



**Auditor of State  
Betty Montgomery**



**SAYBROOK TOWNSHIP PARK COMMISSION  
ASHTABULA COUNTY**

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## Auditor of State Betty Montgomery

### REPORT OF INDEPENDENT ACCOUNTANTS

Saybrook Township Park Commission  
Ashtabula County  
7247 Center Road  
Ashtabula, Ohio 44004

To the Board of Commissioners:

We have audited the accompanying financial statements of the Saybrook Township Park Commission (the Park Commission), Ashtabula County as of and for the years ended December 31, 2003 and December 31, 2002. These financial statements are the responsibility of the Park 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 *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 Park Commission 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 Park Commission as of December 31, 2003 and December 31, 2002, 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 June 18, 2004 on our consideration of the Park Commission'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.

Saybrook Township Park Commission  
Ashtabula County  
Report of Independent Accountants  
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This report is intended solely for the information and use of management, Board of Park Commissioners 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". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

June 18, 2004

**SAYBROOK TOWNSHIP PARK COMMISSION  
ASHTABULA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
GOVERNMENTAL FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<b>Governmental Fund Type</b>
	<b>General</b>
<b>Cash Receipts:</b>	
Taxes	\$77,290
Intergovernmental Receipts	17,824
Interest	3,090
Other Revenue	4,884
	103,088
Total Cash Receipts	103,088
<b>Cash Disbursements:</b>	
Conservation -Recreation	65,364
	65,364
Total Receipts Over/(Under) Disbursements	37,724
<b>Other Financing Receipts/(Disbursements):</b>	
Other Financing Sources	5
	5
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	37,729
Fund Cash Balances, January 1	<b>\$250,060</b>
<b>Fund Cash Balances, December 31</b>	<b>\$287,789</b>
Reserves for Encumbrances, December 31	\$8,495

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

**SAYBROOK TOWNSHIP PARK COMMISSION  
ASHTABULA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
GOVERNMENTAL FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<b>Governmental Fund Type</b>
	<b>General</b>
<b>Cash Receipts:</b>	
Taxes	\$77,980
Intergovernmental Receipts	16,522
Interest	4,184
Other Receipts	5
	5
Total Cash Receipts	98,691
<b>Cash Disbursements:</b>	
Conservation - Recreation	48,311
	48,311
Total Receipts Over/(Under) Disbursements	50,380
<b>Other Financing Receipts/(Disbursements):</b>	
Other Financing Source	1,235
	1,235
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	51,615
Fund Cash Balances, January 1	198,445
<b>Fund Cash Balances, December 31</b>	<b>\$250,060</b>
Reserves for Encumbrances, December 31	\$1,975

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

**SAYBROOK TOWNSHIP PARK COMMISSION  
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2002 AND 2003**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Saybrook Township Park Commission, Ashtabula County, (the Park Commission) 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 Commission is directed by a three-member Board of Commissioners appointed by the probate judge of Ashtabula County. The Park Commission provides general governmental service.

The Park Commission's management believes these financial statements present all activities for which the Park Commission 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**

The Park Commission maintained a general operating account and invested in Star Ohio. The investment in Star Ohio (the Star Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

**D. Fund Accounting**

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

**SAYBROOK TOWNSHIP PARK COMMISSION  
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2002 AND 2003  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process**

The Ohio Revised Code requires that each be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object 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 Park Commission to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2003 and 2002 budgetary activity appears in Note 3.

**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 Park Commission's basis of accounting.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	<u>2003</u>	<u>2002</u>
Demand deposits	\$180,556	\$144,007
STAR Ohio	107,233	106,053
Total deposits and investments	<u>\$287,789</u>	<u>\$250,060</u>

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

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

**SAYBROOK TOWNSHIP PARK COMMISSION  
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2002 AND 2003  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2003 and December 31, 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$90,000	\$103,093	\$13,093

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$305,000	\$73,859	\$231,141

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$82,000	\$99,926	\$17,926

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$140,000	\$50,286	\$89,714

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Park Commissioners. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Park Commission.

Tangible personal property tax is assessed by the property owners, 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 Park Commission.

**SAYBROOK TOWNSHIP PARK COMMISSION  
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2002 AND 2003  
(Continued)**

**5. RETIREMENT SYSTEM**

The Park Commission'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 2003 and 2002, members of PERS contributed 8.5% of their gross salaries. The Park Commission contributed an amount equal to 13.95% of participants' gross salaries. The Park Commission has paid all contributions required through December 31, 2003.

**6. RISK MANAGEMENT**

**Commercial Insurance**

The Park Commission has obtained commercial insurance for the following risks:

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



**Auditor of State  
Betty Montgomery**

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

Saybrook Township Park Commission  
Ashtabula County  
7247 Center Road  
Ashtabula, Ohio 44004

To the Board of Commissioners:

We have audited the accompanying financial statements of Saybrook Township Park Commission (the Park Commission), Ashtabula County as of and for the years ended December 31, 2003 and December 31, 2002 and have issued our report thereon dated June 18, 2004. 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 Park Commission'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*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Park Commission'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 one matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Park Commission in a separate letter dated June 18, 2004.

Saybrook Township Park Commission  
Ashtabula 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 the management and the Board of Park Commissioners, 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

June 18, 2004



**Auditor of State  
Betty Montgomery**

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**SAYBROOK TOWNSHIP PARK COMMISSION**

**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  
JULY 8, 2004**