

***SUMMIT METRO PARKS***

***SUMMIT COUNTY***

Audit Report

For the Years Ended December 31, 2018 and 2017



# Summit Metro Parks

*We're Your Back Yard*



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Board of Park Commissioners  
Summit Metro Parks  
975 Treaty Line Road  
Akron, OH 44313

We have reviewed the *Independent Auditor's Report* of Summit Metro Parks, Summit County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2017 through December 31, 2018. 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. Summit Metro Parks is responsible for compliance with these laws and regulations.

Keith Faber  
Auditor of State  
Columbus, Ohio

September 20, 2019

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**Summit Metro Parks**  
**Summit County**  
*For the Years Ended December 31, 2018 and 2017*

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**Summit Metro Parks**  
**Summit County**  
*For the Years Ended December 31, 2018 and 2017*

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**INDEPENDENT AUDITOR'S REPORT**

Summit Metro Parks  
Summit County  
975 Treaty Line Road  
Akron, Ohio 44313

To the Board of Park Commissioners:

***Report on the Financial Statements***

We have audited the accompanying cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Summit Metro Parks, Summit County, (the Park District) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Park District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 2. This responsibility includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Park District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Park District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating of the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Summit Metro Parks, Summit County, as of December 31, 2018 and 2017, and the respective changes in cash basis financial position and the budgetary comparison for the General Fund thereof for the years then ended in accordance with the cash basis of accounting described in Note 2.

***Emphasis of Matter***


As described in Note 10 in 2017, the Park District revised its financial statement presentation to the requirements of Governmental Accounting Standards Board Statement Number 34, as it applies to the cash basis of accounting. We did not modify our opinion regarding this matter.

***Basis of Accounting***

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. Our opinions are not modified with respect to this matter.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2019, on our consideration of the Park District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Park District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Park District's internal control over financial reporting and compliance.



***Charles E. Harris & Associates, Inc.***  
July 29, 2019



**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(Unaudited)

The management's discussion and analysis of the Summit Metro Parks District's (the "Park District") financial performance provides an overall review of the Park District's financial activities for the year ended December 31, 2018, within the limitations of the Park District's cash basis of accounting. The intent of this discussion and analysis is to look at the Park District's financial performance as a whole; readers should also review the cash-basis basic financial statements and the notes to the financial statements to enhance their understanding of the Park District's financial performance.

**Financial Highlights**

Key financial highlights for 2018 are as follows:

- For 2018, the total net cash position of the Park District increased \$1,516,717, which represents a 16.5% increase from 2017.
- For 2018, general cash receipts accounted for \$16,560,896 or 94.7% of total governmental activities cash receipts. Program specific cash receipts accounted for \$921,734 or 5.3% of total governmental activities cash receipts.
- For 2018, the Park District had \$15,965,913 in cash disbursements related to governmental activities; \$921,734 of these cash disbursements were offset by program specific charges for services, operating grants contributions and interest and capital grants and contribution. General cash receipts (primarily property taxes) of \$16,560,896 were adequate to provide for these programs.
- The Park District's major funds are the general fund and clean ohio conservation fund. The general fund, the Park District's largest major fund, had cash receipts of \$17,266,939 in 2018. The cash disbursements of the general fund totaled \$14,864,975 in 2018. The general fund's cash balance increased \$1,845,597 from 2017 to 2018.

**Using this Cash Basis Basic Financial Statements (BFS)**

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the Park District's cash basis of accounting.

The statement of net position – cash basis and statement of activities – cash basis provide information about the activities of the whole Park District, presenting an aggregate view of the Park District's cash basis finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Park District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the Park District, there are two major governmental funds. The general fund is the most significant major fund.

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(Unaudited)

**Reporting the Park District as a Whole**

***Statement of Net Position and the Statement of Activities***

The statement of net position – cash basis and the statement of activities – cash basis answer the question, how did we do financially during 2018? These statements include *only net position* using the *cash basis of accounting*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid.

These two statements report the Park District's net position and changes in that net position on a cash basis. This change in net cash position is important because it tells the reader that, for the Park District as a whole, the cash basis financial position of the Park District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Park District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, mandated federal and state programs and other factors.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not collected) and deferred outflows of resources and liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) and deferred inflows of resources are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

In the statement of net position – cash basis and the statement of activities – cash basis, governmental activities include the Park District's programs and services, including general administration. Property taxes and state and federal grants finance most of these activities.

The statement of net position – cash basis and the statement of activities – cash basis can be found on pages 12-13 of this report.

**Reporting the Park District's Most Significant Funds**

***Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Park District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Park District are classified as governmental funds.

Fund financial reports provide detailed information about the Park District's major funds. The Park District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Park District's most significant funds. The Park District's major governmental funds are the general fund and clean ohio conservation fund. The analysis of the Park District's major governmental funds begins on page 8.

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(Unaudited)

***Governmental Funds***

All of the Park District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The governmental fund statements provide a detailed view of the Park District's general government operations and the basic services it provides.

Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various Park District programs. Since the Park District is reporting on the cash basis of accounting, there are no differences in the net position and fund cash balances or changes in net position and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements. The governmental fund statements can be found on pages 14-17 of this report.

The Park District's budgetary process accounts for certain transactions on a cash basis. The budgetary statements for the general fund is presented to demonstrate the Park District's compliance with annually adopted budgets. The budgetary statement can be found on pages 18 of this report.

The Park District's statements for the internal service fund to account for dental and vision insurance is presented on page 19-20 of this report.

***Notes to the Financial Statements***

The notes provide additional information that is essential to full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 21 of this report.

**Government-Wide Financial Analysis**

Recall that the statement of net position – cash basis provides the perspective of the Park District as a whole.

The table below provides a summary of the Park District's net cash position at December 31, 2018 and December 31, 2017.

	<b><u>Net Cash Position</u></b>	
	Governmental Activities 2018	Governmental Activities 2017
<b>Assets</b>		
Equity in pooled cash and cash equivalents	\$ 10,697,850	\$ 9,181,133
Total assets	<u>10,697,850</u>	<u>9,181,133</u>
<b>Net Position</b>		
Restricted	884,015	1,239,280
Unrestricted	<u>9,813,835</u>	<u>7,941,853</u>
Total net position	<u>\$ 10,697,850</u>	<u>\$ 9,181,133</u>

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(Unaudited)

For 2018, the total net cash position of the Park District increased \$1,516,717, which represents a 16.5% increase. The balance of government-wide unrestricted net cash position of \$9,842,168 at December 31, 2018 may be used to meet the government's ongoing obligations to citizens and creditors.

The table below shows the changes in net cash position for 2018 and 2017.

<b><u>Change in Net Cash Position</u></b>		
	Governmental Activities	Governmental Activities
	<u>2018</u>	<u>2017</u>
<b>Cash receipts</b>		
Program cash receipts:		
Charges for services	\$ 686,057	\$ 641,661
Operating grants and contributions	62,869	136,142
Capital grants and contributions	<u>172,808</u>	<u>526,755</u>
Total program cash receipts	<u>921,734</u>	<u>1,304,558</u>
General cash receipts:		
Property taxes levied for:		
General purposes	14,433,635	14,132,914
Grants and entitlements not restricted to specific programs	1,851,748	1,881,061
Interest	86,690	80,808
Miscellaneous	<u>188,823</u>	<u>729,963</u>
Total general cash receipts	<u>16,560,896</u>	<u>16,824,746</u>
Total cash receipts	<u>17,482,630</u>	<u>18,129,304</u>
<b>Cash disbursements</b>		
Conservation/recreation	13,729,243	13,806,069
Capital outlay	<u>2,236,670</u>	<u>2,807,463</u>
Total cash disbursements	<u>15,965,913</u>	<u>16,613,532</u>
Change in net cash position	1,516,717	1,515,772
Net cash position at beginning of year	<u>9,181,133</u>	<u>7,665,361</u>
Net cash position at end of year	<u>\$ 10,697,850</u>	<u>\$ 9,181,133</u>

**Governmental Activities**

Governmental cash position increased by \$1,516,717 in 2018 from 2017.

