



**LAGRANGE COMMUNITY PARK BOARD  
LORAIN COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2003 & 2002**



**Auditor of State  
Betty Montgomery**



**LAGRANGE COMMUNITY PARK BOARD  
LORAIN COUNTY**

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

LaGrange Community Park Board  
Lorain County  
355 South Center Street  
LaGrange, Ohio 44050

To the Board of Trustees:

We have audited the accompanying financial statements of the LaGrange Community Park Board, Lorain County, Ohio, (the Board) as of and for the years ended December 31, 2003 and December 31, 2002. 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 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 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 fund cash balances of the LaGrange Community Park Board, Lorain County, Ohio, as of December 31, 2003 and December 31, 2002, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

As described in Note 2, the Board restated its beginning fund balance in the General Fund.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2005 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 audit.

This report is intended solely for the information and use of management, the Board of Trustees, and other officials authorized to receive this report under Section 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

March 28, 2005

**LAGRANGE COMMUNITY PARK BOARD  
LORAIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>General</u>
<b>Cash Receipts:</b>	
Intergovernmental Revenue	<u>\$172,003</u>
Total Cash Receipts	<u>172,003</u>
<b>Cash Disbursements:</b>	
Conservation - Recreation	17,500
Capital Outlay	<u>69,125</u>
Total Cash Disbursements	<u>86,625</u>
Total Receipts Over/(Under) Disbursements	85,378
Fund Cash Balances, January 1, 2003	<u>1,302</u>
Fund Cash Balances, December 31, 2003	<u><u>\$86,680</u></u>

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

**LAGRANGE COMMUNITY PARK BOARD  
LORAIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>General</u>
<b>Cash Receipts:</b>	
Intergovernmental Revenue	\$175,469
Earnings on Investments	640
Miscellaneous	<u>5,134</u>
Total Cash Receipts	<u>181,243</u>
<b>Cash Disbursements:</b>	
Conservation - Recreation	85,148
Capital Outlay	<u>97,369</u>
Total Cash Disbursements	<u>182,517</u>
Total Receipts Over/(Under) Disbursements	(1,274)
Fund Cash Balances, January 1, 2002	<u>2,576</u>
Fund Cash Balances, December 31, 2002	<u><u>\$1,302</u></u>

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



**LAGRANGE COMMUNITY PARK BOARD  
LORAIN COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The LaGrange Community Park Board, Lorain County, Ohio, (the Board) is a Joint Park Board established by the LaGrange Township and Village of LaGrange under the authority of Ohio Rev. Code Section 755.14(B). The Board is comprised of five members who are residents of either the Village or the Township. A chairperson is appointed for a term of one year on an alternating basis by the Township and the Village. The other Board members are appointed by the Township and the Village proportionately. The Board exercises all powers to equip, operate, and maintain parks, playgrounds, playfields, gymnasiums, public baths, swimming pools, and recreation centers. LaGrange Township was the Board's fiscal agent until November 2003.

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. Cash and Investments**

As of December 31, 2003 and December 31, 2002 the Board did not own any investments.

**D. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) 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 Board of Trustees must annually approve appropriation measures and subsequent amendments.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1.

**LAGRANGE COMMUNITY PARK BOARD  
LORAIN COUNTY**

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

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

**D. Budgetary Process (Continued)**

**3. Encumbrances**

The Ohio Revised Code requires the Board to reserve (encumber) appropriations when individual commitments are made. LaGrange Township was the fiscal agent for the Board until November 2003. All encumbrances were prepared by the Township.

The Township, acting as the Board's fiscal agent, did not develop an operating budget, prepare a certificate of estimated resources, or adopt an appropriation measure on behalf of the Board.

**E. 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.

**2. RESTATEMENT OF FUND BALANCE**

The Board restated the January 1, 2002 fund balance in the General Fund from \$74,478 to \$2,576. The decrease of \$71,902 is due to the inclusion of LaGrange Township monies that had been set aside in anticipation of Board expenditures, but had not been approved by the Township Trustees to be transferred to the Board as of December 31, 2001.

