



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**SYLVANIA AREA JOINT RECREATION DISTRICT
LUCAS COUNTY**

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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 the Sylvania Area Joint Recreation District (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 audits.

We conducted our audits 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 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 of the District 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 June 27, 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 audits.

This report is intended solely for the information and use of the audit committee, 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, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

Jim Petro
Auditor of State

June 27, 2002

**SYLVANIA AREA JOINT RECREATION DISTRICT
LUCAS 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Debt Service</u>	
Cash Receipts:			
General Property Tax - Real Estate	\$879,527	\$464,921	\$1,344,448
Intergovernmental	108,138	57,255	165,393
Investment Income	15,702		15,702
Other Receipts	467		467
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	1,003,834	522,176	1,526,010
Cash Disbursements:			
Current:			
General and Administrative	161,496		161,496
Facilities and Maintenance	546,304		546,304
Programs	66,175		66,175
Leases	164,132		164,132
Capital Outlay	49,687		49,687
Debt:			
Payment of Principal		61,499	61,499
Payment of Interest		348,306	348,306
Other		155	155
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	987,794	409,960	1,397,754
Total Receipts Over Disbursements	<hr/>	<hr/>	<hr/>
	16,040	112,216	128,256
Other Financing Receipts:			
Other Sources	<hr/>	<hr/>	<hr/>
	161,525		161,525
Total Other Financing Receipts	<hr/>	<hr/>	<hr/>
	161,525		161,525
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	177,565	112,216	289,781
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	118,541	94,878	213,419
Fund Cash Balances, December 31	<u><u>\$296,106</u></u>	<u><u>\$207,094</u></u>	<u><u>\$503,200</u></u>

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

**SYLVANIA AREA JOINT RECREATION DISTRICT
LUCAS 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Debt Service</u>	
Cash Receipts:			
General Property Tax - Real Estate	\$655,358	\$347,025	\$1,002,383
Intergovernmental	78,076	41,343	119,419
Investment Income	21,674		21,674
Other Receipts	693		693
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	755,801	388,368	1,144,169
Cash Disbursements:			
Current:			
General and Administrative	136,765		136,765
Facilities and Maintenance	504,067		504,067
Programs	88,000		88,000
Leases	167,652		167,652
Capital Outlay	86,317		86,317
Debt:			
Payment of Principal		145,000	145,000
Payment of Interest		261,620	261,620
Other		144	144
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	982,801	406,764	1,389,565
Total Disbursements Over Receipts	<hr/> (227,000)	<hr/> (18,396)	<hr/> (245,396)
Other Financing Receipts:			
Other Sources	164,393		164,393
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts	164,393		164,393
Excess of Cash Disbursements Over Cash Receipts and Other Financing Receipts	(62,607)	(18,396)	(81,003)
Fund Cash Balances, January 1	181,148	113,274	294,422
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$118,541</u>	<u>\$94,878</u>	<u>\$213,419</u>

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

**SYLVANIA AREA JOINT RECREATION DISTRICT]
LUCAS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Sylvania Area Joint Recreation District (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, 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 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 Funds

The debt service fund is used to accumulate resources for the payment of Recreation Facility Improvement bonds.

**SYLVANIA AREA JOINT RECREATION DISTRICT
LUCAS COUNTY**

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

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. 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. Appropriations lapse at year end.

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. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

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.

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>2001</u>	<u>2000</u>
Demand deposits	\$222,959	\$88,462
STAR Ohio	280,241	124,957
Total deposits and investments	<u><u>\$503,200</u></u>	<u><u>\$213,419</u></u>

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

**SYLVANIA AREA JOINT RECREATION DISTRICT
LUCAS COUNTY**

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,154,400	\$1,165,359	\$10,959
Debt Service	460,600	522,176	61,576
Total	\$1,615,000	\$1,687,535	\$72,535

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,272,941	\$987,794	\$285,147
Debt Service	604,078	409,960	194,118
Total	\$1,877,019	\$1,397,754	\$479,265

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$917,050	\$920,194	\$3,144
Debt Service	385,200	388,368	3,168
Total	\$1,302,250	\$1,308,562	\$6,312

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,098,198	\$982,801	\$115,397
Debt Service	498,474	406,764	91,710
Total	\$1,596,672	\$1,389,565	\$207,107

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.

**SYLVANIA AREA JOINT RECREATION DISTRICT
LUCAS COUNTY**

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

	Principal	Interest Rate
General Obligation Bonds	\$4,533,447	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 the Huntington Banks.

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

Year ending December 31:	General Obligation Bonds
2002	\$414,805
2003	419,805
2004	419,805
2005	416,555
2006	417,885
2007 – 2010	5,846,745
Total	\$7,935,600

7. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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



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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 the Sylvania Area Joint Recreation District (the District) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated June 27, 2002. We conducted our audits 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 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 audits, 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*
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This report is intended solely 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". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

Jim Petro
Auditor of State

June 27, 2002



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 15, 2002**