In 2018, charges for services were \$686,057, operating grants and contributions were \$62,869 of the Park District.

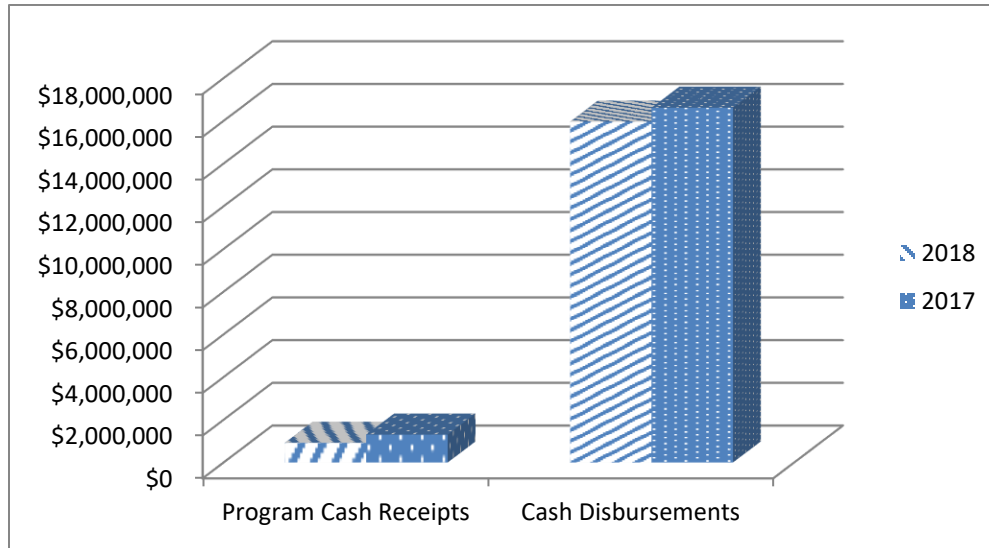
In 2018, conservation/recreation disbursements were \$13,729,243, or 86.0% of total governmental cash disbursements.

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(Unaudited)

The statement of activities – cash basis shows the cost of program services and the charges for services and operating grants and contributions offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2018 and 2017. That is, it identifies the cost of these services supported by tax receipts and unrestricted state grants and entitlements.

**Governmental Activities – Program Cash Receipts vs. Total Cash Disbursements**



**Governmental Activities**

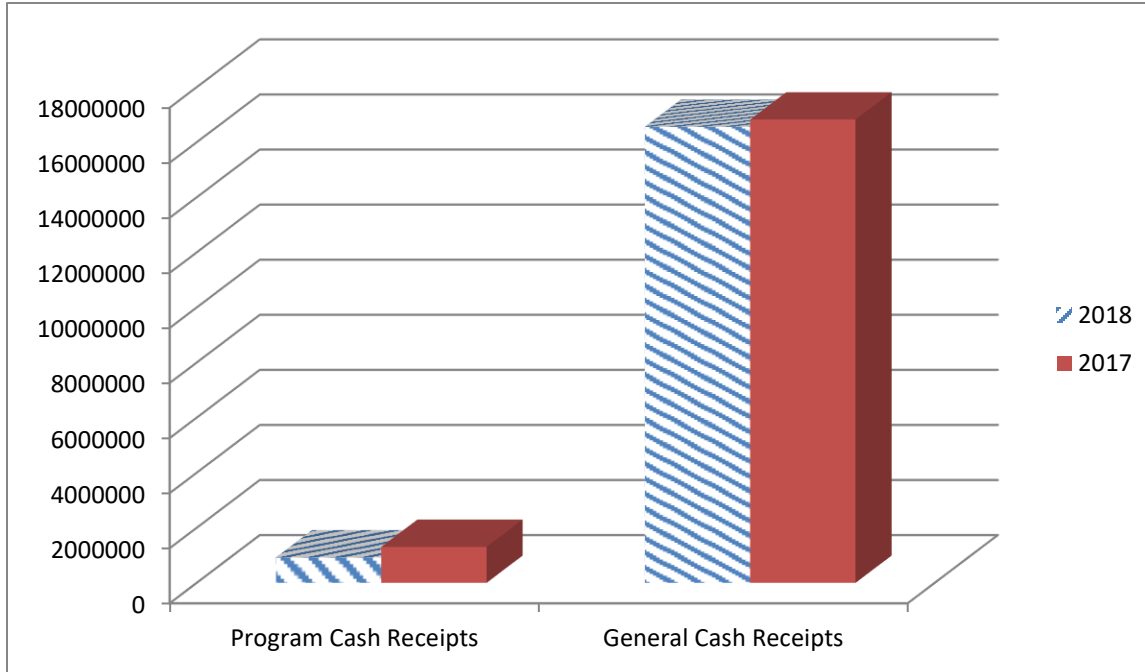
	Total Cost of Services <u>2018</u>	Net Cost of Services <u>2018</u>	Total Cost of Services <u>2017</u>	Net Cost of Services <u>2017</u>
<b>Cash disbursements</b>				
Conservation/recreation	\$ 13,729,243	\$ 13,023,200	\$ 13,806,069	\$ 13,172,465
Capital outlay	<u>2,236,670</u>	<u>2,020,979</u>	<u>2,807,463</u>	<u>2,268,878</u>
Total	<u>\$ 15,965,913</u>	<u>\$ 15,044,179</u>	<u>\$ 16,613,532</u>	<u>\$ 15,441,343</u>

The dependence upon general cash receipts for governmental activities is apparent; with 94.2% of cash disbursements supported through taxes and other general cash receipts during 2018.

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(Unaudited)

**Governmental Activities - General and Program Cash Receipts**



**Financial Analysis of the Government's Funds**

As noted earlier, the Park District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The Park District's governmental funds are accounted for using the cash basis of accounting.

The Park District's governmental funds reported a combined fund cash balance of \$10,630,366 which is \$1,503,276 more than last year's total of \$9,127,090. The schedule below indicates the fund cash balance and the total change in fund cash balance as of December 31, 2018 and December 31, 2017, for all major and nonmajor governmental funds.

	Fund Cash Balance		
	December 31, <u>2018</u>	December 31, <u>2017</u>	Increase <u>(Decrease)</u>
<b>Major funds</b>			
General	\$ 9,774,684	\$ 7,929,087	\$ 1,845,597
Clean ohio conservation	590,000	922,639	(332,639)
Other nonmajor governmental funds	<u>265,682</u>	<u>275,364</u>	<u>(9,682)</u>
 Total	 <u>\$ 10,630,366</u>	 <u>\$ 9,127,090</u>	 <u>\$ 1,503,276</u>

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(Unaudited)

During 2018, the Park District's fund cash balance increased \$1,503,276. This increase can primarily be attributed to the activity of the general fund. The general fund experienced significantly lower cash disbursements during 2018 due to a decrease in capital spending.

**General Fund**

The general fund, the Park District's largest major fund, had cash receipts of \$17,266,939 in 2018. The cash disbursements of the general fund totaled \$14,864,975 in 2018. The general fund's cash balance increased \$1,845,597 from 2017 to 2018.

The table that follows assists in illustrating cash receipts of the general fund for 2018 and 2017.

