



OHIO AUDITOR OF STATE
KEITH FABER



**ASHTABULA TOWNSHIP PARK COMMISSION
ASHTABULA COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Ashtabula Township Park Commission
Ashtabula County
1700 East 1st Street
Ashtabula, Ohio 44004

To the Board of Park Commissioners:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Ashtabula Township Park Commission, Ashtabula County, Ohio (the Park), which comprises the cash balances, receipts and disbursements for the governmental fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for the governmental fund type combined total as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Park, as of December 31, 2022 and 2021, or the changes in financial position thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Park, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the financial statements are prepared by the Park on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Park's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Park's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Park's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2023, on our consideration of the Park'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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Park's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Park's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

June 29, 2023

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**ASHTABULA TOWNSHIP PARK COMMISSION
ASHTABULA COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	General	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$345,413	\$0	\$0	\$345,413
Licenses, Permits and Fees	39,054			39,054
Intergovernmental	36,501			36,501
Earnings on Investments	95		8	103
Miscellaneous	56,207			56,207
<i>Total Cash Receipts</i>	<u>477,270</u>	<u>0</u>	<u>8</u>	<u>477,278</u>
Cash Disbursements				
Current:				
General Government	447,890			447,890
Conservation-Recreation	39,955		2,714	42,669
Capital Outlay			17,206	17,206
Debt Service:				
Principal Retirement	50,000			50,000
Interest and Fiscal Charges	1,140			1,140
<i>Total Cash Disbursements</i>	<u>538,985</u>	<u>0</u>	<u>19,920</u>	<u>558,905</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(61,715)</u>	<u>0</u>	<u>(19,912)</u>	<u>(81,627)</u>
<i>Fund Cash Balances, January 1</i>	<u>154,906</u>	<u>4,274</u>	<u>372,805</u>	<u>531,985</u>
<i>Fund Cash Balances, December 31</i>	<u>\$93,191</u>	<u>\$4,274</u>	<u>\$352,893</u>	<u>\$450,358</u>

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

Ashtabula Township Park Commission

Ashtabula County

Notes to the Financial Statements

For the Year Ended December 31, 2022

Note 1 – Reporting Entity

Description of the Entity

The constitution of laws of the State of Ohio establishes the rights and privileges of the Ashtabula Township Park Commission, Ashtabula County, (the Commission) as a body corporate and politic. The probate judges of Ashtabula County appoint 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 covert 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 participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

The Commission's management believes these financial statements present all activities for which the Commission is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Accounting Basis

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(0). 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(0) permit.

Basis of Presentation

The Commission's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which are organized on a fund type basis.

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:

General Fund

The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Commission for any purpose provided it is expended or transferred according to the general laws of Ohio.

Ashtabula Township Park Commission

Ashtabula County

Notes to the Financial Statements

For the Year Ended December 31, 2022

Debt Service Fund

This fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Capital Project Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Commission had the following significant capital project funds:

- **Natural Resource Damages (NRD) Project** – This fund was established and received funding from the Ohio Environmental Protection Agency (EPA) for costs to maintain the properties for the next thirty years.
- **ATCP & LOL Building Project** – This fund was established in conjunction with the Ashtabula County Lights on the Lake Committee, who hold their holiday season light show at Lake Shore Park. This project is partnering with LOL to construct a building to hold light displays, maintenance & preparation and to give added storage to Ashtabula Township Park Commission maintenance facilities. Due to supply issues and costs of prices this project was delayed another year and is scheduled in early 2023.

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

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. The Commission's Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

A summary of 2022 budgetary activity appears in Note 3.

Estimated Resources

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

Encumbrances

The Ohio Revised Code requires the Commission to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be re-appropriated.

Ashtabula Township Park Commission

Ashtabula County

Notes to the Financial Statements

For the Year Ended December 31, 2022

Deposits 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.

The Commission maintained a general operating, money market account and certificate of deposits.

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Commission must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Non-spendable. The Commission classifies assets as non-spendable when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed The Park Commissioners can commit amounts via formal action (resolution). The Commission must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned. Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by the Park Commissioners or a Commission official delegated that authority by resolution, or by State Statute.

Unassigned. Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Commission applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Ashtabula Township Park Commission

Ashtabula County

Notes to the Financial Statements

For the Year Ended December 31, 2022

Note 3 – Budgetary Activity

Budgetary activity for the year ended December 31, 2022 was as follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$438,700	\$477,270	\$38,570
Capital Projects	30,000	8	(29,992)
Total	\$468,700	\$477,278	\$8,578

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$582,985	\$543,536	\$39,449
Capital Projects	155,657	19,939	135,718
Total	\$738,642	\$563,475	\$175,167

Note 4 – Deposits and Investments

To improve cash management, cash received by the Commission is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Commission's deposits and investment accounts are as follows:

Demand deposits	2022 \$252,021
Total deposits	252,021
Certificate of Deposits	198,337
Total investments	198,337
Total deposits and investments	\$450,358

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Ashtabula Township Park Commission

Ashtabula County

Notes to the Financial Statements

For the Year Ended December 31, 2022

Note 5 – Property Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the taxing authority of the subdivision to whose jurisdiction the Commission is subject adopts rates. The State Department of Taxation, Division 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 revenue. 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.

