



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**ADA WAR MEMORIAL PARK DISTRICT
HARDIN COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Ada War Memorial Park District
Hardin County
P.O. Box 228
Ada, Ohio 45810

To the Board of Commissioners:

We have audited the accompanying financial statements of the Ada War Memorial Park District, Hardin 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 fund cash balances and reserves for encumbrances of the District as of December 31, 2001 and 2000, 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 May 20, 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 the management, 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", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

May 20, 2002

**ADA WAR MEMORIAL PARK DISTRICT
HARDIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

Cash Receipts:

General Property Tax - Real Estate	\$118,570
Tangible Personal Property Tax	13,066
Investment Income	837
Gifts and Donations	16,605
Fees	11,700
Other Receipts	17,445
	<hr/>
Total Cash Receipts	178,223
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Cash Disbursements:

Current:	
Salaries - Employees	20,806
Supplies	21,208
Equipment	3,391
Contracts - Repairs and Services	10,661
Advertising and Printing	106
Travel	11
Public Employees Retirement	3,872
Workers' Compensation	1,405
Capital Outlay	13,344
Debt:	
Payment of Principal	42,000
Payment of Interest	9,247
Other	30,617
	<hr/>
Total Cash Disbursements	156,668
	<hr/>

Total Receipts Over Disbursements 21,555

Other Financing Receipts:

Other Sources	1,473
	<hr/>

Excess of Cash Receipts and Other Financing
Receipts Over/(Under) Cash Disbursements 23,028

Fund Cash Balance, January 1 25,330

Fund Cash Balance, December 31 \$48,358

Reserves for Encumbrances, December 31 \$728

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

**ADA WAR MEMORIAL PARK DISTRICT
HARDIN COUNTY**

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

Cash Receipts:

General Property Tax - Real Estate	\$116,483
Tangible Personal Property Tax	12,816
Investment Income	1,390
Gifts and Donations	3,446
Fees	10,500
Other Receipts	16,655
	161,290
Total Cash Receipts	161,290

Cash Disbursements:

Current:	
Salaries - Employees	19,231
Supplies	18,402
Equipment	118
Contracts - Repair and Services	55,994
Advertising and Printing	129
Travel	220
Public Employees Retirement	4,143
Workers' Compensation	132
Capital Outlay	134,725
Debt:	
Payment of Principal	90,082
Payment of Interest	5,444
Other	29,397
	358,017
Total Cash Disbursements	358,017

Total Receipts (Under) Disbursements	(196,727)
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Other Financing Receipts:

Proceeds of Notes	160,000
Other Sources	138
	160,138
Total Other Financing Receipts/(Disbursements)	160,138

Excess of Cash Receipts and Other Financing Receipts (Under) Cash Disbursements	(36,589)
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Fund Cash Balance, January 1	61,919
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Fund Cash Balance, December 31	\$25,330
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The notes to the financial statements are an integral part of this statement.

**ADA WAR MEMORIAL PARK DISTRICT
HARDIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Ada War Memorial Park District, Hardin 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 Hardin County. The District acquires lands for conversion into forest reserves and for the conservation of the natural resources, including streams, lakes, submerged lands and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of same as the Board deems conducive to the general welfare.

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 Park District does not have any investments. All money is maintained in an interest bearing checking account.

D. Fund Accounting

The District uses fund accounting. The District classifies its fund as the following type:

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.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

**ADA WAR MEMORIAL PARK DISTRICT
HARDIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object 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 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. CASH

The Park District maintains cash balances for use by the General fund. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	<u>2001</u>	<u>2000</u>
Demand Deposits	<u>\$48,358</u>	<u>\$25,330</u>

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	\$160,898	\$179,696	\$18,798

**ADA WAR MEMORIAL PARK DISTRICT
HARDIN COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	<u>\$186,227</u>	<u>\$157,396</u>	<u>\$88,831</u>

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	<u>\$331,731</u>	<u>\$321,428</u>	<u>(\$10,303)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	<u>\$387,053</u>	<u>\$358,017</u>	<u>\$29,036</u>

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.

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.

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
Promissory Note – November, 1999	\$ 86,000	5.25%
Promissory Note – July, 2000	<u>40,000</u>	6.25%
Total	<u>\$125,000</u>	

**ADA WAR MEMORIAL PARK DISTRICT
HARDIN COUNTY**

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

5. DEBT (Continued)

On November 3, 1999, the District issued a promissory note for \$120,000 to Liberty National Bank for park improvements. As of December 31, 1999, only \$60,000 had been drawn against this account. On January 31, 2000, the District received the remaining \$60,000 of this note. This note matures on September 15, 2009, with principal and interest payments due semi-annually.

On June 21, 2000 the District issued a promissory note for \$100,000, at 6.25%, to Liberty National Bank for park improvements. The District only drew down \$40,000 of this loan. The loan was repaid on July 31, 2000.

On July 31, 2000, the District issued a promissory note for \$100,000 to Liberty National Bank for the purpose of park improvements. As of December 31, 2001, only \$60,000 had been borrowed against this note. Interest and principal payments are due semi-annually. This note matures on January 31, 2010.

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

Year ending December 31:	Promissory Note November 1999	Promissory Note July 2000
2002	\$ 16,358	\$12,378
2003	15,728	11,748
2004	15,098	11,110
2005	14,468	10,477
2006	13,838	
2007 - 2010	27,839	
Total	<u>\$103,329</u>	<u>\$45,713</u>

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

7. RISK MANAGEMENT

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**

Ada War Memorial Park District
Hardin County
P.O. Box 228
Ada, Ohio 45810

To the Board of Commissioners:

We have audited the accompanying financial statements of Ada War Memorial Park District, Hardin County, Ohio (the "District") as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 20, 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated May 20, 2002.

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 20, 2002.

Ada War Memorial Park District
Hardin 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". The signature is stylized with a large, looping initial "J" and a horizontal line extending to the right.

Jim Petro
Auditor of State

May 20, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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ADA WAR MEMORIAL PARK DISTRICT

HARDIN 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
JULY 16, 2002**