

**METRO PARKS,  
SERVING SUMMIT COUNTY**

**AUDIT REPORT**

**FOR THE YEARS ENDED  
DECEMBER 31, 2011 AND 2010**

***James G. Zupka, CPA, Inc.***  
**Certified Public Accountants**





# Dave Yost • Auditor of State

Board of Park Commissioners  
Metro Parks Serving Summit County  
975 Treaty Line Road  
Akron, Ohio 44313

We have reviewed the *Independent Auditor's Report* of the Metro Parks Serving Summit County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2010 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Metro Parks Serving Summit County is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

May 24, 2012

**This page intentionally left blank.**

**METRO PARKS, SERVING SUMMIT COUNTY  
FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

***TABLE OF CONTENTS***

	<u>Page</u>
Independent Auditor's Report	1-2
Financial Statements:	
Statements of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances for the Year Ended December 31, 2011	3
Statements of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances for the Year Ended December 31, 2010	4
Notes to Financial Statements	5-12
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	13-14
Schedule of Findings	15-16
Schedule of Prior Audit Finding and Recommendations	17

**This page intentionally left blank.**

**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

---

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

Board of Park Commissioners  
Metro Parks, Serving Summit County  
975 Treaty Line Road  
Akron, Ohio 44313

We have audited the accompanying statements of cash receipts, cash disbursements, and changes in fund cash balances of the Metro Parks, Serving Summit County (the Park District) as of and for the years ended December 31, 2011 and 2010. These financial statements are the responsibility of the Park 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 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 audits provide a reasonable basis for our opinions.

As discussed in Note 1, the Park 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 accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.


Instead of the combined funds the accompanying financial statements present, GAAP requires presenting entity wide statements and also presenting the Government's larger (i.e. major) funds separately. While the Government does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Governments to reformat their statements. The Government has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2011 and 2010, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Metro Parks, Serving Summit County as of December 31, 2011 and 2010, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Metro Parks, Serving Summit County as of December 31, 2011 and 2010, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The Park District has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report date March 21, 2012 on our consideration of the Park District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contract, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. 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.

  
James G. Zupka, CPA, Inc.  
Certified Public Accountants

March 21, 2012



**METRO PARKS, SERVING SUMMIT COUNTY**  
**STATEMENTS OF CASH RECEIPTS, CASH DISBURSEMENTS, AND**  
**CHANGES IN FUND CASH BALANCES**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Governmental Fund Types</u>		<u>Totals</u>
	<u>General</u>	<u>Capital Projects</u>	
<b><u>Cash Receipts:</u></b>			
Taxes	\$17,604,943	\$ 0	\$17,604,943
Intergovernmental	109,000	179,260	288,260
Investment Income	28,746	0	28,746
Gifts and Donations	27,635	0	27,635
Aquatic Fees	244,617	0	244,617
Pavilion, Shelter and Property Rentals	185,005	0	185,005
Other	<u>1,050,760</u>	<u>0</u>	<u>1,050,760</u>
 Total Cash Receipts	 <u>19,250,706</u>	 <u>179,260</u>	 <u>19,429,966</u>
<b><u>Cash Disbursements:</u></b>			
Current:			
Employee Wages and Benefits	7,029,073	0	7,029,073
Supplies, Materials and Services	4,688,908	158,773	4,847,681
Capital Outlay	<u>9,168,635</u>	<u>835,564</u>	<u>10,004,199</u>
 Total Cash Disbursements	 <u>20,886,616</u>	 <u>994,337</u>	 <u>21,880,953</u>
 Total Cash Receipts Over Cash Disbursements	 (1,635,910)	 (815,077)	 (2,450,987)
Other Financing Sources and Uses:			
Interfund Advances in (Out)	(112,966)	112,966	0
 Fund Cash Balances, January 1	 <u>17,092,924</u>	 <u>1,192,891</u>	 <u>18,285,815</u>
 <b>Fund Cash Balances, December 31</b>	 <b><u>\$15,344,048</u></b>	 <b><u>\$ 490,780</u></b>	 <b><u>\$15,834,828</u></b>

See Accompanying Notes to the Financial Statements.

