



Mary Taylor, CPA
Auditor of State

**PAINESVILLE TOWNSHIP PARK DISTRICT
LAKE COUNTY**

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Mary Taylor, CPA
Auditor of State

Painesville Township Park District
Lake County
1025 Hardy Road, P.O. Box 526
Painesville Township, Ohio 44077

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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 4, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Painesville Township Park District
Lake County
1025 Hardy Road, P.O. Box 526
Painesville Township, OH 44077

To the Board of Park Commissioners:

We have audited the accompanying financial statements of the Painesville Township Park District, Lake County, Ohio, (the District) as of and for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the District'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 District 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.

While the District 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 Districts to reformat their statements. The District 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 2008 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2009 and 2008, or its changes in financial position for the years then ended.

Painesville Township Park District
Lake County
Independent Accountants' Report

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Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balance of the Painesville Township Park District, Lake County, Ohio, as of December 31, 2009 and 2008, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The District 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 June 4, 2010, on our consideration of the District'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 black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

June 4, 2010

**PAINESVILLE TOWNSHIP PARK DISTRICT
LAKE COUNTY**

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

	<u>General</u>
Cash Receipts:	
Intergovernmental	\$100,063
Supplemental Tax Income	932
Investment Income	2,944
	<hr/>
Total Cash Receipts	103,939
	<hr/>
Cash Disbursements:	
Current Disbursements:	
Contracted Services	14,457
Contracts - Repair and Maintenance	27,273
Insurance	2,594
Utilities	22,728
Advertising and Printing	3,151
Postage	105
Other	818
Capital Outlay	39,650
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Total Cash Disbursements	110,776
	<hr/>
Total Receipts Over/(Under) Disbursements	(6,837)
	<hr/>
Fund Cash Balance, January 1, 2009	165,735
	<hr/>
Fund Cash Balance, December 31, 2009	<u><u>\$158,898</u></u>

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

**PAINESVILLE TOWNSHIP PARK DISTRICT
LAKE COUNTY**

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

	<u>General</u>
Cash Receipts:	
Intergovernmental	\$116,625
Supplemental Tax Income	3,220
Investment Income	6,549
	<hr/>
Total Cash Receipts	126,394
	<hr/>
Cash Disbursements:	
Current Disbursements:	
Contracted Services	23,885
Contracts - Repair and Maintenance	70,607
Materials and Supplies	1,293
Insurance	2,415
Utilities	21,947
Subsidy	4,464
Advertising and Printing	6,290
Postage	125
Other	2,517
	<hr/>
Total Cash Disbursements	133,543
	<hr/>
Total Receipts Over/(Under) Disbursements	(7,149)
	<hr/>
Fund Cash Balance, January 1, 2008	172,884
	<hr/>
Fund Cash Balance, December 31, 2008	<u><u>\$165,735</u></u>

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

**PAINESVILLE TOWNSHIP PARK DISTRICT
LAKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
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 Painesville Township Park District, Lake County, (the District) as a body corporate and politic. The presiding judge of Lake County appoints a three-member Board of Commissioners to govern the District. The Commissioners are authorized to acquire, develop, protect, maintain, and improve park lands and facilities. In 1991, the District entered into a joint venture agreement with the Lake Metroparks for a term of twenty-five (25) years with an option to renew the joint venture agreement for an additional twenty-five (25) years. The District uses the Lake Metroparks rangers to provide security of persons and property. The major revenue source is local government distributions by Lake County.

The District's management believes these financial statements present all activities for which the District 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 District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash and Investments

The District includes investments as assets. Accordingly, the District does not record purchases of investments as disbursements or sales of investments as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

The District values certificates of deposit at cost.

D. Fund Accounting

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

1. General Fund

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

**PAINESVILLE TOWNSHIP PARK DISTRICT
LAKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
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 may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. The District's Board 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.

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

F. Property, Plant, and Equipment

The District 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 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	\$85,345	\$20,790
Certificates of deposit	73,553	144,945
Total deposits	\$158,898	\$165,735

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

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	\$105,778	\$103,939	(\$1,839)

**PAINESVILLE TOWNSHIP PARK DISTRICT
LAKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

3. Budgetary Activity (Continued)

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$135,032	\$110,776	\$24,256

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$135,031	\$126,394	(\$8,637)

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$147,394	\$133,543	\$13,851

4. Risk Management

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability; 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*

Painesville Township Park District
Lake County
1025 Hardy Road, P.O. Box 526
Painesville Township, Ohio 44077

To the Board of Park Commissioners:

We have audited the financial statements of the Painesville Township Park District, Lake County, Ohio, (the District) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated June 4, 2010, wherein we noted the District 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 District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 District'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 matters we must report under *Government Auditing Standards*.

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

June 4, 2010



Mary Taylor, CPA
Auditor of State

PAINESVILLE TOWNSHIP PARK DISTRICT
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
JULY 13, 2010