	2018	2017	Increase
	<u>Amount</u>	<u>Amount</u>	<u>(Decrease)</u>
<b>Cash Receipts</b>			
Property and other local taxes	\$ 14,433,635	\$ 14,132,914	2.13 %
Charges for services	450,147	396,581	13.51
Fines, licenses and permits	22,277	24,052	(7.38)
Intergovernmental	1,871,548	1,928,215	(2.94)
Earnings on investments	86,690	80,808	7.28
Donations	18,244	93,302	(80.45)
Merchandise sales	85,971	113,253	(24.09)
Rental income	6,416	6,416	-
Miscellaneous	<u>292,011</u>	<u>815,178</u>	(64.18)
Total	<u>\$ 17,266,939</u>	<u>\$ 17,590,719</u>	(1.84) %

During 2018, the cash receipts of the general fund decreased \$323,780 or 1.84%. This increase can mainly be attributed to a decrease in donations, merchandise sales and miscellaneous revenues.

The table that follows assists in illustrating the cash disbursements of the general fund for 2018 and 2017.

	2018	2017	Increase
	<u>Amount</u>	<u>Amount</u>	<u>(Decrease)</u>
<b>Cash Disbursements</b>			
Current:			
Conservation/recreation:			
Employee wages and benefits	\$ 9,297,436	\$ 9,327,509	(0.32) %
Supplies, materials and services	2,258,949	2,229,730	1.31
Other expenses	566,851	644,687	(12.07)
Healthcare	1,534,448	1,526,186	n/a
Capital outlay			
Equipment	195,286	174,267	12.06
Development	958,744	1,155,662	(17.04)
Land purchase	<u>53,261</u>	<u>285,195</u>	(81.32)
Total	<u>\$ 14,864,975</u>	<u>\$ 15,343,236</u>	(3.12) %

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(Unaudited)

During 2018, the cash disbursements of the general fund decreased \$478,261 or 3.12%. This decrease can mainly be attributed to decreases related to capital disbursements.

***Clean Ohio Conservation Fund***

The Clean Ohio Conservation fund, a Park District major fund, had cash disbursements of \$922,639 in 2018. The Clean Ohio Conservation fund cash balance decreased \$332,639 from 2017 to \$590,000 in 2018.

***Budgeting Highlights - General Fund***

The Park District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund. For 2018, the general fund original and final budget basis receipts and other financing sources were \$16,953,877 and \$17,246,930, respectively. Actual cash receipts and other financing sources of \$17,473,152 were more than final budget estimates by \$226,222. The final budgetary basis disbursements and other financing uses of \$19,030,650 were \$59,237 less than original budget of \$19,089,887. The actual budgetary basis disbursements and other financing uses of \$15,627,555 were \$3,403,095 less than the final budget estimates.

**Capital Assets and Debt Administration**

***Capital Assets***

The Park District does not record capital assets in the accompanying cash basis basic financial statements, but records payments for capital assets as disbursements. The Park District had cash disbursements related to the acquisitions of property, plant and equipment in the amount of \$2,236,670 during 2018.

***Debt Administration***

The Park District did not have any long-term obligations at December 31, 2018.

**Economic Factors**

Summit Metro Parks is a park district (special purpose government) operating under the authority of Chapter 1545 of the Ohio Revised Code encompassing and providing park conservation and recreation opportunities to the citizens of Summit County. The Park District receives the majority of its funding from property taxes, state and federal grants and charges for services (program fees). The Summit County real-estate tax was approved by 75% in November 2013. The cost per \$100,000 property valuation is \$44.71. The challenge for the Park District is providing quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding.

The park district manages 14,300 acres, including 16 developed parks, several conservation areas and more than 125 miles of trails, with 22.4 miles of the Ohio & Erie Canal Towpath Trail. Annual attendance averages 5 million visits.

**Contacting the Park District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Park District's finances and to show the Park District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Dale Fobean, Chief of Finance, Summit Metro Parks, 975 Treaty Line Road, Akron, OH 44313.



**SUMMIT METRO PARKS**  
**SUMMIT COUNTY**  
Statement of Net Position - Cash Basis  
December 31, 2018

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	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in pooled cash and cash equivalents	\$ 10,697,850
Total assets	<u>10,697,850</u>
<b>Net Position</b>	
Restricted for:	
Capital projects	855,682
Other purposes	28,333
Unrestricted	<u>9,813,835</u>
Total net position	<u>\$ 10,697,850</u>

See accompanying notes to the financial statements.



**SUMMIT METRO PARKS**  
**SUMMIT COUNTY**  
Statement of Assets and Fund Balances - Cash Basis  
Governmental Funds  
December 31, 2018

	<u>General</u>	<u>Clean Ohio Conservation</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Equity in pooled cash and cash equivalents	\$ 9,774,684	\$ 590,000	\$ 265,682	\$ 10,630,366
Total assets	<u>\$ 9,774,684</u>	<u>\$ 590,000</u>	<u>\$ 265,682</u>	<u>\$ 10,630,366</u>
<b>Fund Balances</b>				
Restricted	28,333	590,000	265,682	884,015
Committed	1,097,758	-	-	1,097,758
Assigned	6,099,292	-	-	6,099,292
Unassigned	<u>2,549,301</u>	<u>-</u>	<u>-</u>	<u>2,549,301</u>
Total fund balances	<u>\$ 9,774,684</u>	<u>\$ 590,000</u>	<u>\$ 265,682</u>	<u>\$ 10,630,366</u>

See accompanying notes to the financial statements.

**SUMMIT METRO PARKS**  
**SUMMIT COUNTY**

Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities - Cash Basis  
December 31, 2018

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Total Governmental Fund Balances	\$ 10,630,366
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Amounts reported for governmental activities in the statement of  
net position are different because:

Governmental activities' net position include the internal service funds' cash and cash equivalents.	<u>67,484</u>
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Net Position of Governmental Activities	<u><u>\$10,697,850</u></u>
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See accompanying notes to the financial statements

**SUMMIT METRO PARKS**  
**SUMMIT COUNTY**

Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis  
Governmental Funds  
For the Year Ended December 31, 2018

	General	Clean Ohio Conservation	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>				
Property and other local taxes	\$ 14,433,635	\$ -	\$ -	\$ 14,433,635
Charges for services	450,147	-	-	450,147
Fines, licenses and permits	22,277	-	-	22,277
Intergovernmental	1,871,548	36,208	161,425	2,069,181
Earnings on investments	86,690	-	-	86,690
Donations	18,244	-	-	18,244
Merchandise sales	85,971	-	-	85,971
Royalties revenue	-	-	18,058	18,058
Rental income	6,416	-	-	6,416
Miscellaneous	292,011	-	-	292,011
<b>Total receipts</b>	<b>17,266,939</b>	<b>36,208</b>	<b>179,483</b>	<b>17,482,630</b>
<b>Disbursements</b>				
Current:				
Conservation/recreation:				
Employee wages and benefits	9,297,436	-	-	9,297,436
Supplies, materials and services	2,258,949	-	-	2,258,949
Other expenses	566,851	-	-	566,851
Healthcare	1,534,448	-	-	1,534,448
Capital outlay				
Equipment	195,286	-	-	195,286
Development	958,744	-	-	958,744
Land purchase	53,261	-	-	53,261
Projects	-	922,639	106,740	1,029,379
<b>Total disbursements</b>	<b>14,864,975</b>	<b>922,639</b>	<b>106,740</b>	<b>15,894,354</b>
Excess of receipts over (under) disbursements	2,401,964	(886,431)	72,743	1,588,276
<b>Other financing sources (uses)</b>				
Transfers out	(85,000)	-	-	(85,000)
Advances in	206,213	590,000	87,580	883,793
Advances out	(677,580)	(36,208)	(170,005)	(883,793)
<b>Total other financing sources (uses)</b>	<b>(556,367)</b>	<b>553,792</b>	<b>(82,425)</b>	<b>(85,000)</b>
Net change in fund balance	1,845,597	(332,639)	(9,682)	1,503,276
Fund balances beginning of year	7,929,087	922,639	275,364	9,127,090
Fund balances end of year	<u>\$ 9,774,684</u>	<u>\$ 590,000</u>	<u>\$ 265,682</u>	<u>\$ 10,630,366</u>

See accompanying notes to the financial statements.

