



Mary Taylor, CPA  
Auditor of State



**ASHTABULA COUNTY METRO PARKS  
ASHTABULA COUNTY**

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Mary Taylor, CPA  
Auditor of State

Ashtabula County Metro Parks  
Ashtabula County  
25 West Jefferson St.  
Jefferson, Ohio 44047

To the Board of Park Commissioners:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

November 26, 2007

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Ashtabula County Metro Parks  
Ashtabula County  
25 West Jefferson St.  
Jefferson, Ohio 44047

To the Board of Park Commissioners:

We have audited the accompanying financial statements of Ashtabula County Metro Parks, Ashtabula County, (the Park) as of and for the years ended December 31, 2006 and 2005. These financial statements are the responsibility of the Park'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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Park has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Park's larger (i.e. major) funds separately. While the Park does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require the Park to reformat their statements. The Park has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2006 and 2005 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Park as of December 31, 2006 and 2005, or its changes in financial position for the years then ended.

Also, 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 Ashtabula County Metro Park, Ashtabula County, as of December 31, 2006 and 2005, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Park has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2007, on our consideration of the Park's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

November 26, 2007



**ASHTABULA COUNTY METRO PARKS  
ASHTABULA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Intergovernmental	\$42,170		\$42,170
Investment Income	1,185		1,185
Other Receipts	15,829	\$1,600	17,429
<b>Total Cash Receipts</b>	<u>59,184</u>	<u>1,600</u>	<u>60,784</u>
<b>Cash Disbursements:</b>			
Current Disbursements:			
Salaries - Employees	12,200		12,200
Materials and Supplies	1,765		1,765
Contracts - Services	14,326		14,326
Rentals	3,275		3,275
Advertising and Printing	47		47
Public Employees Retirement	1,697		1,697
Workers' Compensation	92		92
Other	18,339		18,339
<b>Total Cash Disbursements</b>	<u>51,741</u>		<u>51,741</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>7,443</u>	<u>1,600</u>	<u>9,043</u>
Fund Cash Balances, January 1	17,646	585	18,231
<b>Fund Cash Balances, December 31</b>	<u><u>\$25,089</u></u>	<u><u>\$2,185</u></u>	<u><u>\$27,274</u></u>
Reserve for Encumbrances, December 31	<u><u>\$937</u></u>	<u><u>\$0</u></u>	<u><u>\$937</u></u>

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

**ASHTABULA COUNTY METRO PARKS  
ASHTABULA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<b>Governmental Fund Types</b>		<b>Totals (Memorandum Only)</b>
	<b>General</b>	<b>Special Revenue</b>	
<b>Cash Receipts:</b>			
Intergovernmental	\$72,696		\$72,696
Grants	63,316		63,316
Investment Income	1,387		1,387
Other Receipts	880		880
	<u>138,279</u>		<u>138,279</u>
<b>Cash Disbursements:</b>			
Current Disbursements:			
Salaries - Employees	8,400		8,400
Materials and Supplies	2,454		2,454
Contracts - Services	18,858		18,858
Rentals	3,360		3,360
Advertising and Printing	115		115
Public Employees Retirement	1,057		1,057
Workers' Compensation	198		198
Capital Outlay	63,316		63,316
Other	62,261		62,261
	<u>160,019</u>		<u>160,019</u>
Total Receipts Over/(Under) Disbursements	<u>(21,740)</u>		<u>(21,740)</u>
Fund Cash Balances, January 1	<u>39,386</u>	<u>585</u>	<u>39,971</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$17,646</u></b>	<b><u>\$585</u></b>	<b><u>\$18,231</u></b>
Reserve for Encumbrances, December 31	<u>\$652</u>	<u>\$0</u>	<u>\$652</u>

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

**ASHTABULA COUNTY METRO PARKS  
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Ashtabula County Metro Parks, Ashtabula County, (the Park) as a body corporate and politic. The probate judge of Ashtabula County appoints a five-member Board of Commissioners to govern the Park. The Commissioners are authorized to acquire, develop, protect, maintain, and improve park lands and facilities. The Commissioners may convert acquired land into forest reserves. The Commissioners are also responsible for activities related to conserving 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 these assets conducive to the general welfare.

The Park's management believes these financial statements present all activities for which the Park is financially accountable.

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Park recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the Auditor of State prescribes or permits.

**C. Cash and Investments**

As the Ohio Revised Code permits, the Ashtabula County Treasurer holds the Park's cash as the Park's custodian. The County holds the Park's assets in its investment pool, valued at the Treasurer's reported carrying amount.

**D. Fund Accounting**

The Park uses fund accounting to segregate cash and investments that are restricted as to use. The Park classifies its funds into the following types:

**1. General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Fund**

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Park had the following significant Special Revenue Fund:

*Environmental Endowment Fund:* This fund receives donations which can be used for capital improvements, acquisitions and educational purposes.

**ASHTABULA COUNTY METRO PARKS  
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (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 level of control and appropriations may not exceed estimated resources. The Park 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 Park to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2006 and 2005 budgetary activity appears in Note 2.

**F. Property, Plant, and Equipment**

The Park records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**2. BUDGETARY ACTIVITY**

Budgetary activity for the years ending 12/31/06 and 12/31/05 follows:

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$179,615	\$59,184	(\$120,431)
Special Revenue	585	1,600	1,015
Total	\$180,200	\$60,784	(\$119,416)

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$177,621	\$52,678	\$124,943
Special Revenue	585	0	585
Total	\$178,206	\$52,678	\$125,528

**ASHTABULA COUNTY METRO PARKS  
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**2. BUDGETARY ACTIVITY – (Continued)**

2005 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$395,625	\$138,279	(\$257,346)
Special Revenue	585	0	(585)
Total	\$396,210	\$138,279	(\$257,931)

2005 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$395,625	\$160,671	\$234,954
Special Revenue	585	0	585
Total	\$396,210	\$160,671	\$235,539

**3. RETIREMENT SYSTEMS**

The Park's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2006 and 2005, OPERS members contributed 9% and 8.5%, respectively, of their gross salaries and the Park contributed an amount equaling 13.7% and 13.55%, respectively, of participants' gross salaries. The Park has paid all contributions required through December 31, 2006.

**4. RISK MANAGEMENT**

**Commercial Insurance**

The Park has obtained commercial insurance for the following risks:

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

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Ashtabula County Metro Parks  
Ashtabula County  
25 West Jefferson St.  
Jefferson, Ohio 44047

To the Board of Park Commissioners:

We have audited the financial statements of the Ashtabula County Metro Parks, Ashtabula County, (the Park) as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated November 26, 2007, wherein we noted the Park followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Park's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Park's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Park's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Park's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Park's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Park's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted one matter that we reported to the Park's management in a separate letter dated November 26, 2007.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Park's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed one instance of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note one noncompliance or other matter that we reported to the Park's management in a separate letter dated November 26, 2007.

We intend this report solely for the information and use of management and the Board of Park Commissioners. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

November 26, 2007





**Mary Taylor, CPA**  
Auditor of State

**ASHTABULA COUNTY METRO PARKS**

**ASHTABULA 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  
DECEMBER 18, 2007**