Public utilities are also taxed on personal and real property located within the taxing district.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Commission.

Note 6 - Risk Management

The Commission is exposed to various risks of property and casualty losses, and injuries to employees.

The Commission insures against injuries to employees through the Ohio Bureau of Workers' Compensation.

Risk Pool Membership

The Commission is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Commission's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2021 (most recent information)</u>
Cash and investments	\$ 41,996,850
Actuarial liabilities	\$ 14,974,099

Ashtabula Township Park Commission

Ashtabula County

Notes to the Financial Statements

For the Year Ended December 31, 2022

Note 7 – Debt

The Commission obtained a loan from Andover Bank on April 22, 2020 for \$150,000 at a rate of 3% for the purpose of park improvements. The loan was paid off for the year ended December 31, 2022

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Commission’s employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Commission contributed an amount equaling 14%, of participants’ gross salaries. The Commission has paid all contributions required through December 31, 2022.

Note 9 - Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. The portion of employer contributions allocated to health care for members in the traditional plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2022.

Note 10 – Fund Balances

Included in fund balance are amounts the Commission cannot spend. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>
Outstanding Encumbrances	\$4,551	\$19	\$4,570
Total	<u>\$4,551</u>	<u>\$19</u>	<u>\$4,570</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue, debt service, and capital projects funds would including the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Ashtabula Township Park Commission

Ashtabula County

Notes to the Financial Statements

For the Year Ended December 31, 2022

Note 11 – Subsequent Events

The Upper Fowl Pond project will be proceeding in 2023. Due to supply chain issues and high costs this project was delayed from starting in 2022. The Commission was awarded a grant through Ashtabula County Community Development Corporation for their 2020 campaign in the amount of \$135,000 towards this project and applied for and were granted to receive \$200,000 from the State of Ohio Fiscal Year 2023-24 Capital Budget Fund towards this project. The Commission will be applying for a bank loan for the Commission's share of the pond project and share of funds for the collaboration with Lights on the Lake for the new building project slated for early 2023.

**ASHTABULA TOWNSHIP PARK COMMISSION
ASHTABULA COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	General	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$352,212	\$0	\$0	\$352,212
Licenses, Permits and Fees	36,840			36,840
Intergovernmental	37,071			37,071
Earnings on Investments	54		8,897	8,951
Miscellaneous	187,479			187,479
<i>Total Cash Receipts</i>	<u>613,656</u>	<u>0</u>	<u>8,897</u>	<u>622,553</u>
Cash Disbursements				
Current:				
General Government	484,491			484,491
Public Works	4,425			4,425
Conservation-Recreation	32,427		3,603	36,030
Capital Outlay			750	750
Debt Service:				
Principal Retirement	50,000			50,000
Interest and Fiscal Charges	2,642			2,642
<i>Total Cash Disbursements</i>	<u>573,985</u>	<u>0</u>	<u>4,353</u>	<u>578,338</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>39,671</u>	<u>0</u>	<u>4,544</u>	<u>44,215</u>
Other Financing Receipts (Disbursements)				
Transfers In			130,000	130,000
Transfers Out	(130,000)			(130,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(130,000)</u>	<u>0</u>	<u>130,000</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	(90,329)	0	134,544	44,215
<i>Fund Cash Balances, January 1</i>	<u>245,235</u>	<u>4,274</u>	<u>238,261</u>	<u>487,770</u>
<i>Fund Cash Balances, December 31</i>	<u>\$154,906</u>	<u>\$4,274</u>	<u>\$372,805</u>	<u>\$531,985</u>

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

Ashtabula Township Park Commission
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 1 – Reporting Entity

Description of the Entity

The constitution of laws of the State of Ohio establishes the rights and privileges of the Ashtabula Township Park Commission, Ashtabula County, (the Commission) as a body corporate and politic. The probate judges of Ashtabula County appoint 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 covert 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 participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

The Commission's management believes these financial statements present all activities for which the Commission is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Accounting Basis

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(0). 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(0) permit.

Basis of Presentation

The Commission's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which are organized on a fund type basis.