**SUMMIT METRO PARKS**  
**SUMMIT COUNTY**

Reconciliation of the Statement of Receipts, Disbursements and Changes  
in Fund Balances - Governmental Funds to the Statement of Activities - Cash Basis  
For the Year Ended December 31, 2018

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Net Change in Fund Balances - Total Governmental Funds	\$ 1,503,276
Amounts reported for governmental activities in the statement of activities are different because:	
Internal service funds charge insurance costs to other funds. The entity-wide statements eliminate governmental fund expenditures and related internal service fund charges. Governmental activities report allocated net internal service fund receipts (disbursements).	<u>13,441</u>
Change in Net Position of Governmental Activities	<u><u>\$1,516,717</u></u>
See accompanying notes to the financial statements	

**SUMMIT METRO PARKS**  
**SUMMIT COUNTY**  
Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
General Fund  
For the Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and other local taxes	\$ 14,140,357	\$ 14,394,771	\$ 14,433,635	\$ 38,864
Charges for services	444,645	444,645	450,147	5,502
Fines, licenses and permits	22,005	22,005	22,277	272
Intergovernmental	1,833,520	1,866,509	1,871,548	5,039
Earnings on investments	85,630	85,630	86,690	1,060
Donations	18,021	18,021	18,244	223
Merchandise sales	84,920	84,920	85,971	1,051
Rental income	6,338	6,338	6,416	78
Miscellaneous	288,442	288,442	292,011	3,569
<b>Total receipts</b>	<u>16,923,877</u>	<u>17,211,280</u>	<u>17,266,939</u>	<u>55,659</u>
<b>Disbursements</b>				
Current:				
Conservation/recreation:				
Employee wages and benefits	10,400,430	10,400,430	9,297,436	1,102,994
Supplies, materials and services	2,607,700	2,602,700	2,258,949	343,751
Other expenses	804,075	799,838	566,851	232,987
Healthcare	1,700,000	1,700,000	1,534,448	165,552
Capital outlay				
Equipment	248,500	248,500	195,286	53,214
Development	2,754,182	2,704,182	958,744	1,745,438
Land purchase	575,000	575,000	53,261	521,739
<b>Total disbursements</b>	<u>19,089,887</u>	<u>19,030,650</u>	<u>14,864,975</u>	<u>4,165,675</u>
Excess of receipts over (under) disbursements	(2,166,010)	(1,819,370)	2,401,964	4,221,334
<b>Other financing sources (uses)</b>				
Transfers out	-	-	(85,000)	(85,000)
Advances in	30,000	30,000	206,213	176,213
Advances out	-	-	(677,580)	(677,580)
<b>Total other financing sources (uses)</b>	<u>30,000</u>	<u>30,000</u>	<u>(556,367)</u>	<u>(586,367)</u>
Net change in fund balance	(2,136,010)	(1,789,370)	1,845,597	3,634,967
Fund balance at beginning of year	7,929,087	7,929,087	7,929,087	-
Fund balance at end of year	<u>\$ 5,793,077</u>	<u>\$ 6,139,717</u>	<u>\$ 9,774,684</u>	<u>\$ 3,634,967</u>

See accompanying notes to the financial statements.

**SUMMIT METRO PARKS**  
**SUMMIT COUNTY**  
Statement of Fund Net Position - Cash Basis  
Internal Service Fund  
December 31, 2018

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	<u>Internal Service</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 67,484
<b>Net Position</b>	
Unrestricted	<u>67,484</u>
Total Net Position	<u>\$ 67,484</u>

See accompanying notes to the financial statements.



**SUMMIT METRO PARKS**  
**SUMMIT COUNTY**  
Statement of Cash Receipts, Disbursements and Changes  
in Cash Basis Fund Net Position  
Internal Service Fund  
December 31, 2018

	Internal Service
<b>Operating cash receipts</b>	
Charges for services	\$ 1,155
Total operating cash receipts	1,155
<b>Operating cash disbursements</b>	
Claims	63,377
Other	9,337
Total operating cash disbursements	72,714
Operating Loss	(71,559)
<b>Other financing sources</b>	
Transfers in	85,000
Change in net position	13,441
Net position at beginning of year	54,043
Net position at end of year	\$ 67,484

See accompanying notes to the financial statements.

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

Notes to the Financial Statements  
For the Year Ended December 31, 2018

**1. DESCRIPTION OF THE PARK DISTRICT AND REPORTING ENTITY**

The Summit Metro Parks District, Summit County, (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 probate judge of Summit County appoints a five-member Board of Commissioners to govern the Park District. The Commissioners are authorized to acquire, develop, protect, maintain, and improve park lands and facilities. The Commissioners may convert acquired land into forest reserves. The Commissioners are also responsible for activities related to conserving natural resources, including streams, lakes, submerged lands, and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of these assets conducive to the general welfare.

**Reporting Entity**

The reporting entity is comprised of the primary government and other organizations included ensuring that the basic financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Park District. For the Park District, this includes general operations.

The Park District's management believes these financial statements present all activities for which the Park District is financially accountable.

**Related Organization**

The Summit Metro Parks Foundation (the Foundation) is a not-for-profit organization with a self-appointed 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 the 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 and determines how Foundation money is spent. During 2018, five Commissioners served on the Foundation's Board. The Foundation has unaudited receipts of \$1,399,016, unaudited expenditures of \$678,783 and an unaudited fund balance of \$6,653,691.

The Park District's management believes these financial statements present all activities for which the Park District is financially accountable.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in the "Basis of Accounting" section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting.

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

Notes to the Financial Statements  
For the Year Ended December 31, 2018

**A. Basis of Presentation**

The Park District's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Park District as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. The activity of the internal service fund is eliminated to avoid "doubling-up" revenues and expenses. However, the services provided and used are not eliminated in the process of consolidation.

The Statement of Net Position presents the cash balance of the governmental activities of the Park District at year end. The statement of activities compares disbursements with program receipts for each function of program of the Park District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the government is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on the cash-basis or draws from the Park District's general receipts.

Fund Financial Statements

During the year, the Park District segregates transactions related to certain Park District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Park District at this more detailed level. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

**B. Fund Accounting**

The Park District uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The Park District classifies each fund as either governmental or proprietary.

**1. Governmental Funds:**

Governmental funds are those through which most governmental functions of the Park District are financed. The following are the Park District's major governmental funds:

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

Notes to the Financial Statements  
For the Year Ended December 31, 2018

General Fund - The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Clean Ohio Conservation Fund - This fund was established to account for Ohio Public Works Commission Clean Ohio Conservation Fund used for acquisition of green space and the protection and enhancement of river and stream corridors.

**2. Proprietary Funds:**

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise or internal service; the park District has no enterprise funds.

Internal Service Fund – This fund accounts for services provided by one department to other departments of the Park District. The Park District's only internal service fund accounted for the operation of the Park District's self-insurance program for vision and dental benefits.

**C. Basis of Accounting**

The Park District's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Park District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Park District are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

**D. Deposits and Investments**

As the Ohio Revised Code permits, the Summit County Fiscal Officer holds the Park District's deposits as the Park District's custodian. The County holds the Park District's assets in its investment pool, valued at the Fiscal Officer's reported carrying amount. The carrying amount of deposits and investments at December 31 were \$10,765,334.

**E. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Park District is bound to observe constraints imposed upon the use of the resources in the governmental funds.

The classifications are as follows:

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

Notes to the Financial Statements  
For the Year Ended December 31, 2018

**Non-spendable** – The non-spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

**Restricted** – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**Committed** - The committed fund balance includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Park District’s Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned** – Amounts in the assigned fund balance classification are intended to be used by the Park District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the District Board or a District official delegated that authority by resolution, or by State Statute. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year’s appropriated budget in the General Fund.

