



**MADISON JOINT RECREATIONAL BOARD
LAKE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 & 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**MADISON JOINT RECREATIONAL BOARD
LAKE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Members of the Board:

We have audited the financial statements of the Madison Joint Recreational Board, Lake County, Ohio, (the Board) as of and for the years ended December 31, 2000 and December 31, 1999. 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 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 Board 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 Recreational Board, Lake County, Ohio, as of December 31, 2000 and December 31, 1999, 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 May 21, 2001 on our consideration of the Board'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 management, the Members of the Board 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

May 21, 2001

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**MADISON JOINT RECREATIONAL 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, 2000**

| | <u>General</u> | <u>Special Revenue</u> | <u>(Memorandum Only) Total</u> |
|--|------------------------------|------------------------------|--|
| Cash receipts: | | | |
| Intergovernmental | \$1,500 | \$15,500 | \$17,000 |
| Total cash receipts | <u>1,500</u> | <u>15,500</u> | <u>17,000</u> |
| Cash disbursements: | | | |
| General government | 1,099 | 14,256 | 15,355 |
| Leisure time activities | <u>0</u> | <u>100</u> | <u>100</u> |
| Total cash disbursements | <u>1,099</u> | <u>14,356</u> | <u>15,455</u> |
| Total receipts over/(under) disbursements | 401 | 1,144 | 1,545 |
| Fund cash balances January 1, 2000 | <u>2,218</u> | <u>1,401</u> | <u>3,619</u> |
| Fund cash balances, December 31, 2000 | <u><u>\$2,619</u></u> | <u><u>\$2,545</u></u> | <u><u>\$5,164</u></u> |

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

**MADISON JOINT RECREATIONAL 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, 1999**

| | General | Special Revenue | (Memorandum Only) Total |
|--|----------------|----------------------------|--|
| Cash receipts: | | | |
| Intergovernmental | \$1,000 | \$15,340 | \$16,340 |
| Total cash receipts | 1,000 | 15,340 | 16,340 |
| Cash disbursements: | | | |
| General government | 1,053 | 15,139 | 16,192 |
| Auditor of State fees | 0 | 404 | 404 |
| Total cash disbursements | 1,053 | 15,543 | 16,596 |
| Total receipts over/(under) disbursements | (53) | (203) | (256) |
| Fund cash balances January 1, 1999 | 2,271 | 1,604 | 3,875 |
| Fund cash balances, December 31, 1999 | \$2,218 | \$1,401 | \$3,619 |

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

**MADISON JOINT RECREATIONAL BOARD
LAKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Madison Joint Recreational 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 nine-member Board appointed by the three subdivisions that participate in the recreation district. 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 has the following fund types:

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.

Special Revenue Fund

This fund is 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.

D. Budgetary Process

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

**MADISON JOINT RECREATIONAL BOARD
LAKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(CONTINUED)**

2. EQUITY IN POOLED CASH

The Board maintains cash in a bank account used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 follows:

| | <u>2000</u> | <u>1999</u> |
|-----------------|----------------|----------------|
| Demand deposits | <u>\$5,164</u> | <u>\$3,619</u> |

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

3. RISK MANAGEMENT

The Board has obtained commercial insurance for employee dishonesty coverage.



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

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

To the Members of the Board:

We have audited the accompanying financial statements of the Madison Joint Recreational Board, Lake County, Ohio, (the Board) as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated May 21, 2001. 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 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 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*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Board in a separate letter dated May 21, 2001.

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 May 21, 2001.

Madison Joint Recreational Board
Lake County
Report on Compliance and on Internal Control Required by
Government Auditing Standards
Page 2

This report is intended for the information and use of management and the Board, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

May 21, 2001



STATE OF OHIO
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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
JUNE 21, 2001**