



**Auditor of State
Betty Montgomery**

**SAYBROOK TOWNSHIP PARK COMMISSION
ASHTABULA COUNTY**

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**Auditor of State
Betty Montgomery**

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

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 a February 2, 2005 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 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 "Betty Montgomery".

Betty Montgomery
Auditor of State

August 30, 2006

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Saybrook Township Park Commission
Ashtabula County
7427 Center Road
Ashtabula, Ohio 44004

To the Board of Park Commissioners:

We have audited the accompanying financial statements of Saybrook Township Park Commission, Ashtabula County, (the Park Commission) as of and for the years ended December 31, 2005 and 2004. 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 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 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.

Revisions to GAAP would require the Park Commission to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2005 and 2004. While the Park Commission does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Park Commission has elected not to reformat its statements. Since this Park Commission does not use GAAP to measure financial statement amounts, 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, 2005 and 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Park Commission as of December 31, 2005 and 2004, 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 fund cash balances and reserves for encumbrances of the Saybrook Township Park Commission, Ashtabula County, as of December 31, 2005 and 2004, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The /aforementioned revision to generally accepted accounting principles also requires the Park Commission to include Management's Discussion and Analysis for the years ended December 31, 2005 and/ 2004. The Park 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 August 30, 2006, 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 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.



Betty Montgomery
Auditor of State

August 30, 2006

**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, 2005**

	Governmental Fund Type
	General
Cash Receipts:	
Taxes	\$79,315
Intergovernmental Receipts	17,517
Interest	5,981
Other Revenue	4,411
	417,224
Total Cash Receipts	107,224
Cash Disbursements:	
Conservation -Recreation	98,280
	98,280
Total Cash Disbursements	98,280
Total Receipts Over/(Under) Disbursements	8,944
Other Financing Receipts/(Disbursements):	
Other Financing Sources	28
	28
Total Other Financing Receipts/(Disbursements)	28
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	8,972
Fund Cash Balances, January 1	\$314,988
Fund Cash Balances, December 31	\$323,960
Reserves for Encumbrances, December 31	\$111,609

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, 2004**

	<u>Governmental Fund Type</u>
	<u>General</u>
Cash Receipts:	
Taxes	\$73,567
Intergovernmental Receipts	17,418
Interest	3,354
	94,339
Total Cash Receipts	94,339
Cash Disbursements:	
Current:	
Conservation - Recreation	69,998
	69,998
Total Cash Disbursements	69,998
Total Receipts Over/(Under) Disbursements	24,341
Other Financing Receipts/(Disbursements):	
Other Financing Source	2,858
	2,858
Total Other Financing Receipts/(Disbursements)	2,858
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	27,199
Fund Cash Balances, January 1	287,789
Fund Cash Balances, December 31	\$314,988
Reserves for Encumbrances, December 31	\$3,050

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, 2004 AND 2005**

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 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 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

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.

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

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 fund into the following type:

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, 2004 AND 2005
(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 2004 and 2005 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.

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:

	2005	2004
Demand Deposits	\$66,674	\$206,383
Certificates of Deposit	120,000	0
Total Deposits	186,674	206383
Investments - Star Ohio	137,286	108605
Total deposits and investments	<u>\$323,960</u>	<u>\$314,988</u>

**SAYBROOK TOWNSHIP PARK COMMISSION
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2004 AND 2005
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

Deposits: Deposits are either 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.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2005 and December 31, 2004 follows:

2005 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$79,900	\$107,252	\$27,352

2005 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$350,000	\$209,889	\$140,111

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$90,000	\$97,197	\$7,197

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$350,000	\$73,048	\$276,952

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.

**SAYBROOK TOWNSHIP PARK COMMISSION
ASHTABULA COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2004 AND 2005
(Continued)**

5. RETIREMENT SYSTEM

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

The Ohio Revised Code also prescribes contribution rates. For 2005 and 2004, OPERS members contributed 8.5 percent of their gross salaries. The Park Commission contributed an amount equal to 13.55 percent of participants' gross salaries. The Park Commission has paid all contributions required through December 31, 2005.

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

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

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

To the Board of Park Commissioners

We have audited the financial statements of Saybrook Township Park Commission, Ashtabula County, (the Park Commission) as of and for the years ended December 31, 2005 and December 31, 2004, and have issued our report thereon dated August 30, 2006. 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 Commission'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 Park Commission's management dated August 30, 2006, we reported one 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 Park 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 matters we must report under *Government Auditing Standards*.

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

August 30, 2006



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

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
OCTOBER 10, 2006**