**Unassigned** – Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Park District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**F. Interfund Receivables/Payables**

The Park District reports advances in and advances out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

**G. Capital Assets**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. The financial statements do not report these assets.

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

Notes to the Financial Statements  
For the Year Ended December 31, 2018

**H. Accumulated 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 leave is not reflected as a liability under the Park District's cash basis of accounting.

**I. Inter-fund Activity**

The statements report exchange transactions between funds as receipts in the seller funds and as disbursements in the purchasing funds. Non-exchange flows of cash from one fund to another are reported as inter-fund transfers. Governmental funds report inter-fund transfers as other financing sources/uses. The statements do not report repayments from funds responsible for particular disbursements to the funds initially paying the costs.

**J. Budgetary Process**

Ohio law requires the Park District to budget and appropriate all funds. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which use the budgetary basis of accounting. The budgetary basis reports expenditures when a commitment is made (i.e., when an encumbrance is approved). The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts the Park District may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control the Board selects. The Board uses the function level within each fund as its legal level of control.

The certificate of estimated resources may be amended during the year if the Park District projects increases or decreases in receipts. The amounts reported as the original budget in the budgetary statements reflect the amounts in the certificate when the Board adopted the original appropriations. The amounts reported as the final budget in the budgetary statements reflect the amounts in the amended certificate in effect at the time the final appropriations were passed.

The Board may amend appropriations throughout the year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budget reflect the first appropriation for a fund covering the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budget represent the final appropriation the Board passed during the year.

**3. PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the Park District. Property tax revenue received during 2018 for real and public utility property taxes represents collections of 2017 taxes.

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

Notes to the Financial Statements  
For the Year Ended December 31, 2018

2018 real property taxes are levied after October 1, 2018 on the assessed value as of January 1, 2018 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2018 real property taxes are collected in and intended to finance 2019. Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2018 public utility property taxes became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2019 with real property taxes.

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the Park District. The County Auditor periodically remits to the Park District its portion of the taxes.

The full tax rate for all District operations for the year ended December 31, 2018 was \$1.46 per \$1,000 of assessed value. The assessed values of real and public utility tangible personal property upon which 2018 property tax receipts were based are as follows:

<u>Property Category</u>	<u>2017 Assessed Value</u>
<u>Real Property</u>	
Residential and agricultural	\$ 8,227,457,600
Other	2,377,732,590
 <u>Tangible Personal Property</u>	
Public utilities	447,891,510
Total	<u>\$ 11,053,081,700</u>

**4. BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as assigned fund balance (cash basis). There were no encumbrances outstanding at year end (budgetary basis) for the General fund.

**5. INTERFUND ADVANCES AND TRANSFERS**

The General Fund advances monies into Capital Project Funds for the purpose of paying allowable grant expenditures for the current year. Additionally, returns of advances are made from the Capital Project funds to repay the General Fund advances. Outstanding advances at December 31, 2018, consisted of the following:

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

Notes to the Financial Statements  
For the Year Ended December 31, 2018

<u>Fund:</u>	Advance <u>To:</u>	Advance <u>From:</u>
General fund	\$ -	\$2,323,124
Clean ohio conservation fund	1,763,518	-
Nonmajor governmental funds	<u>559,606</u>	<u>-</u>
Total	<u>\$2,323,124</u>	<u>\$2,323,124</u>

As of December 30, 2018, all advances outstanding are anticipated to be repaid within one year.

During 2018, the following transfers were made:

Transfers from general fund to:	
Internal service fund	\$ 85,000

The above-mentioned Transfer To/From was used to move receipts from the general fund required to collect property tax revenue to the internal service fund required to pay self-insured health care expenses in accordance with budgetary authorizations. Transfers from the general fund into the internal service fund were in compliance with Ohio Revised Code to pay for the Park District’s self- insurance program.

**6. RISK MANAGEMENT**

**Commercial Insurance**

The Park District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

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

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

**Self-Insurance**

The Park District is self-insured for dental and vision insurance only. The dental and vision policies each have a maximum annual limit of \$1,000 paid out per person for approved claims.



**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

Notes to the Financial Statements  
For the Year Ended December 31, 2018

**7. DEFINED BENEFIT PENSION PLAN**

**Ohio Public Employees Retirement System (OPERS)**

District employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g., District employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2018, member and employer contribution rates were consistent across all three plans. For 2018, OPERS members contributed 10% of their gross salaries and the Park District contributed an amount equaling 14% and of participants' gross salaries. The Park Rangers contributed 13.0% of their gross salaries and the Park District contributed 18.10% of Park Rangers' gross salaries for 2018. The Park District's required contributions to OPERS for the years ended December 31, 2018, 2017 and 2016 were \$1,162,110, \$1,083,465 and \$961,093 respectively; 100% has been contributed for 2018, 2017, and 2016.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

Notes to the Financial Statements  
For the Year Ended December 31, 2018

**Group A**

Eligible to retire prior to  
January 7, 2013 or five years  
after January 7, 2013

**State and Local**

**Age and service requirements:**

Age 60 with 60 months of service credit  
or Age 55 with 25 years of service credit

**Formula:**

2.2% of FAS multiplied by years of  
service for the first 30 years and 2.5%  
for service years in excess of 30

**Group B**

20 years of service credit prior to  
January 7, 2013 or eligible to retire  
ten years after January 7, 2013

**State and Local**

**Age and service requirements:**

Age 60 with 60 months of service credit  
or Age 55 with 25 years of service credit

**Formula:**

2.2% of FAS multiplied by years of  
service for the first 30 years and 2.5%  
for service years in excess of 30

**Group C**

Members not in other Groups  
and members hired on or after  
January 7, 2013

**State and Local**

**Age and service requirements:**

Age 57 with 25 years of service credit  
or Age 62 with 5 years of service credit

**Formula:**

2.2% of FAS multiplied by years of  
service for the first 35 years and 2.5%  
for service years in excess of 35

**Public Safety**

**Age and Service Requirements:**

Age 48 with 25 years of service credit  
or Age 52 with 15 years of service credit

**Law Enforcement**

**Age and Service Requirements:**

Age 52 with 15 years of service credit

**Public Safety and Law Enforcement**

**Formula:**

2.5% of FAS multiplied by years of  
service for the first 25 years and 2.1%  
for service years in excess of 25

**Public Safety**

**Age and Service Requirements:**

Age 48 with 25 years of service credit  
or Age 52 with 15 years of service credit

**Law Enforcement**

**Age and Service Requirements:**

Age 48 with 25 years of service credit  
or Age 52 with 15 years of service credit

**Public Safety and Law Enforcement**

**Formula:**

2.5% of FAS multiplied by years of  
service for the first 25 years and 2.1%  
for service years in excess of 25

**Public Safety**

**Age and Service Requirements:**

Age 52 with 25 years of service credit  
or Age 56 with 15 years of service credit

**Law Enforcement**

**Age and Service Requirements:**

Age 48 with 25 years of service credit  
or Age 56 with 15 years of service credit

**Public Safety and Law Enforcement**

**Formula:**

2.5% of FAS multiplied by years of  
service for the first 25 years and 2.1%  
for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

Notes to the Financial Statements  
For the Year Ended December 31, 2018

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>	<u>Law Enforcement</u>
<b>2018 Statutory maximum contribution rates</b>		
Employer	14.00%	18.10%
Employee	10.00%	**
<b>2018 Actual contribution rates</b>		
Employer:		
Pension	14.00%	18.10%
Post-employment health care benefits	<u>0.00%</u>	<u>0.00%</u>
Total employer	<u>14.00%</u>	<u>18.10%</u>
Employee	<u>10.00%</u>	<u>13.00%</u>

\*This rate is determined by OPERS' Board and has no maximum rate established by ORC.

