



**Auditor of State
Betty Montgomery**

**MADISON JOINT RECREATION BOARD
LAKE COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Madison Joint Recreation Board
Lake County
P.O. Box 456
Madison, Ohio 44057

To the Board of Trustees:

We have audited the accompanying financial statements of the Madison Joint Recreation Board, Lake County, Ohio, (the Board) as of and for the years ended December 31, 2002 and December 31, 2001. These financial statements are the responsibility of the Board'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 described 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 Madison Joint Recreation Board, Lake County, Ohio, as of December 31, 2002 and December 31, 2001, 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 March 28, 2003 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 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".

Betty Montgomery
Auditor of State

March 28, 2003

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**MADISON JOINT RECREATION BOARD
LAKE 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>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$1,000	\$17,100	\$18,100
Other Receipts	38		38
	<u>1,038</u>	<u>17,100</u>	<u>18,138</u>
Total Cash Receipts			
	<u>1,038</u>	<u>17,100</u>	<u>18,138</u>
Cash Disbursements:			
General Government	344	13,779	14,123
Other		100	100
	<u>344</u>	<u>13,879</u>	<u>14,223</u>
Total Cash Disbursements			
	<u>344</u>	<u>13,879</u>	<u>14,223</u>
Total Receipts Over/(Under) Disbursements	<u>694</u>	<u>3,221</u>	<u>3,915</u>
Fund Cash Balances, January 1, 2002	<u>2,927</u>	<u>1,212</u>	<u>4,139</u>
Fund Cash Balances, December 31, 2002	<u>\$3,621</u>	<u>\$4,433</u>	<u>\$8,054</u>

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

**MADISON JOINT RECREATION BOARD
LAKE 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>Special Revenue</u>	
Cash Receipts:			
Intergovernmental	\$1,000	\$16,000	\$17,000
Total Cash Receipts	<u>1,000</u>	<u>16,000</u>	<u>17,000</u>
Cash Disbursements:			
General Government	692	16,843	17,535
Other		489	489
Total Cash Disbursements	<u>692</u>	<u>17,332</u>	<u>18,024</u>
Total Receipts Over/(Under) Disbursements	<u>308</u>	<u>(1,332)</u>	<u>(1,024)</u>
Fund Cash Balances, January 1, 2001	<u>2,619</u>	<u>2,544</u>	<u>5,163</u>
Fund Cash Balances, December 31, 2001	<u><u>\$2,927</u></u>	<u><u>\$1,212</u></u>	<u><u>\$4,139</u></u>

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

**MADISON JOINT RECREATION BOARD
LAKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Madison Joint Recreation Board, Lake County, Ohio, (the Board) 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 Board is directed by a nine-member Board of Trustees, three from Madison Board of Education, three from Madison Village, and three from Madison Township. The Board provides park operations (leisure time activities).

The Board's management believes these financial statements present all activities for which the Board 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.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Fund Accounting

The Board uses fund accounting to segregate cash that is restricted as to use. The Board 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 Board had the following significant Special Revenue Fund:

Maintenance Fund – This fund receives money to be used for maintenance of the athletic fields in Madison, Ohio.

D. Budgetary Process

The Board is not subject to Ohio Budgetary law since it is not a taxing authority subdivision.

**MADISON JOINT RECREATION BOARD
LAKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

2. EQUITY IN POOLED CASH

The Board maintains cash in a bank account at Key Bank. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	<u>2002</u>	<u>2001</u>
Demand Deposits	<u>\$8,054</u>	<u>\$4,139</u>
Total Cash	<u>\$8,054</u>	<u>\$4,139</u>

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

3. RISK MANAGEMENT

The Board has obtained commercial insurance for employee dishonesty coverage.



Auditor of State Betty Montgomery

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

Madison Joint Recreation Board
Lake County
P.O. Box 456
Madison, Ohio 44057

To the Board of Trustees:

We have audited the accompanying financial statements of the Madison Joint Recreation Board, Lake County, Ohio, (the Board) as of and for the years ended December 31, 2002 and December 2001, and have issued our report thereon dated March 28, 2003. 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 Board'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 test disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management and the Board in a separate letter dated March 28, 2003.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Board'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 certain matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Board in a separate letter dated March 28, 2003.

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Madison Joint Recreation Board
Lake County
Independent Accountants' Report 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 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

March 28, 2003



**Auditor of State
Betty Montgomery**

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MADISON JOINT RECREATION BOARD

LAKE 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
MAY 8, 2003**