**METRO PARKS, SERVING SUMMIT COUNTY**  
**STATEMENTS OF CASH RECEIPTS, CASH DISBURSEMENTS, AND**  
**CHANGES IN FUND CASH BALANCES**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Governmental Fund Types</u>		<u>Totals</u>
	<u>General</u>	<u>Capital Projects</u>	
<b><u>Cash Receipts:</u></b>			
Taxes	\$17,914,351	\$ 0	\$17,914,351
Intergovernmental	127,593	320,936	448,529
Investment Income	22,912	0	22,912
Gifts and Donations	24,925	0	24,925
Aquatic Fees	250,524	0	250,524
Pavilion, Shelter and Property Rentals	169,080	0	169,080
Other	<u>545,706</u>	<u>0</u>	<u>545,706</u>
 Total Cash Receipts	 <u>19,055,091</u>	 <u>320,936</u>	 <u>19,376,027</u>
<b><u>Cash Disbursements:</u></b>			
Current:			
Employee Wages and Benefits	6,553,948	0	6,553,948
Supplies, Materials and Services	5,192,473	32,500	5,224,973
Capital Outlay	<u>5,862,515</u>	<u>1,913,907</u>	<u>7,776,422</u>
 Total Cash Disbursements	 <u>17,608,936</u>	 <u>1,946,407</u>	 <u>19,555,343</u>
 Total Cash Receipts Over Cash Disbursements	 1,446,155	 (1,625,471)	 (179,316)
 Other Financing Sources & Uses:			
Interfund Advances In (Out)	(2,818,362)	2,818,362	0
 Fund Cash Balances, January 1	 <u>18,465,131</u>	 <u>0</u>	 <u>18,465,131</u>
 <b>Fund Cash Balances, December 31</b>	 <b><u>\$17,092,924</u></b>	 <b><u>\$ 1,192,891</u></b>	 <b><u>\$18,285,815</u></b>

See Accompanying Notes to the Financial Statements.

**METRO PARKS, SERVING SUMMIT COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**

---

---

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Description of the Entity* - The Metro Parks, Serving Summit County, Ohio, (the Park 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 Park District is directed by a three-member Board of Commissioners appointed by the probate judge of Summit County. The Park 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 Park District's management believes these financial statements present all activities for which the Park District is financially accountable.

*Component Unit* - Component units are legally separate organizations for which the Park District is financially accountable. The Park District is financially accountable for an organization if the Park District appoints a voting majority of the organization's governing board and (1) the Park District is able to significantly influence the programs or services performed or provided by the organization; or (2) the Park District is legally entitled to or can otherwise access the organization's resources; the Park District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Park District is obligated for the debt of the organization. The Park District is also financially accountable for any organizations for which the Park District approves the budget, the issuance of debt or the levying of taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the Park District, are accessible to the Park District and are significant in amount to the Park District.

The Metro Parks Foundation (the Foundation) is a not-for-profit organization with a self-appointing board. The Park District is not financially accountable for the organization, nor does the Park District approve the budget or the issuance of debt of the organization. The Foundation is organized exclusively for charitable, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 and to operate exclusively for the benefit of the Park District and to further the Park District's charitable purposes.

A Board of Trustees consisting of five (5) interested persons residing in the State of Ohio manages the Foundation's affairs. During 2011 and 2010, three Commissioners served on the Foundation's Board.

**METRO PARKS, SERVING SUMMIT COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**  
**(CONTINUED)**

---

---

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

The Foundation meets the criteria regarding component units stated in the last sentence of paragraph one of this footnote. According to the Auditor of State government agencies using the method of accounting described below need not incorporate affiliated organizations within their government. Therefore, the Park District is not required to and has not included the Foundation within the reporting entity of the Park District. *(The Foundation's financial activities are not included in the Park District's basic financial statements as a blended component unit and represent 0.02 percent and 0.09 percent of receipts and disbursements, respectively, for the year ended December 31, 2011 and 1.9 percent and 0.07 percent of receipts and disbursements, respectively, for the year ended December 31, 2010).*

***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 receipt and disbursement basis of accounting. Revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when 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.

***Cash*** - As permitted by the Ohio Revised Code, the Summit County Fiscal Officer holds the Park District's cash as custodian for the Park District. The Park District's assets are held in the County's cash and investment pool, and are valued at the Fiscal Officer's reported carrying amount.

