



**STARK COUNTY PARK DISTRICT
STARK COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



**JIM PETRO
AUDITOR OF STATE**

STATE OF OHIO

STARK COUNTY PARK DISTRICT
STARK COUNTY

TABLE OF CONTENTS

| <u>TITLE</u> | <u>PAGE</u> |
|---|-------------|
| Report of Independent Accountants | 1 |
| Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 2000 | 3 |
| Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types and Expendable Trust Fund For the Year Ended December 31, 1999 | 4 |
| Notes to the Financial Statements | 5 |
| Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> | 11 |

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

111 Second Street, NW
Fourth Floor
Canton, Ohio 44702
Telephone 330-438-0617
800-443-9272
Facsimile 330-471-0001
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Stark County Park District
Stark County
5300 Tyner Avenue NW
Canton, Ohio 44708

To the Board of Commissioners:

We have audited the accompanying financial statements of the Stark County Park District, Stark County, (the District) as of and for the years ended December 31, 2000 and 1999. 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 audits.

We conducted our audits 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 audits 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 audits provide 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, 2000 and 1999, 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 August 21, 2001, 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 audits.

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 Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

August 21, 2001

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**STARK COUNTY PARK DISTRICT
STARK COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

| | <u>Governmental Fund Types</u> | | | Totals (Memorandum Only) |
|---|--------------------------------|----------------------------|-----------------------------|---|
| | <u>General</u> | <u>Special Revenue</u> | <u>Capital Projects</u> | |
| Cash Receipts: | | | | |
| Taxes | \$2,233,085 | | | \$2,233,085 |
| Intergovernmental | 565,653 | \$212,580 | | 778,233 |
| Charges for Services | 57,501 | | | 57,501 |
| Investment Income | 57,718 | | \$2,667 | 60,385 |
| Fines and Forfeitures | 666 | | | 666 |
| Other | 4,664 | | | 4,664 |
| Total Cash Receipts | <u>2,919,287</u> | <u>212,580</u> | <u>2,667</u> | <u>3,134,534</u> |
| Cash Disbursements: | | | | |
| Current: | | | | |
| Personal Services - Salaries and Wages | 1,118,180 | 113,539 | | 1,231,719 |
| Personal Services - Employee Benefits | 330,450 | 41,229 | | 371,679 |
| Supplies and Materials | 206,880 | 33,112 | 6,124 | 246,116 |
| Purchased Services | 640,752 | 24,700 | 34,291 | 699,743 |
| Other Allocations | 85,034 | | | 85,034 |
| Capital Outlay | 526,848 | | 1,000,000 | 1,526,848 |
| Debt: | | | | |
| Interest Payment | 1,059 | | | 1,059 |
| Total Cash Disbursements | <u>2,909,203</u> | <u>212,580</u> | <u>1,040,415</u> | <u>4,162,198</u> |
| Total Cash Receipts Over/(Under) Cash Disbursements | <u>10,084</u> | <u>0</u> | <u>(1,037,748)</u> | <u>(1,027,664)</u> |
| Other Financing Receipts: | | | | |
| Proceeds of Notes | | | 1,000,000 | 1,000,000 |
| Other Sources | 9,454 | | | 9,454 |
| Total Other Financing Receipts | <u>9,454</u> | <u>0</u> | <u>1,000,000</u> | <u>1,009,454</u> |
| Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements | <u>19,538</u> | <u>0</u> | <u>(37,748)</u> | <u>(18,210)</u> |
| Fund Cash Balances, January 1, 2000 | <u>1,122,987</u> | <u>0</u> | <u>67,465</u> | <u>1,190,452</u> |
| Fund Cash Balances, December 31, 2000 | <u>\$1,142,525</u> | <u>\$0</u> | <u>\$29,717</u> | <u>\$1,172,242</u> |
| Reserves for Encumbrances, December 31, 2000 | <u>\$839,584</u> | <u>\$0</u> | <u>\$18,299</u> | <u>\$857,883</u> |

