



**Auditor of State
Betty Montgomery**

**PORTAGE COUNTY PARK DISTRICT
PORTAGE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Governmental Fund Types – For the Year Ended December 31, 2003.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Governmental Fund Types – For the Year Ended December 31, 2002.....	4
Notes to the Financial Statements	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11
Schedule of Prior Year Findings	13

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Portage County Park District
Portage County
449 South Meridian St.
Ravenna, Ohio 44266

To the Board of Commissioners:

We have audited the accompanying financial statements of the Portage County Park District, Portage County, (the District) as of and for the years ended December 31, 2003, and 2002. 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 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. 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 fund cash balances and reserves for encumbrances of the District as of December 31, 2003 and 2002, 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 July 1, 2004 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

July 1, 2004

**PORTAGE COUNTY PARK DISTRICT
PORTAGE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Type</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
Grants	\$0	\$210,438	\$210,438
Investment Income	5,116		5,116
Gifts and Donations	319	530	849
Local Government Funds	141,635		141,635
Other Receipts	12,104	95,000	107,104
Total Cash Receipts	159,174	305,968	465,142
Cash Disbursements:			
Current:			
Salaries - Employees	61,310		61,310
Supplies	9,898		9,898
Equipment	86		86
Contracts - Services	3,349	125,182	128,531
Contracts - Projects		203,923	203,923
Travel	910		910
Public Employees Retirement	8,307		8,307
Workers' Compensation	840		840
Capital Outlay	51,578	66,568	118,146
Debt:			
Payment of Principal		100,438	100,438
Other	27,614		27,614
Total Cash Disbursements	163,892	496,111	660,003
Total Receipts Over/(Under) Disbursements	(4,718)	(190,143)	(194,861)
Other Financing Receipts/(Disbursements):			
Loan Proceeds		250,000	250,000
Advance-In		8,000	8,000
Advance-Out	(8,000)		(8,000)
Other Sources	661		661
Total Other Financing Receipts/(Disbursements)	(7,339)	258,000	250,661
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(12,057)	67,857	55,800
Fund Cash Balances, January 1	73,074	292,912	365,986
Fund Cash Balances, December 31	\$61,017	\$360,769	\$421,786
Reserves for Encumbrances, December 31	\$0	\$32,305	\$32,305

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

**PORTAGE COUNTY PARK DISTRICT
PORTAGE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Type</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Grants			\$138,432	\$138,432
Investment Income	12,519			12,519
Gifts and Donations	6,593		22,000	28,593
Local Government Funds	94,995			94,995
Other Receipts	500			500
	<u>114,607</u>		<u>160,432</u>	<u>275,039</u>
Total Cash Receipts				
	<u>114,607</u>		<u>160,432</u>	<u>275,039</u>
Cash Disbursements:				
Current:				
Salaries - Employees	60,016			60,016
Supplies	10,874			10,874
Equipment	2,739			2,739
Contracts - Services	8,323		14,843	23,166
Contracts - Projects			60,071	60,071
Travel	2,311			2,311
Public Employees Retirement	8,132			8,132
Workers' Compensation	1,323			1,323
Capital Outlay	94,180	44,120	141,462	279,762
Other	23,883		1,136	25,019
	<u>211,781</u>	<u>44,120</u>	<u>217,512</u>	<u>473,413</u>
Total Cash Disbursements				
	<u>211,781</u>	<u>44,120</u>	<u>217,512</u>	<u>473,413</u>
Total Receipts Over/(Under) Disbursements	<u>(97,174)</u>	<u>(44,120)</u>	<u>(57,080)</u>	<u>(198,374)</u>
Other Financing Receipts/(Disbursements):				
Loan Proceeds			221,000	221,000
Transfers-In			880	880
Transfers-Out	(880)			(880)
Other Sources	768			768
	<u>(112)</u>		<u>221,880</u>	<u>221,768</u>
Total Other Financing Receipts/(Disbursements)				
	<u>(112)</u>		<u>221,880</u>	<u>221,768</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(97,286)</u>	<u>(44,120)</u>	<u>164,800</u>	<u>23,394</u>
Fund Cash Balances, January 1	<u>170,360</u>	<u>44,120</u>	<u>128,112</u>	<u>342,592</u>
Fund Cash Balances, December 31	<u>\$73,074</u>	<u>\$0</u>	<u>\$292,912</u>	<u>\$365,986</u>
Reserves for Encumbrances, December 31	<u>\$6,897</u>	<u>\$0</u>	<u>\$242,942</u>	<u>\$249,839</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, 2003 AND 2002**

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

As permitted by the Ohio Revised Code, the Portage County Treasurer holds the District's cash as custodian for the District. The District's assets are held in the County's cash and investment pool, and are 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 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 Fund:

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

**PORTAGE COUNTY PARK DISTRICT
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(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:

Breakneck Creek Improvement Fund – This fund receives proceeds for the improvement of Breakneck Creek.

Towner's Woods Rail Construction Fund – This fund receives proceeds for the construction of a park trail.

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 object level of control, and appropriations may not exceed estimated resources. Appropriation Authority includes current year appropriations plus encumbrances carried over from the prior year (if any). The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

3. Encumbrances

The Ohio Revised Code requires the 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 2003 and 2002 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. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the basis of accounting the District uses.

**PORTAGE COUNTY PARK DISTRICT
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003-2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$145,883	\$159,835	\$13,952
Capital Projects	634,000	555,968	(\$78,032)
Total	\$779,883	\$715,803	(\$64,080)

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$218,947	\$163,892	\$55,055
Capital Projects	676,882	528,416	\$148,466
Total	\$895,829	\$692,308	\$203,521

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$105,300	\$115,375	\$10,075
Capital Projects	365,312	382,312	\$17,000
Total	\$470,612	\$497,687	\$27,075

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$265,571	\$219,558	\$46,013
Special Revenue	44,120	44,120	\$0
Capital Projects	486,806	460,454	\$26,352
Total	\$796,497	\$724,132	\$72,365

**PORTAGE COUNTY PARK DISTRICT
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

3. DEBT

Debt outstanding at December 31, 2003 was as follows:

	<u>Principal</u>
General Obligation Notes-Loan 1	\$120,562
General Obligation Notes-Loan 2	250,000
Total	<u>\$370,562</u>

The Portage County Commissioners agreed to loan the District two interest free loans in anticipation of the District's receipt of grant funds. Loan 1 was made on October 29, 2002 in the amount of \$221,000 in anticipation of the District's receipt of the Recreational Trails grant funds. As of 12/31/03, the District received \$100,438 which was applied to the loan balance. Loan 2 was made on August 5, 2003 in the amount of \$250,000 in anticipation of the District's receipt of the Clean Ohio Trails Fund Grant funds. The District did not receive any grant funds from the Clean Ohio Trails fund Grant as of December 31, 2003.

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 employees belong 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 2003 and 2002, 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, 2003.

**PORTAGE COUNTY PARK DISTRICT
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

6. RISK MANAGEMENT

Risk Pool Membership

The District is a member of the County Risk Sharing Authority (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 member counties. The Pool covers the following risks:

- General liability and casualty;
- Public official's liability; and
- Vehicle.

CORSA's assets and liabilities (from their last two audited financial statements – ending April 30th) were as follows:

	<u>2003</u>	<u>2002</u>
Assets	\$55,307,503	\$51,165,165
Liabilities	\$27,313,036	\$27,067,647

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

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Auditor of State Betty Montgomery

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

Portage County Park District
Portage County
449 South Meridian St.
Ravenna, Ohio 44266

To the Board of Commissioners:

We have audited the accompanying financial statements of the Portage County Park District, Portage County, (the District) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated July 1, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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.

Portage County Park District
Portage County
Independent Accountants' Report on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of the audit committee, management and the 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

July 1, 2004

**PORTAGE COUNTY PARK DISTRICT
PORTAGE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2003 AND 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2001-61167-001	Revised Code 5705.41(D), failure to certify funds	Partially	Verbal comment made in current audit.
2001-61167-002	Revised Code 5705.39, appropriation in excess of estimated revenue	Yes	Fully corrected.



**Auditor of State
Betty Montgomery**

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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
SEPTEMBER 14, 2004**