**3. MEMBER CONTRIBUTIONS**

LaGrange Township and the Village of LaGrange share expenditures made by the Board. Contributions are received prior to the payment of expenditures. During fiscal year 2003, the Board received \$75,497 from the Village of LaGrange and \$87,511 from LaGrange Township. During fiscal year 2002, the Board received \$132,597 from the Village of LaGrange and \$41,804 from LaGrange Township.

As of December 31, 2003 both the Township and the Village contributed their required contributions.

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

The Board maintains a cash and investments pool all funds use. Until November 2003 the Board's funds were maintained by LaGrange Township. 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	\$86,680	\$1,302
Total deposits and investments	<u>\$86,680</u>	<u>\$1,302</u>

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

**LAGRANGE COMMUNITY PARK BOARD  
LORAIN COUNTY**

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

**5. RISK MANAGEMENT**

LaGrange Township was the fiscal agent for the Board until November 2003. The Clerk of the Township is bonded for errors and omissions through the Ohio Township Association Risk Management Authority.

The Board has no employees or commercial property as of December 31, 2003.

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**Auditor of State  
Betty Montgomery**

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

LaGrange Community Park Board  
Lorain County  
355 South Center Street  
LaGrange, Ohio 44050

To the Board of Trustees:

We have audited the financial statements of the LaGrange Community Park Board, Lorain County, Ohio, (the Board) as of and for the years ended December 31, 2003 and December 31, 2002, and have issued our report thereon dated March 28, 2005, wherein we noted the Board restated its cash fund balance as of January 1, 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 the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Board's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Board's management dated March 28, 2005, we reported an other matter involving internal control over financial reporting we did not deem a reportable condition.

**Compliance and Other Matters**

As part of reasonably assuring whether the Board'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 an instance of noncompliance that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2003-001. In a separate letter to the Board's management dated March 28, 2005, we also reported an other matter related to noncompliance we deemed immaterial.

LaGrange Community Park Board  
Lorain County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

We intend this report solely for the information and use of the management and Board of Trustees. It is not intended for 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

March 28, 2005

**LAGRANGE COMMUNITY PARK BOARD  
LORAIN COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2003 AND 2002**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2003-001**

**Noncompliance Citation**

**Budgetary Compliance**

Ohio Revised Code Section 5705.41(B) prohibits a subdivision or taxing unity from expending money unless it has been appropriated. Ohio Revised Code Section 5705.38(A) provides that, on or about the first day of the fiscal year, the Board should adopt an appropriation measure.

Ohio Revised Code Section 5705.28(B)(2)(a) provides that if the Board does not levy taxes the Board should adopt an operating budget which includes estimated receipts from all sources and a statement of all expenses that are anticipated to occur during the fiscal year. This budget is not required to be filed with the county auditor or county budget commission, but must be adopted by the Board's taxing authority [which is LaGrange Township] on or before July 15<sup>th</sup> each year for the ensuing fiscal year. Ohio Revised Code Section 5705.28(B)(2)(c) provides that appropriations from each fund are limited to estimated resources available for expenditures from the fund, and appropriations shall be made from each fund only for the purposes for which the fund is established.

Ohio Revised Code Section 5705.36(A)(1) requires that, on or about the first day of the year, the Board should prepare a certificate of estimated resources which identifies the total amount of revenue expected from all sources which is available for expenditures from each fund along with any unencumbered balances that existed at the end of the preceding year. Ohio Revised Code Section 5705.36(A)(2) requires that this certificate is to be amended if the Board expects the actual amount of revenue will be greater or less than the amount estimated on the certificate.

During the audit, the Township, acting as fiscal agent, was required develop an operating budget, prepare a certificate of estimated resources, and adopt an appropriation measure on behalf of the Board. These documents were not prepared by the Township on the Board's behalf. As of fiscal year 2004 the Board is not utilizing the Township as their fiscal agent and therefore must follow all of the above guidelines.

We recommend the Board comply with the above Ohio Revised Code Sections.







**Auditor of State  
Betty Montgomery**

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**LaGRANGE COMMUNITY PARK BOARD  
LORAIN 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  
SEPTEMBER 22, 2005**