Fund Accounting

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Ashtabula Township Park Commission

Ashtabula County

Notes to the Financial Statements

For the Year Ended December 31, 2021

Debt Service Fund

This fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Capital Project Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Commission had the following significant capital project funds:

- **Natural Resource Damages (NRD) Project** – This fund was established and received funding from the Ohio Environmental Protection Agency (EPA) for costs to maintain the properties for the next thirty years.
- **ATCP & LOL Building Project** – This fund was established in conjunction with the Ashtabula County Lights on the Lake Committee, who hold their holiday season light show at Lake Shore Park. This project is partnering with LOL to construct a building to hold light displays, maintenance & preparation and to give added storage to Ashtabula Township Park Commission maintenance facilities. Due to supply issues and costs of prices this project was delayed another year and is scheduled in early 2023.

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

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. The Commission's Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

A summary of 2021 budgetary activity appears in Note 3.

Estimated Resources

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

Encumbrances

The Ohio Revised Code requires the Commission to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be re-appropriated.

Ashtabula Township Park Commission

Ashtabula County

Notes to the Financial Statements

For the Year Ended December 31, 2021

Deposits 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.

The Commission maintained a general operating, money market account and certificate of deposits.

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Commission must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Non-spendable. The Commission classifies assets as non-spendable when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed The Park Commissioners can commit amounts via formal action (resolution). The Commission must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned. Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by the Park Commissioners or a Commission official delegated that authority by resolution, or by State Statute.

Unassigned. Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Commission applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Ashtabula Township Park Commission
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 3 – Budgetary Activity

Budgetary activity for the year ended December 31, 2021 was as follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$557,700	\$613,656	\$55,956
Capital Projects	30	138,897	138,867
Total	\$557,730	\$752,553	\$194,823

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$766,673	\$708,798	\$57,875
Capital Projects	140,700	4,369	136,331
Total	\$907,373	\$713,167	\$194,206

Note 4 – Deposits and Investments

To improve cash management, cash received by the Commission is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Commission's deposits and investment accounts are as follows:

Demand deposits	2021 \$333,648
Total deposits	333,648
Certificate of Deposits	198,337
Total investments	198,337
Total deposits and investments	\$531,985

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Ashtabula Township Park Commission

Ashtabula County

Notes to the Financial Statements

For the Year Ended December 31, 2021

Note 5 – Property Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the taxing authority of the subdivision to whose jurisdiction the Commission is subject adopts rates. The State Department of Taxation, Division 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 revenue. 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.

Public utilities are also taxed on personal and real property located within the taxing district.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Commission.

Note 6 - Risk Management

The Commission is exposed to various risks of property and casualty losses, and injuries to employees.

The Commission insures against injuries to employees through the Ohio Bureau of Workers' Compensation.

Risk Pool Membership

The Commission is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Commission's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2021</u>
Cash and investments	\$ 41,996,850
Actuarial liabilities	\$ 14,974,099

Ashtabula Township Park Commission
Ashtabula County
Notes to the Financial Statements
For the Year Ended December 31, 2021

Note 7 – Debt

Debt outstanding at December 31, 2021, was as follows:

	Principal	Interest Rate
Andover Bank Loan - Park Improvements	\$50,000	3%
Total	\$50,000	

The Commission obtained a loan from Andover Bank on April 22, 2020 for \$150,000 at a rate of 3% for the purpose of park improvements.

Amortization

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending December 31:	Andover Bank Loan
2022	\$51,140
Total	\$51,140

Note 8 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Commission’s employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Commission contributed an amount equaling 14%, of participants’ gross salaries. The Commission has paid all contributions required through December 31, 2021.

Note 9 - Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. The portion of employer contributions allocated to health care for members in the traditional plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2021.

Note 10 – Fund Balances

Included in fund balance are amounts the Commission cannot spend. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Ashtabula Township Park Commission

Ashtabula County

Notes to the Financial Statements

For the Year Ended December 31, 2021

<u>Fund Balances</u>	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>
Outstanding Encumbrances	<u>\$4,813</u>	<u>\$16</u>	<u>\$4,829</u>
Total	<u>\$4,813</u>	<u>\$16</u>	<u>\$4,829</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue, debt service, and capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.



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

Ashtabula Township Park Commission
Ashtabula County
1700 East 1st Street
Ashtabula, Ohio 44004

To the Board of Park Commissioners:

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type combined total as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Ashtabula Township Park Commission (the Park) and have issued our report thereon dated June 29, 2023, wherein we noted the Park followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Park's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Park's internal control. Accordingly, we do not express an opinion on the effectiveness of the Park's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Park's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Park's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Park's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Park's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

June 29, 2023

OHIO AUDITOR OF STATE KEITH FABER



ASHTABULA TOWNSHIP PARK COMMISSION

ASHTABULA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 7/11/2023

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov