



**RUSSELL TOWNSHIP PARK COMMISSION  
GEAUGA COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2009 & 2008**



**Mary Taylor, CPA**  
Auditor of State



**RUSSELL TOWNSHIP PARK COMMISSION  
GEAUGA COUNTY**

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# Mary Taylor, CPA

Auditor of State

Russell Township Park Commission  
Geauga County  
8501 Kinsman Road  
Novelty, Ohio 44072

To the Board of 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

April 19, 2010

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Russell Township Park Commission  
Geauga County  
8501 Kinsman Road  
Novelty, Ohio 44072

To the Board of Commissioners:

We have audited the accompanying financial statements of the Russell Township Park Commission, Geauga County, Ohio, (the Commission) as of and for the years ended December 31, 2009 and December 31, 2008. These financial statements are the responsibility of the Commission'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 Commission 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 Commission's larger (i.e. major) funds separately. While the Commission 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 Commission to reformat their statements. The Commission 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, 2009 and December 31, 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Commission as of December 31, 2009 and December 31, 2008, 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 of the Russell Township Park Commission, Geauga County, Ohio as of December 31, 2009 and December 31, 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Commission 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 April 19, 2010, on our consideration of the Commission'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

April 19, 2010



**RUSSELL TOWNSHIP PARK COMMISSION  
GEAUGA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
General Property Tax - Real Estate	\$26,850	\$134,324	\$161,174
Tangible Personal Property Tax	57	378	435
Other Government Grants-in-Aid	15,955	22,768	38,723
Interest Income	421	0	421
Miscellaneous	300	0	300
	<u>43,583</u>	<u>157,470</u>	<u>201,053</u>
<b>Cash Disbursements:</b>			
Current:			
Materials and Supplies	1,627	0	1,627
General Government	10,983	0	10,983
Capital Improvements	12,050	0	12,050
	<u>24,660</u>	<u>0</u>	<u>24,660</u>
Total Receipts Over/(Under) Disbursements	<u>18,923</u>	<u>157,470</u>	<u>176,393</u>
Fund Cash Balances, January 1, 2009	<u>142,790</u>	<u>119,235</u>	<u>262,025</u>
<b>Fund Cash Balances, December 31, 2009</b>	<b><u>\$161,713</u></b>	<b><u>\$276,705</u></b>	<b><u>\$438,418</u></b>

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

**RUSSELL TOWNSHIP PARK COMMISSION  
GEAUGA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
General Property Tax - Real Estate	\$26,795	\$133,887	\$160,682
Tangible Personal Property Tax	104	692	796
Other Government Grants-in-Aid	15,833	21,181	37,014
Interest Income	2,515	0	2,515
Miscellaneous	3,974	0	3,974
	<u>49,221</u>	<u>155,760</u>	<u>204,981</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current:			
General Government	15,787	0	15,787
Materials and Supplies	2,675	0	2,675
Capital Improvements	4,910	20,000	24,910
Debt:			
Payment of Principal	0	50,810	50,810
Payment of Interest	0	1,211	1,211
	<u>23,372</u>	<u>72,021</u>	<u>95,393</u>
<b>Total Cash Disbursements</b>			
Total Receipts Over/(Under) Disbursements	<u>25,849</u>	<u>83,739</u>	<u>109,588</u>
Fund Cash Balances, January 1, 2008	<u>116,941</u>	<u>35,496</u>	<u>152,437</u>
<b>Fund Cash Balances, December 31, 2008</b>	<b><u>\$142,790</u></b>	<b><u>\$119,235</u></b>	<b><u>\$262,025</u></b>

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

**RUSSELL TOWNSHIP PARK COMMISSION  
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2009 AND 2008**

**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 Russell Township Park Commission, Geauga County, (the Commission) as a body corporate and politic. The probate judge of Geauga County appoints a three-member Board of Commissioners to govern the Commission. 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 Commission's management believes these financial statements present all activities for which the Commission 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 Commission 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**

The Commission's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

STAR Ohio is recorded at share values the mutual funds report.

**D. Fund Accounting**

The Commission uses fund accounting to segregate cash and investments that are restricted as to use. The Commission 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 Funds**

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 Commission had the following significant Special Revenue Funds:

*Conservation Land Fund* – This fund receives tax monies to purchase land.

**RUSSELL TOWNSHIP PARK COMMISSION  
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2009 AND 2008  
(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 and function level of control, and appropriations may not exceed estimated resources. The Board of Commissioners must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Commission to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Commission did not encumber all commitments required by Ohio law.

A summary of 2009 and 2008 budgetary activity appears in Note 3.

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

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

**2. Equity in Pooled Cash and Investments**

The Commission maintains a cash and investments pool for all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	2009	2008
Demand deposits	\$430,361	\$253,990
Total deposits	430,361	253,990
STAR Ohio	8,057	8,035
Total investments	8,057	8,035
Total deposits and investments	\$438,418	\$262,025

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**Investments:** Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**RUSSELL TOWNSHIP PARK COMMISSION  
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2009 AND 2008  
(CONTINUED)**

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2009 and December 31, 2008 follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$53,736	\$43,583	(\$10,153)
Special Revenue	146,661	157,470	10,809
Total	\$200,397	\$201,053	\$656

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$195,553	\$24,660	\$170,893
Special Revenue	265,896	0	265,896
Total	\$461,449	\$24,660	\$436,789

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$54,974	\$49,221	(\$5,753)
Special Revenue	145,431	155,760	10,329
Total	\$200,405	\$204,981	\$4,576

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$171,046	\$23,372	\$147,674
Special Revenue	180,378	72,021	108,357
Total	\$351,424	\$95,393	\$256,031

**4. Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners for 2008 and only against local and inter-exchange telephone companies for 2009, 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.

**RUSSELL TOWNSHIP PARK COMMISSION  
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2009 AND 2008  
(CONTINUED)**

**5. Risk Management**

**Commercial Insurance**

The Commission has obtained commercial insurance for the following risks:

- General Liability; and
- Errors and omissions.



# 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*

Russell Township Park Commission  
Geauga County  
8501 Kinsman Road  
Novelty, Ohio 44072

To the Board of Commissioners:

We have audited the financial statements of the Russell Township Park Commission, Geauga County, Ohio, (the Commission) as of and for the years ended December 31, 2009 and December 31, 2008, and have issued our report thereon dated April 19, 2010, wherein we noted the Commission 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 Commission'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 Commission's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Commission'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 Commission'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 Commission'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 Commission'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.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Commission'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 no instances of noncompliance or other matter that we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the audit committee, management, and the Board of 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

April 19, 2010



**RUSSELL TOWNSHIP PARK COMMISSION  
GEAUGA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2007-001	Ohio Revised Code 5705.41 (d) – The Commission was not certifying availability of funds on some expenditures.	Yes	





**Mary Taylor, CPA**  
Auditor of State

**RUSSELL TOWNSHIP PARK COMMISSION**  
**GEAUGA 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 6, 2010**