\*\*This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

**8. POST EMPLOYMENT BENEFITS**

**Ohio Public Employees Retirement System**

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

Notes to the Financial Statements  
For the Year Ended December 31, 2018

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care. Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2018, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

The Park District’s contributions allocated to fund post-employment health care benefits for the years ended December 31, 2018, 2017 and 2016 were \$0, \$77,509 and \$147,661 respectively; 100% has been contributed for 2018, 2017 and 2016.

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

Notes to the Financial Statements  
For the Year Ended December 31, 2018

**9. FUND BALANCES**

Fund balance is classified as non-spendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Park District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for major governmental funds and all other governmental funds are presented below:

Fund balance	General	Clean Ohio Conservation	Nonmajor Governmental Funds	Total Governmental Funds
Restricted:				
Land Purchase or Park Maintenance	\$ -	\$ -	\$ 63,253	\$ 63,253
Pond Brook Restoration	-	590,000	200,000	790,000
OECA Towpath Grants	-	-	2,429	2,429
Endowment for Youth Fishing	<u>28,333</u>	<u>-</u>	<u>-</u>	<u>28,333</u>
Total restricted	<u>28,333</u>	<u>590,000</u>	<u>265,682</u>	<u>884,015</u>
Committed:				
Consultation	68,182	-	-	68,182
Planning & Development	1,019,330	-	-	1,019,330
Maintenance Materials	2,579	-	-	2,579
Contract Services	<u>7,667</u>	<u>-</u>	<u>-</u>	<u>7,667</u>
Total committed	<u>1,097,758</u>	<u>-</u>	<u>-</u>	<u>1,097,758</u>
Assigned:				
Subsequent Year Appropriations	<u>6,099,292</u>	<u>-</u>	<u>-</u>	<u>6,099,292</u>
Unassigned	<u>2,549,301</u>	<u>-</u>	<u>-</u>	<u>2,549,301</u>
Total fund balances	<u>\$ 9,774,684</u>	<u>\$ 590,000</u>	<u>\$ 265,682</u>	<u>\$ 10,630,366</u>

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(Unaudited)

The management's discussion and analysis of the Summit Metro Parks District's (the "Park District") financial performance provides an overall review of the Park District's financial activities for the year ended December 31, 2017, within the limitations of the Park District's cash basis of accounting. The intent of this discussion and analysis is to look at the Park District's financial performance as a whole; readers should also review the cash-basis basic financial statements and the notes to the financial statements to enhance their understanding of the Park District's financial performance.

**Financial Highlights**

Key financial highlights for 2017 are as follows:

- For 2017, the total net cash position of the Park District increased \$1,515,772, which represents a 19.8% increase from 2016.
- For 2017, general cash receipts accounted for \$16,824,746 or 92.8% of total governmental activities cash receipts. Program specific cash receipts accounted for \$1,304,558 or 7.2% of total governmental activities cash receipts.
- For 2017, the Park District had \$16,613,532 in cash disbursements related to governmental activities; \$1,304,558 of these cash disbursements were offset by program specific charges for services, operating grants contributions and interest and capital grants and contribution. General cash receipts (primarily property taxes) of \$16,824,746 were adequate to provide for these programs.
- The Park District's major funds are the general fund and clean ohio conservation fund. The general fund, the Park District's largest major fund, had cash receipts of \$17,590,719 in 2017. The cash disbursements of the general fund totaled \$15,343,236 in 2017. The general fund's cash balance increased \$1,124,517 from 2016 to 2017.

**Using this Cash Basis Basic Financial Statements (BFS)**

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the Park District's cash basis of accounting.

The statement of net position – cash basis and statement of activities – cash basis provide information about the activities of the whole Park District, presenting an aggregate view of the Park District's cash basis finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Park District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the Park District, there are two major governmental funds. The general fund is the most significant major fund.

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(Unaudited)

**Reporting the Park District as a Whole**

***Statement of Net Position and the Statement of Activities***

The statement of net position – cash basis and the statement of activities – cash basis answer the question, how did we do financially during 2017? These statements include *only net position* using the *cash basis of accounting*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid.

These two statements report the Park District's net position and changes in that net position on a cash basis. This change in net cash position is important because it tells the reader that, for the Park District as a whole, the cash basis financial position of the Park District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Park District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, mandated federal and state programs and other factors.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not collected) and deferred outflows of resources and liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) and deferred inflows of resources are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

In the statement of net position – cash basis and the statement of activities – cash basis, governmental activities include the Park District's programs and services, including general administration. Property taxes and state and federal grants finance most of these activities.

The statement of net position – cash basis and the statement of activities – cash basis can be found on pages 12-13 of this report.

**Reporting the Park District's Most Significant Funds**

***Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Park District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Park District are classified as governmental funds.

Fund financial reports provide detailed information about the Park District's major funds. The Park District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Park District's most significant funds. The Park District's major governmental funds are the general fund and clean ohio conservation fund. The analysis of the Park District's major governmental funds begins on page 8.

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(Unaudited)

***Governmental Funds***

All of the Park District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The governmental fund statements provide a detailed view of the Park District's general government operations and the basic services it provides.

Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various Park District programs. Since the Park District is reporting on the cash basis of accounting, there are no differences in the net position and fund cash balances or changes in net position and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements. The governmental fund statements can be found on pages 14-17 of this report.

The Park District's budgetary process accounts for certain transactions on a cash basis. The budgetary statements for the general fund is presented to demonstrate the Park District's compliance with annually adopted budgets. The budgetary statement can be found on pages 18 of this report.

The Park District's statements for the internal service fund to account for dental and vision insurance is presented on page 19-20 of this report.

***Notes to the Financial Statements***

The notes provide additional information that is essential to full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 21 of this report.

**Government-Wide Financial Analysis**

Recall that the statement of net position – cash basis provides the perspective of the Park District as a whole.

The table below provides a summary of the Park District's net cash position at December 31, 2017 and December 31, 2016.

	<b><u>Net Cash Position</u></b>	
	Governmental Activities 2017	Governmental Activities 2016
	<u>          </u>	<u>          </u>
<b>Assets</b>		
Equity in pooled cash and cash equivalents	\$ 9,181,133	\$ 7,665,361
Total assets	<u>9,181,133</u>	<u>7,665,361</u>
<b>Net Position</b>		
Restricted	1,239,280	860,791
Unrestricted	<u>7,941,853</u>	<u>6,804,570</u>
Total net position	<u>\$ 9,181,133</u>	<u>\$ 7,665,361</u>



**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(Unaudited)

For 2017, the total net cash position of the Park District increased \$1,515,772, which represents a 19.8% increase. The balance of government-wide unrestricted net cash position of \$7,893,130 at December 31, 2017 may be used to meet the government's ongoing obligations to citizens and creditors.

The table below shows the changes in net cash position for 2017. Cash receipts and cash disbursements comparisons to 2016 are not available due to this being the first year of presentation in accordance with Governmental Accounting Standards Board Statement Number 34.

**Change in Net Cash Position**

	Governmental Activities <u>2017</u>
<b>Cash receipts</b>	
Program cash receipts:	
Charges for services	\$ 641,661
Operating grants and contributions	136,142
Capital grants and contributions	<u>526,755</u>
Total program cash receipts	<u>1,304,558</u>
General cash receipts:	
Property taxes levied for:	
General purposes	14,132,914
Grants and entitlements not restricted to specific programs	1,881,061
Interest	80,808
Miscellaneous	<u>729,963</u>
Total general cash receipts	<u>16,824,746</u>
Total cash receipts	<u>18,129,304</u>
<b>Cash disbursements</b>	
Conservation/recreation	13,806,069
Capital outlay	<u>2,807,463</u>
Total cash disbursements	<u>16,613,532</u>
Change in net cash position	1,515,772
Net cash position at beginning of year	<u>7,665,361</u>
Net cash position at end of year	<u>\$ 9,181,133</u>

**Governmental Activities**

Governmental cash position increased by \$1,515,772 in 2017 from 2016.

