



**SAYBROOK PARK COMMISSION  
ASHTABULA COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999-1998**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



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**REPORT OF INDEPENDENT ACCOUNTANTS**

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

To the Board of Commissioners:

We have audited the accompanying financial statements of Saybrook Park Commission, Ashtabula County, Ohio, (the Park Commission) as of and for the years ended December 31, 1999 and 1998. 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 generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Park Commission prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances and reserves for encumbrances of the Park Commission as of December 31, 1999 and 1998, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2000 on our consideration of the Park Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of management, the Board of Park Commissioners and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

**Jim Petro**  
Auditor of State

June 5, 2000



**SAYBROOK TOWNSHIP PARK COMMISSION  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 1999**

Governmental Fund Type

	<b>General</b>
<b>Cash Receipts:</b>	
General Property Tax - Real Estate	\$57,677
Tangible Personal Property Tax	8,241
Local Government	7,019
Investment Income	5,041
Adjustments and Refunds	327
Other Receipts	980
Homestead and Rollback	7,357
	86,642
<b>Cash Disbursements:</b>	
Current:	
Wages	8,800
Improvement of Site	15,980
Utilities	2,943
New Buildings and Additions	70,403
Tools and Equipment	10,627
Supplies	2,265
Maintenance and Repair	9,838
Other	5,473
	126,329
Total Receipts Over/(Under) Disbursements	(39,687)
Fund Cash Balances, January 1	147,089
<b>Fund Cash Balances, December 31</b>	<b>\$107,402</b>

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

**SAYBROOK TOWNSHIP PARK COMMISSION  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Type</u>
	<u>General</u>
<b>Cash Receipts:</b>	
General Property Tax - Real Estate	\$56,390
Tangible Personal Property Tax	4,853
Local Government	6,797
Investment Income	5,565
Adjustments and Refunds	778
Other Receipts	1,513
Homestead and Rollback	7,323
	83,219
<b>Cash Disbursements:</b>	
Current:	
Wages	7,700
Improvement of Site	42,464
Utilities	2,581
New Buildings and Additions	
Tools and Equipment	569
Supplies	2,460
Maintenance and Repair	5,143
Other	7,424
	68,341
Total Cash Disbursements	68,341
Total Receipts Over/(Under) Disbursements	14,878
Fund Cash Balances, January 1	132,211
<b>Fund Cash Balances, December 31</b>	<b>\$147,089</b>
Reserves for Encumbrances, December 31	\$8,779

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



**SAYBROOK PARK COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Saybrook 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 Park Commission is directed by a three-member Board of Commissioners appointed by the Court of Common Pleas of Ashtabula County. The Park Commission provides general governmental services.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

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

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

**D. Fund Accounting**

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

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**E. Budgetary Process**

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

**SAYBROOK PARK COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

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

**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. The Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. 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. The County Budget Commission must also approve estimated resources.

**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 1999 and 1998 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:

	<u>1999</u>	<u>1998</u>
Demand deposits	<u>\$13,401</u>	<u>\$57,676</u>
Investments:		
STAR Ohio	<u>94,001</u>	<u>89,413</u>
Total deposits and investments	<u>\$107,402</u>	<u>\$147,089</u>

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

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

**SAYBROOK PARK COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$77,000	\$86,642	\$9,642
Total	\$77,000	\$86,642	\$9,642

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$184,000	\$126,329	\$57,671
Total	\$184,000	\$126,329	\$57,671

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$78,744	\$83,219	\$4,475
Total	\$78,744	\$83,219	\$4,475

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$190,000	\$77,120	\$112,880
Total	\$190,000	\$77,120	\$112,880

**4. PROPERTY TAX**

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

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**SAYBROOK PARK COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**5. RETIREMENT SYSTEM**

The Park Commission's full-time employee belongs to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PERS contributed 8.5% of their gross salaries. The Park Commission contributed an amount equal to 13.55% of participants' gross salaries. The Park Commission has paid all contributions required through December 31, 1999.

**6. RISK MANAGEMENT**

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

- Comprehensive property and general liability
- Commercial Inland Marine
- Public Officials Liability coverage



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

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

To the Board of Commissioners:

We have audited the accompanying financial statements of Saybrook Park Commission, Ashtabula County, Ohio (the Park Commission ), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 5, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Park Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 1999-41104-001 and 1999-41104-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Park Commission in a separate letter dated June 5, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Park Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Park Commission in a separate letter dated June 5, 2000.

This report is intended for the information and use of the management and Board of Park Commissioners, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

June 5, 2000

**SAYBROOK PARK COMMISSION  
SCHEDULE OF FINDINGS  
DECEMBER 31, 1999 AND 1998**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 1999-41104-001**

**Noncompliance Citation**

Section 511.23, Revised Code, grants park boards the authority...

“ to purchase goods and award contracts. The procuring of goods and awarding of contracts shall be done in accordance with the procedures established for the board of county commissioners by sections 307.86 to 307.91 of the Revised Code.”

The board of park commissioners voted to proceed with building a new picnic pavilion in March 1999. The Park Commissioners were to act as the general contractor of the project. Proposals were obtained for various components of the project.

Section 307.86, Revised Code, requires competitive bidding for expenditures in excess of \$15,000. The cost of the construction of the new pavilion exceeded \$15,000 and was not let for bid, as required by this section of the Code.

**FINDING NUMBER 1999-41104-002**

**Noncompliance Citation**

Section 5705.41(D), Revised Code, states that no subdivision or taxing unit shall make any contract or order any expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount to meet the same has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

Every such contract made without such a certificate shall be null and void and no warrant shall be issued in payment of any amount thereto.

Liabilities, contracts, and open purchase commitments were not certified by the clerk prior to the time of payment.







STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**SAYBROOK 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  
JUNE 27, 2000**