



Dave Yost • Auditor of State

**PORTAGE COUNTY PARK DISTRICT
PORTAGE COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Portage County Park District
Portage County
705 Oakwood Street, Suite G-4
Ravenna, Ohio 44266

To the Park Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of Portage County Park District, Portage County, (the District) as of and for the years ended December 31, 2013 and 2012.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

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

As described in Note 1 of the financial statements, the District prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2013 and 2012, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Portage County Park District, Portage County, as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2014, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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 District's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

September 5, 2014

**PORTAGE COUNTY PARK DISTRICT
PORTAGE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Capital Projects	Totals (Memorandum Only)
Cash Receipts			
Intergovernmental	\$44,734	\$351,186	\$395,920
Gifts and Donations	52,772		52,772
Earnings on Investments	109		109
Contractual Services	7,043		7,043
Miscellaneous	9,330		9,330
<i>Total Cash Receipts</i>	<u>113,988</u>	<u>351,186</u>	<u>465,174</u>
Cash Disbursements			
Salaries	87,447		87,447
Materials and Supplies	17,949	6,316	24,265
Contractual Services	17,310	15,844	33,154
Capital Outlay		345,089	345,089
Other Expenses	3,508		3,508
<i>Total Cash Disbursements</i>	<u>126,214</u>	<u>367,249</u>	<u>493,463</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(12,226)</u>	<u>(16,063)</u>	<u>(28,289)</u>
Other Financing Receipts (Disbursements)			
Sale of Capital Assets	1,607		1,607
Advances In		4,000	4,000
Advances Out	(4,000)		(4,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(2,393)</u>	<u>4,000</u>	<u>1,607</u>
<i>Net Change in Fund Cash Balances</i>	<u>(14,619)</u>	<u>(12,063)</u>	<u>(26,682)</u>
<i>Fund Cash Balances, January 1</i>	<u>28,135</u>	<u>50,728</u>	<u>78,863</u>
Fund Cash Balances, December 31			
Restricted		38,665	38,665
Unassigned (Deficit)	13,516		13,516
<i>Fund Cash Balances, December 31</i>	<u>\$13,516</u>	<u>\$38,665</u>	<u>\$52,181</u>

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

**PORTAGE COUNTY PARK DISTRICT
PORTAGE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2012**

	General	Capital Projects	Totals (Memorandum Only)
Cash Receipts			
Intergovernmental	\$53,200	\$200,107	\$253,307
Gifts and Donations	48,278	6,150	54,428
Earnings on Investments	168		168
Miscellaneous	10,066		10,066
<i>Total Cash Receipts</i>	<u>111,712</u>	<u>206,257</u>	<u>317,969</u>
Cash Disbursements			
Salaries	86,171		86,171
Materials and Supplies	16,187	2,475	18,662
Contractual Services	13,872	2,552	16,424
Capital Outlay	4,390	104,613	109,003
Other Expenses	2,125		2,125
Debt Service:			
Redemption of Principal		100,000	100,000
<i>Total Cash Disbursements</i>	<u>122,745</u>	<u>209,640</u>	<u>332,385</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(11,033)</u>	<u>(3,383)</u>	<u>(14,416)</u>
Other Financing Receipts (Disbursements)			
Advances In	21,044		21,044
Advances Out		(21,044)	(21,044)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>21,044</u>	<u>(21,044)</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	10,011	(24,427)	(14,416)
<i>Fund Cash Balances, January 1</i>	<u>18,124</u>	<u>75,155</u>	<u>93,279</u>
Fund Cash Balances, December 31			
Restricted		50,727	50,727
Unassigned (Deficit)	28,135		78,863
<i>Fund Cash Balances, December 31</i>	<u>\$28,135</u>	<u>\$50,728</u>	<u>\$78,863</u>

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

**PORTAGE COUNTY PARK DISTRICT
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

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 Portage County Park District, Portage County, (the District) as a body corporate and politic. The probate judge of Portage County appoints a five-member Board of Commissioners to govern the District. The Commissioners are authorized to acquire, develop, protect, maintain, and improve park lands and facilities. 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 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. 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 Auditor of State prescribes or permits.

