



**PORTAGE COUNTY PARK DISTRICT  
PORTAGE COUNTY**

**REGULAR AUDIT**

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



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

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**STATE OF OHIO**



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## REPORT OF INDEPENDENT ACCOUNTANTS

Portage County Park District  
Portage County  
449 South Meridian Street  
Ravenna, Ohio 44266

To the Board of Commissioners:

We have audited the accompanying financial statements of The Portage County Park District, Portage County, Ohio, (the District) as of and for the years ended December 31, 1999 and December 31, 1998. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 District 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 combined fund cash balances and reserves for encumbrances of the District as of December 31, 1999 and December 31, 1998 and its combined 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 District'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, 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



**PORTAGE COUNTY PARK DISTRICT  
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
 CHANGES IN FUND CASH BALANCES  
 ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Type</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
General Property Tax - Real Estate	\$48,150			\$48,150
Tangible Personal Property Tax	10,118			10,118
Grants	51,424		36,275	87,699
Investment Income	7,713			7,713
Gifts and Donations	300	13,500	101,346	115,146
Fees	180			180
Sales	10			10
Other Receipts	308		6,923	7,231
	<u>118,203</u>	<u>13,500</u>	<u>144,544</u>	<u>276,247</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
Salaries/Fringes	37,077			37,077
Supplies	3,742	971		4,713
Vehicle Maintenance	657			657
Equipment	31,988		28,896	60,884
Repairs/Maintenance	2,181			2,181
Contracts - Services	15,733	1,000	93,610	110,343
Travel	1,168			1,168
Utilities	2,488			2,488
Other	5,892			5,892
Public Employees Retirement	4,196			4,196
Workers' Compensation	734			734
	<u>105,856</u>	<u>1,971</u>	<u>122,506</u>	<u>230,333</u>
<b>Total Cash Disbursements</b>				
Total Receipts Over Disbursements	<u>12,347</u>	<u>11,529</u>	<u>22,038</u>	<u>45,914</u>
Fund Cash Balances, January 1	<u>6,861</u>	<u>1,102</u>	<u>147,954</u>	<u>155,917</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$19,208</u></b>	<b><u>\$12,631</u></b>	<b><u>\$169,992</u></b>	<b><u>\$201,831</u></b>
Reserves for Encumbrances, December 31	<u>\$7,295</u>	<u>\$1,000</u>		<u>\$8,295</u>

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

**PORTAGE COUNTY PARK DISTRICT  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Type</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Grants	36,424	2,270		38,694
Investment Income	7,999			7,999
Gifts and Donations	450		28,121	28,571
Other Receipts	1,221		99,000	100,221
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	46,094	2,270	127,121	175,485
<b>Cash Disbursements:</b>				
Current:				
Salaries - Employees	28,155			28,155
Supplies	2,570	720		3,290
Materials		113		113
Equipment	796			796
Contracts - Repair	1,343		33,142	34,485
Contracts - Services	10,469	335	4,217	15,021
Rentals	225			225
Advertising and Printing	521			521
Public Employees Retirement	3,068			3,068
Workers' Compensation	562			562
Other	2,780			2,780
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	50,489	1,168	37,359	89,016
Total Receipts Over/(Under) Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	(4,395)	1,102	89,762	86,469
<b>Other Proceeds from Sale of Public Debt</b>				
Proceeds from Sale of Public Debt:				
Transfers-In			12,704	12,704
Transfers-Out	(12,704)			(12,704)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(12,704)		12,704	
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	(17,099)	1,102	102,466	86,469
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>	<hr/>
	23,960		45,488	69,448
<b>Fund Cash Balances, December 31</b>	<hr/>	<hr/>	<hr/>	<hr/>
	<b>\$6,861</b>	<b>\$1,102</b>	<b>\$147,954</b>	<b>\$155,917</b>
Reserves for Encumbrances, December 31	<hr/>	<hr/>	<hr/>	<hr/>
	<b>\$665</b>	<b>\$130</b>	<b>\$14,611</b>	<b>\$15,406</b>

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



**PORTAGE COUNTY PARK DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Portage County Park District, Portage County, (the District) 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 District is directed by a three-member Board of Commissioners appointed by the probate judge of Portage County. The District acquires lands for conversion into forest reserves and for the conservation of the 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 same as the Board deems conducive to the general welfare.

The District's management believes these financial statements present all activities for which the District 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**

In accordance with Ohio Revised Code, the District's cash is held and invested by the Portage County Treasurer, who acts as custodian for District monies. The District's assets are held in the County's cash and investment pool, and are valued at the Treasurer's reported carrying amount.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts.

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

**2. Special Revenue Funds**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Funds:

*Local Grant Fund* - This fund receives grant monies for the improvement of the parks.

*Wetland Mitigation Fund* - This fund receives monies for the preservation of wetlands.

**PORTAGE COUNTY PARK DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(CONTINUED)**

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

**3. Capital Project Funds**

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The District had the following significant Capital Project Funds:

*Park Construction Fund* - This fund received proceeds for the improvements of several park 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 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 District 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.

**G. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the District.

**PORTAGE COUNTY PARK DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(CONTINUED)**

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

**Deposits.** At year-end, the total carrying amount of the Park District's deposits were \$201,831 in 1999, and \$155,917 in 1998. This amount was held by Portage County (fiscal agent) on behalf of the Park District in depository accounts, and was covered by federal depository insurance by collateral held by Portage County or by collateral held by a qualified third party trustee in the name of the County.

**3. BUDGETARY ACTIVITY**

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

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$114,461	\$118,203	\$3,742
Special Revenue	13,500	13,500	0
Capital Projects	211,871	144,544	(67,327)
Total	<u>\$339,832</u>	<u>\$276,247</u>	<u>(\$63,585)</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$121,323	\$113,151	\$ 8,172
Special Revenue	14,602	2,971	11,631
Capital Projects	318,978	122,506	196,472
Total	<u>\$454,903</u>	<u>\$238,628</u>	<u>\$216,275</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$45,815	\$46,093	\$278
Special Revenue	2,277	2,270	(7)
Capital Projects	114,318	139,825	25,507
Total	<u>\$162,410</u>	<u>\$188,188</u>	<u>\$25,778</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$71,971	\$63,858	\$8,113
Special Revenue	2,277	1,298	979
Capital Projects	164,871	51,970	112,901
Total	<u>\$239,119</u>	<u>\$117,126</u>	<u>\$121,993</u>

**PORTAGE COUNTY PARK DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(CONTINUED)**

**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.

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 District.

**5. RETIREMENT SYSTEM**

The District'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 District contributed an amount equal to 13.55% of participants' gross salaries. The District has paid all contributions required through December 31, 1999.

**6. RISK MANAGEMENT**

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The District also provides health insurance and dental and vision coverage to full-time employees through a private carrier.



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

Portage County Park District  
Portage County  
449 South Meridian Street  
Ravenna, Ohio 44266

To the Board of Commissioners:

We have audited the accompanying financial statements of the Portage County Park District, Portage County, Ohio (the District), as of and for the years ended December 31, 1999 and December 31, 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 District'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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District'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 District in a separate letter dated June 5, 2000.

This report is intended for the information and use of 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". The signature is fluid and cursive, with a large loop at the end.

**Jim Petro**  
Auditor of State

June 5, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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**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  
JULY 18, 2000**