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

STARK COUNTY PARK DISTRICT
STARK COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1999**

| | Governmental Fund Types | | | Fiduciary Fund Type | Totals (Memorandum Only) |
|--|---------------------------|--------------------|------------------------|------------------------|--------------------------------|
| | General | Special Revenue | Capital Projects | Expendable Trust | |
| Cash Receipts: | | | | | |
| Taxes | \$2,236,274 | | | | \$2,236,274 |
| Intergovernmental | 395,855 | \$10,898 | | | 406,753 |
| Charges for Services | 65,412 | | | | 65,412 |
| Investment Income | 49,440 | 2,581 | \$6,481 | | 58,502 |
| Fines and Forfeitures | 923 | | | | 923 |
| Other | 25,138 | | | | 25,138 |
| Total Cash Receipts | <u>2,773,042</u> | <u>13,479</u> | <u>6,481</u> | <u>0</u> | <u>2,793,002</u> |
| Cash Disbursements: | | | | | |
| Current: | | | | | |
| Personal Services - Salaries and Wages | 895,469 | 7,629 | 4,974 | | 908,072 |
| Personal Services - Employee Benefits | 273,685 | 3,784 | 7,736 | | 285,205 |
| Supplies and Materials | 223,394 | | 8,183 | | 231,577 |
| Purchased Services | 356,728 | | 24,223 | | 380,951 |
| Other Allocations | 41,523 | | | | 41,523 |
| Capital Outlay | 305,141 | | | | 305,141 |
| Debt: | | | | | |
| Payment of Principal | | | 550,000 | | 550,000 |
| Payment of Interest | | | 22,495 | | 22,495 |
| Total Cash Disbursements | <u>2,095,940</u> | <u>11,413</u> | <u>617,611</u> | <u>0</u> | <u>2,724,964</u> |
| Total Receipts Over/(Under) Disbursements | <u>677,102</u> | <u>2,066</u> | <u>(611,130)</u> | <u>0</u> | <u>68,038</u> |
| Other Financing Receipts/(Disbursements): | | | | | |
| Transfers-In | 616 | | 532,032 | | 532,648 |
| Transfers-Out | (320,995) | (95,934) | (115,569) | (150) | (532,648) |
| Total Other Financing Receipts/(Disbursements) | <u>(320,379)</u> | <u>(95,934)</u> | <u>416,463</u> | <u>(150)</u> | <u>0</u> |
| Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements | 356,723 | (93,868) | (194,667) | (150) | 68,038 |
| Fund Cash Balances, January 1, 1999 As Restated (See Note 9) | 766,264 | 93,868 | 262,132 | 150 | 1,122,414 |
| Fund Cash Balances, December 31, 1999 | <u>\$1,122,987</u> | <u>\$0</u> | <u>\$67,465</u> | <u>\$0</u> | <u>\$1,190,452</u> |
| Reserves for Encumbrances, December 31, 1999 | <u>\$630,854</u> | <u>\$0</u> | <u>\$43,304</u> | <u>\$0</u> | <u>\$674,158</u> |

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

**STARK COUNTY PARK DISTRICT
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Stark County Park District, Stark 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 Stark 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 Stark 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.

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 expenditures for specific purposes. The District had the following significant Special Revenue Fund:

Sippo Restore - This fund received federal Cops Fast funds for the purpose of providing park security at the various park sites through-out the county.

**STARK COUNTY PARK DISTRICT
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

3. Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The District had the following significant Capital Projects Fund:

Park Improvement Note Fund - This fund received note proceeds used for the purpose of purchasing land for park expansion.

4. Fiduciary Fund (Trust)

Trust funds are used to account for resources restricted by legally binding trust agreement. Funds for which the District is acting in an agent capacity are classified as agency funds. The District had the following significant fiduciary fund:

Richard H. Fry Memorial Fund - This fund was established through donations received in memory of Richard H. Fry, former District Director. The donations received into this fund and income earned from the fund are used to sponsor a fishing tournament held at Petros Lake Park.

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 2000 and 1999 budgetary activity appears in Note 2.