C. Deposit and Investments

As the Ohio Revised Code permits, the Portage County Treasurer holds the District's deposits as the District's custodian. The County holds the District's assets in its investment pool, valued at the Treasurer's reported carrying amount.

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 types:

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

2. 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 District had the following significant capital project funds:

**PORTAGE COUNTY PARK DISTRICT
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Capital Project Funds (Continued)

Breakneck Creek Watershed Improvement Fund - This fund receives grants and donations to acquire watershed land and make improvements to the Breakneck Creek Preserve.

Headwaters Trail Improvement Fund - This fund receives proceeds from grants and donations for the improvement of Headwater trails.

E. Budgetary Process

The Ohio Revised Code requires that each fund 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. The District Board must annually approve appropriation measures and subsequent amendments.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The District Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

3. Encumbrances

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

A summary of 2013 and 2012 budgetary activity appears in Note 2.

F. Fund Balance

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

1. Nonspendable

The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**PORTAGE COUNTY PARK DISTRICT
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Balance (Continued)

2. 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.

3. Committed

Commissioners can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Commissioners amend 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.

4. 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 District Commissioners or a District official delegated that authority by resolution, or by State Statute.

5. 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 District 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.

G. 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.

H 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.

**PORTAGE COUNTY PARK DISTRICT
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2013 and 2012 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$115,900	\$108,552	(\$7,348)
Capital Projects	355,114	351,186	(3,928)
Total	\$471,014	\$459,738	(\$11,276)

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$138,624	\$119,171	\$19,453
Capital Projects	381,089	367,249	13,840
Total	\$519,713	\$486,420	\$33,293

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$130,894	\$111,712	(\$19,182)
Capital Projects	237,198	206,257	(30,941)
Total	\$368,092	\$317,969	(\$50,123)

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$146,543	\$122,744	\$23,799
Capital Projects	236,420	209,640	26,780
Total	\$382,963	\$332,384	\$50,579

3. RETIREMENT SYSTEMS

The District'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. For 2013 and 2012, OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2013.

**PORTAGE COUNTY PARK DISTRICT
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

4. RISK MANAGEMENT

Portage County is a member of the County Risk Sharing Authority, Inc. (CORSA) which is a property and liability self-insurance pool that was established by the County Commissioners Association of Ohio in 1987. The program is governed by a nine member Board of Trustees, all of whom must be commissioners from the member counties. The County Risk Sharing Authority, Inc. (CORSA) is a public entity risk sharing pool among sixty five counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self- Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage's provided by CORSA. These coverage's include comprehensive general liability, automobile liability, certain property insurance, public official's liability and police professional insurance.

CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. The Commission does not have an equity interest in CORSA.

Financial Statements may be obtained by contacting the County Commissioners Association of Ohio in Columbus, Ohio

5. SUBSEQUENT EVENTS

On February 14, 2014 the District obtained a \$55,000 loan from Hometown Bank to help with cash flow toward the construction of the Cuyahoga River Red Fox Boat Access. The project will be funded by an Ohio Cooperative Boating Facility State Grant in the amount of \$80,000.

On May 6, 2014 the voters approved a \$0.5 mill for each one hundred dollars of valuation for 10-years commencing in 2014, first due in calendar year 2015 estimated to generate \$1.63 million per year.

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

Portage County Park District
Portage County
705 Oakwood Street, Suite G-4
Ravenna, Ohio 44266

To the Park Commissioners:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Portage County Park District, Portage County, (the District) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements and have issued our report thereon dated September 5, 2014, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when 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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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, opining 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*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

September 5, 2014



Dave Yost • Auditor of State

PORTAGE COUNTY PARK DISTRICT

PORTAGE 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 9, 2014**