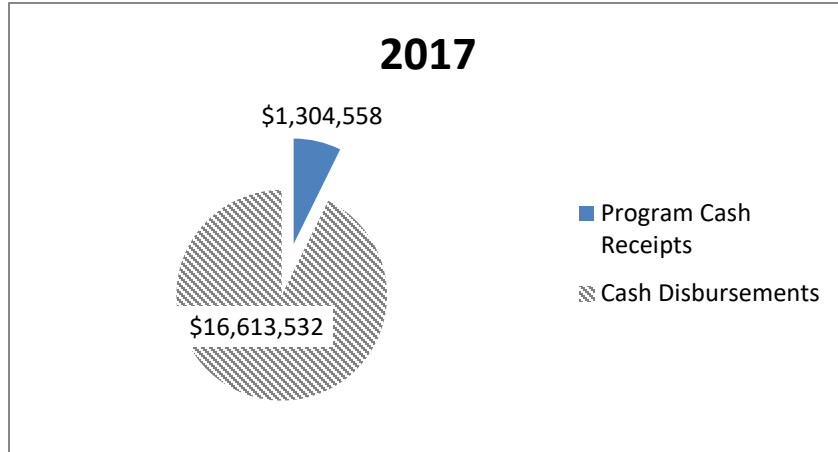
In 2017, charges for services were \$641,661, operating grants and contributions were \$136,142, and capital grants and contributions were \$526,755. Conservation/recreation represents the largest cash disbursement of the Park District. In 2017, conservation/recreation disbursements were \$13,806,069, or 83.1% of total governmental cash disbursements.

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(Unaudited)

The statement of activities – cash basis shows the cost of program services and the charges for services and operating grants and contributions offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2017. That is, it identifies the cost of these services supported by tax receipts and unrestricted state grants and entitlements. Comparative data for 2016 is not available due to this being the initial year of the GASB 34 cash basis presentation.

**Governmental Activities – Program Cash Receipts vs. Total Cash Disbursements**



**Governmental Activities**

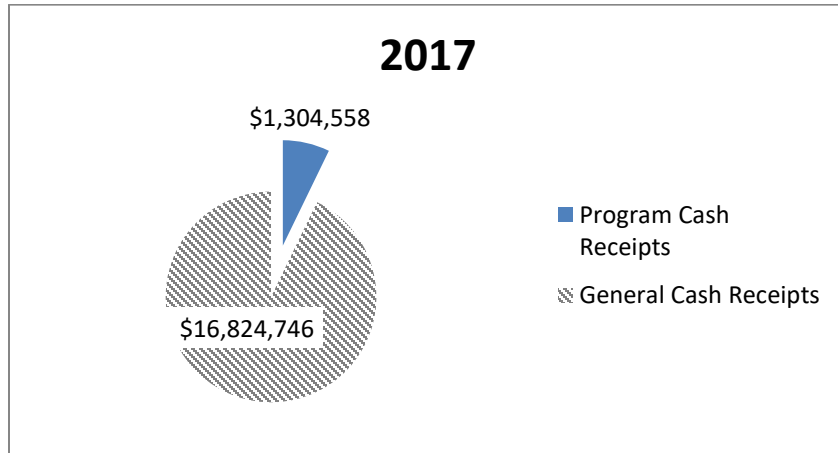
	Total Cost of Services <u>2017</u>	Net Cost of Services <u>2017</u>
<b>Cash disbursements</b>		
Conservation/recreation	\$ 13,806,069	\$ 13,172,465
Capital outlay	<u>2,807,463</u>	<u>2,268,878</u>
<b>Total</b>	<u>\$ 16,613,532</u>	<u>\$ 15,441,343</u>

The dependence upon general cash receipts for governmental activities is apparent; with 92.1% of cash disbursements supported through taxes and other general cash receipts during 2017.

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(Unaudited)

**Governmental Activities - General and Program Cash Receipts**



**Financial Analysis of the Government's Funds**

As noted earlier, the Park District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The Park District's governmental funds are accounted for using the cash basis of accounting.

The Park District's governmental funds reported a combined fund cash balance of \$9,127,090 which is \$1,461,729 more than last year's total of \$7,665,361. The schedule below indicates the fund cash balance and the total change in fund cash balance as of December 31, 2017 and December 31, 2016, for all major and nonmajor governmental funds.

	<u>Fund Cash Balance</u>		Increase (Decrease)
	<u>December 31, 2017</u>	<u>December 31, 2016</u>	
<b>Major funds</b>			
General	\$ 7,929,087	\$ 6,804,570	\$ 1,124,517
Clean ohio conservation	922,639	331,740	590,899
Other nonmajor governmental funds	<u>275,364</u>	<u>529,051</u>	<u>(253,687)</u>
 Total	 <u>\$ 9,127,090</u>	 <u>\$ 7,665,361</u>	 <u>\$ 1,461,729</u>

During 2017, the Park District's fund cash balance increased \$1,461,729. This increase can primarily be attributed to the activity of the general fund. The general fund experienced significantly lower cash disbursements during 2017 due to a decrease in capital spending.

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(Unaudited)

**General Fund**

The general fund, the Park District's largest major fund, had cash receipts of \$17,590,719 in 2017. The cash disbursements of the general fund totaled \$15,343,236 in 2017. The general fund's cash balance increased \$1,124,517 from 2016 to 2017.

The table that follows assists in illustrating the cash receipts of the general fund.

	2017	2016	Increase
	<u>Amount</u>	<u>Amount</u>	<u>(Decrease)</u>
<b>Cash Receipts</b>			
Property and other local taxes	\$ 14,132,914	\$ 13,996,577	0.97 %
Charges for services	396,581	372,239	6.54
Fines, licenses and permits	24,052	11,747	104.75
Intergovernmental	1,928,215	1,882,793	2.41
Earnings on investments	80,808	112,071	(27.90)
Donations	93,302	62,199	50.01
Merchandise sales	113,253	114,975	(1.50)
Rental income	6,416	8,416	(23.76)
Miscellaneous	<u>815,178</u>	<u>300,719</u>	171.08
<b>Total</b>	<u>\$ 17,590,719</u>	<u>\$ 16,861,736</u>	4.32 %

During 2017, the cash receipts of the general fund increased \$728,983 or 4.32%. This increase can mainly be attributed to an increase in property and other local taxes and miscellaneous revenues.

The table that follows assists in illustrating the cash disbursements of the general fund.

	2017	2016	Increase
	<u>Amount</u>	<u>Amount</u>	<u>(Decrease)</u>
<b>Cash Disbursements</b>			
Current:			
Conservation/recreation:			
Employee wages and benefits	\$ 9,327,509	\$ 10,149,660	(8.10) %
Supplies, materials and services	2,229,730	3,213,059	(30.60)
Other expenses	644,687	731,328	(11.85)
Healthcare	1,526,186	-	n/a
Capital outlay			
Equipment	174,267	713,377	(75.57)
Development	1,155,662	2,523,953	(54.21)
Land purchase	<u>285,195</u>	<u>5,348,529</u>	(94.67)
<b>Total</b>	<u>\$ 15,343,236</u>	<u>\$ 22,679,906</u>	(32.35) %

During 2017, the cash disbursements of the general fund decreased \$7,336,670 or 32.35%. This decrease can mainly be attributed to decreases related to capital disbursements.

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(Unaudited)

***Clean Ohio Conservation Fund***

The Clean Ohio Conservation fund, a Park District major fund, had cash disbursements of \$287,087 in 2017. The Clean Ohio Conservation fund cash balance increased \$590,899 from 2016 to \$922,639 in 2017.

***Budgeting Highlights - General Fund***

The Park District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund.

For 2017, the general fund original and final budget basis receipts and other financing sources were \$16,916,680 and \$17,433,148, respectively. Actual cash receipts and other financing sources of \$18,443,509 were more than final budget estimates by \$1,010,361. The final budgetary basis disbursements and other financing uses of \$17,750,886 were \$19,381 more than original budget of \$17,731,505. The actual budgetary basis disbursements and other financing uses of \$17,318,992 were \$431,894 less than the final budget estimates.

