
<b>Total Cash Disbursements</b>				
	<u>1,030,202</u>	<u>418,681</u>	<u>15,085</u>	<u>1,463,968</u>
<b>Total Disbursements Over Receipts</b>	<u>(307,636)</u>	<u>(20,108)</u>	<u>(15,085)</u>	<u>(342,829)</u>
<b>Other Financing Receipts:</b>				
Other Sources	161,967			161,967
	<u>161,967</u>			<u>161,967</u>
<b>Total Other Financing Receipts</b>				
	<u>161,967</u>			<u>161,967</u>
<b>Excess of Disbursements Over Cash Receipts and Other Financing Receipts</b>	<u>(145,669)</u>	<u>(20,108)</u>	<u>(15,085)</u>	<u>(180,862)</u>
<b>Fund Cash Balances, January 1</b>	<u>326,817</u>	<u>133,382</u>	<u>15,085</u>	<u>475,284</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$181,148</b></u>	<u><b>\$113,274</b></u>		<u><b>\$294,422</b></u>
<b>Reserves for Encumbrances, December 31</b>				

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

**SYLVANIA AREA JOINT RECREATION DISTRICT  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Type</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$558,389	\$449,571		\$1,007,960
Intergovernmental	66,592	53,998		120,590
Investment Income	37,225			37,225
Other Receipts	1,917			1,917
	<u>664,123</u>	<u>503,569</u>		<u>1,167,692</u>
<b>Total Cash Receipts</b>				
	<u>664,123</u>	<u>503,569</u>		<u>1,167,692</u>
<b>Cash Disbursements:</b>				
Current:				
General and Administrative	119,312			119,312
Facilities and Maintenance	427,583			427,583
Programs	109,800			109,800
Leases	161,037			161,037
Debt:				
Payment of Principal		140,000		140,000
Payment of Interest		278,904		278,904
Capital Outlay	215,104		\$411,475	626,579
	<u>1,032,836</u>	<u>418,904</u>	<u>411,475</u>	<u>1,863,215</u>
<b>Total Cash Disbursements</b>				
	<u>1,032,836</u>	<u>418,904</u>	<u>411,475</u>	<u>1,863,215</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>(368,713)</u>	<u>84,665</u>	<u>(411,475)</u>	<u>(695,523)</u>
<b>Other Financing Receipts:</b>				
Other Sources	193,650			193,650
	<u>193,650</u>			<u>193,650</u>
<b>Total Other Financing Receipts</b>				
	<u>193,650</u>			<u>193,650</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements</b>	<u>(175,063)</u>	<u>84,665</u>	<u>(411,475)</u>	<u>(501,873)</u>
<b>Fund Cash Balances, January 1</b>	<u>501,880</u>	<u>48,717</u>	<u>426,560</u>	<u>977,157</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$326,817</u></u>	<u><u>\$133,382</u></u>	<u><u>\$15,085</u></u>	<u><u>\$475,284</u></u>
<b>Reserves for Encumbrances, December 31</b>	<u><u>\$139</u></u>		<u><u>\$15,085</u></u>	<u><u>\$15,224</u></u>

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

**SYLVANIA AREA JOINT RECREATION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Sylvania Area Joint Recreation District, Lucas 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 twelve-member Board of Trustees, four of whom are appointed by the legislative authorities of the City of Sylvania, the Sylvania Township, and the Sylvania City School District. Contracted fiscal officer and the Sylvania Recreation Corporation are responsible for the fiscal control of the resources of the District which are maintained in the funds described below. Services provided by the District include equipping and operating recreation facilities and grounds within the City of Sylvania and the Sylvania Township.

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**

The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

**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. Debt Service Fund**

The Debt Service Fund is used to accumulate resources for the payment of Recreation Facility Improvement bonds.

**SYLVANIA AREA JOINT RECREATION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**3. Capital Project Fund**

The Permanent Improvement Fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects. This fund received proceeds of general obligation bonds. The proceeds are being used for improvements at Pacesetter Park.

**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 level of control, and appropriations may not exceed estimated resources. The Board 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.

**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 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 District maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$128,372	\$74,086
STAR Ohio	<u>166,050</u>	<u>401,198</u>
Total deposits and investments	<u><u>\$294,422</u></u>	<u><u>\$475,284</u></u>

**SYLVANIA AREA JOINT RECREATION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

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

**Investments:** Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**3. BUDGETARY ACTIVITY**

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

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$877,510	\$884,533	\$7,023
Debt Service	394,400	398,573	4,173
Capital Projects			
Total	<u>\$1,271,910</u>	<u>\$1,283,106</u>	<u>\$11,196</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,204,327	\$1,030,202	\$174,125
Debt Service	527,782	418,681	109,101
Capital Projects	15,085	15,085	
Total	<u>\$1,747,194</u>	<u>\$1,463,968</u>	<u>\$283,226</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$882,600	\$857,773	(\$24,827)
Debt Service	489,400	503,569	14,169
Capital Projects			
Total	<u>\$1,372,000</u>	<u>\$1,361,342</u>	<u>(\$10,658)</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,384,481	\$1,032,975	\$351,506
Debt Service	479,117	418,904	60,213
Capital Projects	426,560	426,560	
Total	<u>\$2,290,158</u>	<u>\$1,878,439</u>	<u>\$411,719</u>

**SYLVANIA AREA JOINT RECREATION DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**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 Trustees. 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 District.

**5. DEBT**

Debt outstanding at December 31, 1999:

	Principal	Interest Rate
General Obligation Bonds	\$4,739,946	4.7-6.0%

The District issued a General Obligation Bond in 1995, in the amount of \$5,499,946 at 4.2 - 6.0% for a term of twenty five years for the purpose of financing acquisition and improvements to Pacesetter Park and the retirement of the City of Sylvania's Recreation debt. Interest and principal payments are due semi-annually to Huntington Banks.

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

Year ending December 31:	General Obligation Bonds
2000	\$406,620
2001	409,805
2002	414,805
2003	419,805
2004	419,805
Subsequent	6,681,185
Total	\$8,752,025

**6. RISK MANAGEMENT**

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Public official's liability



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

Sylvania Area Joint Recreation District  
Lucas County  
7060 Sylvania Avenue  
Sylvania, Ohio 43560-3528

To the Board of Trustees:

We have audited the accompanying financial statements of Sylvania Area Joint Recreation District, Lucas County, Ohio, (the District) as of and for the years ended December 1999 and 1998, and have issued our report thereon dated August 3, 2000. We conducted our audits 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 the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits 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.

Sylvania Area Joint Recreation District  
Lucas 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 the audit committee, management, and the 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, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

August 3, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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**SYLVANIA AREA JOINT RECREATION DISTRICT**

**LUCAS 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 29, 2000**