***Fund Accounting*** - The Park District classifies its funds into the following types:

**General Fund**

The General Fund accounts for all financial resources except those required to be accounted for in another fund.

**Capital Projects Funds**

The Capital Projects Funds account for receipts restricted for acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Park District had the following significant Capital Projects Funds:

**Recreational Trails Towpath**

This fund was established to develop a bike and walking path.

**METRO PARKS, SERVING SUMMIT COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**  
**(CONTINUED)**

---

---

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

*Fund Accounting* (Continued)

Capital Projects Funds (Continued)

Transportation Enhancement

This fund was established to construct a pedestrian bridge over a bike and walking path.

Ohio EPA Furnace Run Restoration

This fund was established to construct and restore a stream to its natural condition.

Clean Ohio Funds

This fund was established to purchase desirable land for the creation of new, and the expansion of existing parks.

Clean Ohio Trail Fund

This fund was established to develop a bike and walking path.

***Budgetary Process*** - The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level, and appropriations may not exceed estimated resources. Appropriations include current year appropriations plus encumbrances carried over from the prior year (if any). The Board of Park Commissioners must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

Estimated Resources

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

**METRO PARKS, SERVING SUMMIT COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**  
**(CONTINUED)**

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

***Budgetary Process*** (Continued)

**Encumbrances**

The Ohio Revised Code requires the Park District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2011 and 2010 budgetary activity appears in Note 2.

***Property and Equipment*** - Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

***Unpaid Vacation and Sick Leave*** - In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused vacation and sick leave. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Park District.

NOTE 2: **BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2011 and 2010 was as follows:

2011 Budgeted vs. Actual Receipts			
<u>Fund Type</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
	<u>Receipts</u>	<u>Receipts</u>	<u></u>
General	\$36,030,886	\$19,250,706	\$16,780,180
Capital Projects	1,531,107	292,226	1,238,881
Total	<u>\$37,561,993</u>	<u>\$19,542,932</u>	<u>\$18,019,061</u>

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation</u>	<u>Budgetary</u>	<u>Variance</u>
	<u>Authority</u>	<u>Expenditures</u>	<u></u>
General	\$34,999,533	\$20,999,582	\$13,999,951
Capital Projects	2,488,604	994,337	1,494,267
Total	<u>\$37,488,137</u>	<u>\$21,993,919</u>	<u>\$15,494,218</u>

**METRO PARKS, SERVING SUMMIT COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**  
**(CONTINUED)**

NOTE 2: **BUDGETARY ACTIVITY** (Continued)

2010 Budgeted vs. Actual Receipts			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$36,497,957	\$19,055,091	\$17,442,866
Capital Projects	3,467,538	3,139,298	328,240
Total	<u>\$39,965,495</u>	<u>\$22,194,389</u>	<u>\$17,771,106</u>
2010 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$33,111,938	\$20,427,298	\$12,684,640
Capital Projects	4,139,346	1,946,407	2,192,939
Total	<u>\$37,251,284</u>	<u>\$22,373,705</u>	<u>\$14,877,579</u>

NOTE 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 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 payments, the first half is due February. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Park District. Due to the deregulation of electric utilities, a new category of tax receipts, "Other Shared Taxes" was established by the Summit County Fiscal Office to offset the reduction in revenue.

Tangible personal property tax is assessed to 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 District.

**METRO PARKS, SERVING SUMMIT COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**  
**(CONTINUED)**

---

---

**NOTE 4: RETIREMENT SYSTEM**

The Park District's full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS 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. Regular members of OPERS contributed 10 percent of their gross salaries for 2011 and 2010. The Park Rangers contributed 11.60 percent of their gross salaries for 2011 and 11.10 percent of their gross salaries for 2010. The Park District contributed 14 percent of regular participants' gross salaries for 2011 and 2010. The Park District also contributed 18.10 percent of Park Rangers' gross salaries for 2011 and 17.87 percent of their gross salaries for 2010. The Park District has paid all contributions required through December 31, 2011 and 2010.

**NOTE 5: RISK MANAGEMENT**

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

- Comprehensive Property and General Liability
- Vehicles
- Errors and Omissions

There were no reductions in insurance coverage from the previous year, nor have settlements exceeded insurance coverage in any of the prior three fiscal years.

*This space was intentionally left blank.*



**METRO PARKS, SERVING SUMMIT COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**  
**(CONTINUED)**

**NOTE 6: LEGAL COMPLIANCE**

The following funds had appropriations exceeding actual resources at year end:

<u>Fund Description</u>	<b>2010</b>	<b>Total Final</b>	<b>(Unfavorable)</b>
	<b>Total Actual</b>	<b>Appropriations</b>	<b>Variance</b>
	<b>Resources</b>		
B & H Trail Brandywine	\$ 0	\$ 700,000	\$ (700,000)
Ohio EPA	40,000	289,984	(249,984)
OECA 2008 Towpath PPG 2C	11,776	121,000	(109,224)
Recreational Trails 2006 Bike & Hike Brandywine	26,468	100,000	(73,532)

<u>Fund Description</u>	<b>2011</b>	<b>Total Final</b>	<b>(Unfavorable)</b>
	<b>Total Actual</b>	<b>Appropriations</b>	<b>Variance</b>
	<b>Resources</b>		
Ohio EPA	\$ 110,374	\$ 324,029	\$ (213,655)
OECA 2008 Towpath PPG 2C	132,776	242,000	(109,224)
Trans. Enhanc. 2008 Freedom Sec. Trails PHS 1	0	700,000	(700,000)
Clean Ohio Trails 2008	286,699	500,000	(213,301)

The following funds has appropriations exceeding estimated resources as of year end:

<u>Fund Description</u>	<b>2010</b>	<b>Total Final</b>	<b>(Unfavorable)</b>
	<b>Total Final</b>	<b>Appropriations</b>	<b>Variance</b>
	<b>Estimated</b>		
	<b>Resources</b>		
B & H Trail Brandywine	\$ 0	\$ 700,000	\$ (700,000)
Ohio EPA	249,984	289,984	(40,000)
US Fish and Wildlife	0	14,500	(14,500)

<u>Fund Description</u>	<b>2011</b>	<b>Total Final</b>	<b>(Unfavorable)</b>
	<b>Total Final</b>	<b>Appropriations</b>	<b>Variance</b>
	<b>Estimated</b>		
	<b>Resources</b>		
Ohio EPA	\$ 264,029	\$ 324,029	\$ (60,000)
OECA 2008 Towpath PPG 2C	11,776	242,000	(230,224)
Rec. Trails 2006 Bike & Hike Brandywine	100,000	200,000	(100,000)
Trans. Enhanc. 2008 Freedom Sec. Trails PHS 1	0	700,000	(700,000)
Clean Ohio Tinker's Creek	501,232	522,375	(21,143)
Clean Ohio Trails 2008	0	500,000	(500,000)

**METRO PARKS, SERVING SUMMIT COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 AND 2010**  
**(CONTINUED)**

---

---

NOTE 7: **CONTINGENT LIABILITIES**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. 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.

The Park District is not currently party to any legal proceedings.

**JAMES G. ZUPKA, C.P.A., INC.**  
*Certified Public Accountants*  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125

---

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Park Commissioners  
Metro Parks, Serving Summit County  
975 Treaty Line Road  
Akron, Ohio 44313

We have audited the financial statements of Metro Parks, Serving Summit County (the Park District) as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated March 21, 2012, wherein we noted the Park District followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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.

**Internal Control Over Financial Reporting**

Management of the Park District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Park District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Park District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Park District's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the Park District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.


### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Park District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings as items **2011-1 and 2011-2**.

We noted certain matters that we reported to the Park District's management in a separate letter dated March 21, 2012.

The District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the Park District's responses and, accordingly, we express no opinion on them.

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

  
James G. Zupka, CPA, Inc.  
Certified Public Accountants

March 21, 2012

**METRO PARKS, SERVING SUMMIT COUNTY  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2011**

**FINDING RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**Non-Compliance - Appropriations Exceed Actual Resources  
2011-1**

Ohio Revised Code Section §5705.36 (A) requires the Metro Parks to obtain a reduced amended certificate if actual resources will be less than the current level of appropriation.

During our budgetary compliance review at fiscal year's end, we noted four funds in 2010 and four funds in 2011 in which appropriations exceed available resources as actual revenues were less than budgeted in the following funds.

<u>Fund Description</u>	<b>2010</b>	<b>Total Final</b>	<b>(Unfavorable)</b>
	<b>Total Actual</b>	<b>Appropriations</b>	<b>Variance</b>
	<b>Resources</b>		
B & H Trail Brandywine	\$ 0	\$ 700,000	\$ (700,000)
Ohio EPA	40,000	289,984	(249,984)
OECA 2008 Towpath PPG 2C	11,776	121,000	(109,224)
Recreational Trails 2006 Bike & Hike Brandywine	26,468	100,000	(73,532)

<u>Fund Description</u>	<b>2011</b>	<b>Total Final</b>	<b>(Unfavorable)</b>
	<b>Total Actual</b>	<b>Appropriations</b>	<b>Variance</b>
	<b>Resources</b>		
Ohio EPA	\$ 110,374	\$ 324,029	\$ (213,655)
OECA 2008 Towpath PPG 2C	132,776	242,000	(109,224)
Trans. Enhanc. 2008 Freedom Sec. Trails PHS 1	0	700,000	(700,000)
Clean Ohio Trails 2008	286,699	500,000	(213,301)

We recommend the Metro Parks follow ORC §5705.36(A), when it appears that revenues will fall below the certificate amount. The Metro Parks should amend the Certificate of Estimated Resources and subsequently amend the appropriations to a level that does not exceed the Certificate of Estimated Resources.

Client Response

We agree with the auditors recommendations. Procedures will be implemented to prevent these occurrences in the next audit period

**METRO PARKS, SERVING SUMMIT COUNTY**  
**SCHEDULE OF FINDINGS**  
**DECEMBER 31, 2011**  
**(CONTINUED)**

**FINDING RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**Non-Compliance - Appropriations Exceed Certificate of Estimated Resources**  
**2011 - 2**

Ohio Revised Code Section § 5705.39 provides that total appropriations from each fund shall not exceed the total estimated resources.

During our budgetary compliance review at fiscal year's end, we noted three funds in 2010 and six funds in 2011 in which appropriations exceed estimated resources (estimated revenues plus unencumbered fund balances) for the following funds:

<u>Fund Description</u>	<b>2010</b>		<b>(Unfavorable)</b>
	<b>Total Final Estimated Resources</b>	<b>Total Final Appropriations</b>	
B & H Trail Brandywine	\$ 0	\$ 700,000	\$ (700,000)
Ohio EPA	249,984	289,984	(40,000)
US Fish and Wildlife	0	14,500	(14,500)

<u>Fund Description</u>	<b>2011</b>		<b>(Unfavorable)</b>
	<b>Total Final Estimated Resources</b>	<b>Total Final Appropriations</b>	
Ohio EPA	\$ 264,029	\$ 324,029	\$ (60,000)
OECA 2008 Towpath PPG 2C	11,776	242,000	(230,224)
Rec. Trails 2006 Bike & Hike Brandywine	100,000	200,000	(100,000)
Trans. Enhanc. 2008 Freedom Sec. Trails PHS 1	0	700,000	(700,000)
Clean Ohio Tinker's Creek	501,232	522,375	(21,143)
Clean Ohio Trails 2008	0	500,000	(500,000)

We recommend the Metro Parks implement procedures and follow guidance provided in Ohio Revised Code §5705.39 to ensure appropriations do not exceed the amended certificate.

Client Response

We agree with the auditors recommendations. Procedures will be implemented to prevent these occurrences in the next audit period.

**METRO PARKS, SERVING SUMMIT COUNTY  
SUMMIT COUNTY  
SCHEDULE OF PRIOR AUDIT FINDING AND RECOMMENDATIONS  
DECEMBER 31, 2011 AND 2010**

---

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected</b>	<b>Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or No Longer Valid; <i>Explain</i></b>
<b>2009-1</b>	Per Ohio Revised Code Section 5705.10 regarding negative cash balance.	YES	
<b>2009-2</b>	Per Ohio Revised Code Section 5705.10 regarding establishment of a special fund.	YES	

Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

**This page intentionally left blank.**





# Dave Yost • Auditor of State

**METRO PARKS SERVING SUMMIT COUNTY**

**SUMMIT 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 7, 2012**