**STARK COUNTY PARK DISTRICT
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

| 2000 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$2,959,696 | \$2,928,741 | (\$30,955) |
| Special Revenue | 212,580 | 212,580 | 0 |
| Capital Project | 1,000,000 | 1,002,667 | 2,667 |
| Total | \$4,172,276 | \$4,143,988 | (\$28,288) |

| 2000 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|-----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$4,041,039 | \$3,748,787 | \$292,252 |
| Special Revenue | 212,580 | 212,580 | 0 |
| Capital Project | 1,058,931 | 1,058,714 | 217 |
| Total | \$5,312,550 | \$5,020,081 | \$292,469 |

| 1999 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|-----------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$2,585,670 | \$2,773,658 | \$187,988 |
| Special Revenue | 13,954 | 13,479 | (475) |
| Capital Project | 578,176 | 538,513 | (39,663) |
| Fiduciary | 0 | 0 | 0 |
| Total | \$3,177,800 | \$3,325,650 | \$147,850 |

**STARK COUNTY PARK DISTRICT
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

2. BUDGETARY ACTIVITY (Continued)

| 1999 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|-----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$3,370,532 | \$3,047,789 | \$322,743 |
| Special Revenue | 112,737 | 107,347 | 5,390 |
| Capital Project | 819,506 | 776,484 | 43,022 |
| Fiduciary | 150 | 150 | 0 |
| Total | \$4,302,925 | \$3,931,770 | \$371,155 |

3. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board. 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 payments, 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.

4. DEBT

Debt outstanding at December 31, 2000:

| | Principal | Interest Rate |
|------------------------------------|-------------|------------------|
| Park Improvement Note, Series 2000 | \$1,000,000 | 4.59% |

The District issued Park Improvement Notes on February 25, 2000 in the amount of \$1,000,000 at 4.59% for a term of one year to improve the parks and to acquire additional park land. Interest and principal payments were due on February 23, 2001 to United National Bank and Trust Company.

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.

**STARK COUNTY PARK DISTRICT
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

5. RETIREMENT SYSTEM (Continued)

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. The District contributed an amount equal to 10.84% in 2000 and 13.55% in 1999 of participants' gross salaries for all District employees except park rangers for which an amount equivalent to 16.7% was contributed. The District has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles

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

7. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the state and federal governments. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

8. SUBSEQUENT EVENT

On February 7, 2001 the Park District rolled over Park Improvement Note Series 2000 in the amount of \$1,000,000 which was due February 23, 2001, into a 6 month note due August 22, 2001. On August 22, 2001 the District repaid \$300,000 of Park Improvement Note Series 2001 and issued a new note for \$700,000 at 3.39% due August 22, 2002.

9. PRIOR PERIOD ADJUSTMENT

The General and Capital Projects Fund balances as of December 31, 1998 have been adjusted to reflect the proper treatment of park rental income received by the District to cover park property renovations. The rental income was incorrectly adjusted and moved to the General Fund in the prior period. The Capital Projects Fund balance was understated due to the omission of the Devonshire Park II fund balance from the financial statements. The balances were adjusted as follows:

| | <u>General</u> | <u>Capital Projects</u> |
|--|------------------|-------------------------|
| Fund Balance as previously reported December 31, 1998 | \$854,264 | \$130,982 |
| Adjustment for fund balance omitted | 0 | 43,150 |
| Adjustment made for rental income to be used for Canal Corridor Project | <u>(88,000)</u> | <u>88,000</u> |
| Restated Fund Balance | <u>\$766,264</u> | <u>\$262,132</u> |

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

111 Second Street, NW
Fourth Floor
Canton, Ohio 44702
Telephone 330-438-0617
800-443-9272
Facsimile 330-471-0001
www.auditor.state.oh.us

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

Stark County Park District
Stark County
5300 Tyner Avenue NW
Canton, Ohio 44708

To the Board of Commissioners:

We have audited the financial statements of the Stark County Park District, Stark County, (the District) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated August 21, 2001. We conducted our audits 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 audits 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 audits, 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 August 21, 2001.

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

This report is intended for the information and use of 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.

Jim Petro
Auditor of State

August 21, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

STARK COUNTY PARK DISTRICT

STARK 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, 2001**