



**NATIONAL TRAIL PARKS AND RECREATION DISTRICT
CLARK COUNTY
REGULAR AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2001**



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types – For the Year Ended December 31, 2001	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Proprietary Fund Type – For the Year Ended December 31, 2001	4
Notes to the Financial Statements	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	9

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

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 (the District) as of and for the year ended December 31, 2001. 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, 2001, and its combined cash receipts and disbursements for the year 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 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 audit.

This report is intended solely for the information and use of management, Board of Park 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.

Jim Petro
Auditor of State

March 27, 2002

**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, 2001**

	<u>Governmental Fund Type</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Intergovernmental	\$1,916,435	\$8,978		\$1,925,413
Charges for Services	285,542			285,542
Investment Income	2,238		\$598	2,836
Gifts and Donations		17,150	447,804	464,954
Fees	206,866			206,866
Rental Income	18,755			18,755
Other Receipts	46,027			46,027
	<u>2,475,863</u>	<u>26,128</u>	<u>448,402</u>	<u>2,950,393</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Salaries - Employees	1,436,210			1,436,210
Supplies and Materials	272,320	2,928		275,248
Equipment	4,467			4,467
Contracts - Services	197,289	14,700		211,989
Miscellaneous Fees	76,136	5,019		81,155
Travel and Training	10,608			10,608
Public Employees Retirement	170,194			170,194
Workers' Compensation	6,077			6,077
Other	10,816			10,816
	<u>2,184,117</u>	<u>22,647</u>		<u>2,206,764</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>291,746</u>	<u>3,481</u>	<u>448,402</u>	<u>743,629</u>
Other Financing Receipts/(Disbursements):				
Refunds	151			151
Reimbursements	(16,307)			(16,307)
	<u>(16,156)</u>			<u>(16,156)</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	275,590	3,481	448,402	727,473
Fund Cash Balances, January 1				
Fund Cash Balances, December 31	<u>\$275,590</u>	<u>\$3,481</u>	<u>\$448,402</u>	<u>\$727,473</u>
Reserves for Encumbrances, December 31	<u>\$42,946</u>	<u>\$0</u>	<u>\$160,000</u>	<u>\$202,946</u>

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

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$1,747,861
Investment Income	\$4,683
Miscellaneous	37,919
	1,790,463
Operating Cash Disbursements:	
Salaries	1,040,907
County and State Fees	30,117
Public Employees' Retirement	127,258
Workers Compensation	4,786
Contracts - services	218,749
Supplies and Materials	551,271
Equipment	1,935
Travel and Training	6,964
Reimbursements	18,640
Other Expenses	24,456
	2,025,083
Excess of Operating Receipts Over/(Under) Operating Disbursements	(234,620)
Non-Operating Cash Receipts:	
Intergovernmental Revenues	513,367
Other Non-Operating Revenues	2,072
	515,439
Non-Operating Cash Disbursements:	
Debt Service	168,385
	168,385
Net Receipts Over/(Under) Disbursements	112,434
Fund Cash Balances, January 1	_____
Fund Cash Balances, December 31	\$112,434
Reserves for Encumbrances, December 31	\$19,424

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, 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

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 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, 2001
(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 fireworks displays.

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 Projects Fund:

Capital Fund - This fund receives money from gifts and donations. The proceeds are being 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. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2001 budgetary activity appears in Note 3.

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001
(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. EQUITY IN POOLED CASH AND INVESTMENTS

All of the District's cash and investments are held by the City of Springfield as the fiscal agent.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2001 follows:

2001 Budgeted vs. Actual Receipts			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$3,049,331	\$2,476,014	(\$573,317)
Special Revenue	38,978	26,128	(12,850)
Capital Projects	445,000	448,402	3,402
Enterprise	2,751,062	2,305,902	(445,160)
Total	<u>\$6,284,371</u>	<u>\$5,256,446</u>	<u>(\$1,027,925)</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$3,042,079	\$2,243,370	\$798,709
Special Revenue	30,000	22,647	7,353
Capital Projects	200,000	160,000	40,000
Enterprise	2,567,297	2,212,892	354,405
Total	<u>\$5,839,376</u>	<u>\$4,638,909</u>	<u>\$1,200,467</u>

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

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

4. DEBT

Debt outstanding at December 31, 2001:

	Principal	Interest Rate
General Obligation Bonds	\$445,000	7.25%
Total	\$445,000	

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. Interest and principal 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
2002	\$165,825
2003	167,845
2004	164,145
Total	\$497,815

5. 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, 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. The District has paid all contributions required through December 31, 2001.

6. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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



**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS 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 National Trail Parks and Recreation District (the District) as of and for the year ended December 31, 2001, and have issued our report thereon dated March 27, 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 an immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated March 27, 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 March 27, 2002.

National Trail Parks and Recreation District
Clark 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 Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

March 27, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

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
MAY 9, 2002**