**Capital Assets and Debt Administration**

***Capital Assets***

The Park District does not record capital assets in the accompanying cash basis basic financial statements, but records payments for capital assets as disbursements. The Park District had cash disbursements related to the acquisitions of property, plant and equipment in the amount of \$2,807,463 during 2017.

***Debt Administration***

The Park District did not have any long-term obligations at December 31, 2017.

**Current Issues**

Summit Metro Parks is a park district (special purpose government) operating under the authority of Chapter 1545 of the Ohio Revised Code encompassing and providing park conservation and recreation opportunities to the citizens of Summit County. The Park District receives the majority of its funding from property taxes, state and federal grants and charges for services (program fees). The Summit County real-estate tax was approved by 75% in November 2013. The cost per \$100,000 property valuation is \$44.71. The challenge for the Park District is providing quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding.

**Contacting the Park District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Park District's finances and to show the Park District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Dale Fobean, Chief of Finance, Summit Metro Parks, 975 Treaty Line Road, Akron, OH 44313.

**SUMMIT METRO PARKS**  
**SUMMIT COUNTY**  
Statement of Net Position - Cash Basis  
December 31, 2017

	Governmental Activities
<b>Assets</b>	
Equity in pooled cash and cash equivalents	\$ 9,181,133
Total assets	9,181,133
<b>Net Position</b>	
Restricted for:	
Capital projects	1,198,003
Other purposes	41,277
Unrestricted	7,941,853
Total net position	\$ 9,181,133

See accompanying notes to the financial statements.

**SUMMIT METRO PARKS**  
**SUMMIT COUNTY**  
Statement of Activities - Cash Basis  
For the Year Ended December 31, 2017

	Program Cash Receipts				Net (Cash Disbursements) Cash Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants Contributions and Interest	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
Conservation/recreation	\$ 13,806,069	\$ 625,517	\$ 113,701	\$ 26,755	\$ (13,040,096)
Capital outlay	2,807,463	16,144	22,441	500,000	(2,268,878)
<b>Total government</b>	<u>\$ 16,613,532</u>	<u>\$ 641,661</u>	<u>\$ 136,142</u>	<u>\$ 526,755</u>	<u>(15,308,974)</u>
		<b>General Receipts</b>			
		Property taxes levied for:			
		General purposes			14,132,914
		Grants and entitlements not restricted to specific programs			1,881,061
		Sale of capital assets			424,500
		Interest			80,808
		Miscellaneous			305,463
		<b>Total general receipts</b>			<u>16,824,746</u>
		Change in net position			1,515,772
		Net position beginning of year			<u>7,665,361</u>
		Net position end of year			<u>\$ 9,181,133</u>

See accompanying notes to the financial statements.

**SUMMIT METRO PARKS**  
**SUMMIT COUNTY**  
Statement of Assets and Fund Balances - Cash Basis  
Governmental Funds  
December 31, 2017

	<u>General</u>	<u>Clean Ohio Conservation</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Equity in pooled cash and cash equivalents	\$ 7,929,087	\$ 922,639	\$ 275,364	\$ 9,127,090
Total assets	<u>\$ 7,929,087</u>	<u>\$ 922,639</u>	<u>\$ 275,364</u>	<u>\$ 9,127,090</u>
<b>Fund Balances</b>				
Restricted	41,277	922,639	275,364	1,239,280
Committed	1,360,701	-	-	1,360,701
Assigned	1,819,370	-	-	1,819,370
Unassigned	<u>4,707,739</u>	<u>-</u>	<u>-</u>	<u>4,707,739</u>
Total fund balances	<u>\$ 7,929,087</u>	<u>\$ 922,639</u>	<u>\$ 275,364</u>	<u>\$ 9,127,090</u>

See accompanying notes to the financial statements.



**SUMMIT METRO PARKS**  
**SUMMIT COUNTY**

Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities - Cash Basis  
December 31, 2017

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Total Governmental Fund Balances	\$ 9,127,090
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Amounts reported for governmental activities in the statement of  
net position are different because:

Governmental activities' net position include the internal service funds' cash and cash equivalents.	<u>54,043</u>
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Net Position of Governmental Activities	<u><u>\$9,181,133</u></u>
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See accompanying notes to the financial statements

**SUMMIT METRO PARKS**  
**SUMMIT COUNTY**

Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis  
Governmental Funds  
For the Year Ended December 31, 2017

	General	Clean Ohio Conservation	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>				
Property and other local taxes	\$ 14,132,914	\$ -	\$ -	\$ 14,132,914
Charges for services	396,581	-	-	396,581
Fines, licenses and permits	24,052	-	-	24,052
Intergovernmental	1,928,215	-	522,441	2,450,656
Earnings on investments	80,808	-	-	80,808
Donations	93,302	-	-	93,302
Merchandise sales	113,253	-	-	113,253
Royalties revenue	-	-	16,144	16,144
Rental income	6,416	-	-	6,416
Miscellaneous	390,678	-	-	390,678
<b>Total receipts</b>	<b>17,166,219</b>	<b>-</b>	<b>538,585</b>	<b>17,704,804</b>
<b>Disbursements</b>				
Current:				
Conservation/recreation:				
Employee wages and benefits	9,327,509	-	-	9,327,509
Supplies, materials and services	2,229,730	-	-	2,229,730
Other expenses	644,687	-	-	644,687
Healthcare	1,526,186	-	-	1,526,186
Capital outlay				
Equipment	174,267	-	-	174,267
Development	1,155,662	-	-	1,155,662
Land purchase	285,195	-	-	285,195
Projects	-	287,087	905,252	1,192,339
<b>Total disbursements</b>	<b>15,343,236</b>	<b>287,087</b>	<b>905,252</b>	<b>16,535,575</b>
Excess of receipts over (under) disbursements	1,822,983	(287,087)	(366,667)	1,169,229
<b>Other financing sources (uses)</b>				
Sale of capital assets	424,500	-	-	424,500
Transfers out	(132,000)	-	-	(132,000)
Advances in	852,790	1,209,726	634,030	2,696,546
Advances out	(1,843,756)	(331,740)	(521,050)	(2,696,546)
<b>Total other financing sources (uses)</b>	<b>(698,466)</b>	<b>877,986</b>	<b>112,980</b>	<b>292,500</b>
Net change in fund balance	1,124,517	590,899	(253,687)	1,461,729
Fund balances beginning of year, restated	6,804,570	331,740	529,051	7,665,361
Fund balances end of year	<u>\$ 7,929,087</u>	<u>\$ 922,639</u>	<u>\$ 275,364</u>	<u>\$ 9,127,090</u>

See accompanying notes to the financial statements.

**SUMMIT METRO PARKS**  
**SUMMIT COUNTY**

Reconciliation of the Statement of Receipts, Disbursements and Changes  
in Fund Balances - Governmental Funds to the Statement of Activities - Cash Basis  
For the Year Ended December 31, 2017

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Net Change in Fund Balances - Total Governmental Funds	\$ 1,461,729
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Amounts reported for governmental activities in the  
statement of activities are different because:

Internal service funds charge insurance costs to other funds. The entity-wide statements eliminate governmental fund expenditures and related internal service fund charges. Governmental activities report allocated net internal service fund receipts (disbursements).	<u>54,043</u>
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Change in Net Position of Governmental Activities	<u><u>\$1,515,772</u></u>
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See accompanying notes to the financial statements

**SUMMIT METRO PARKS**  
**SUMMIT COUNTY**  
Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual - Budget Basis  
General Fund  
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts</b>				
Property and other local taxes	\$ 14,132,914	\$ 14,132,914	\$ 14,132,914	\$ -
Charges for services	366,097	366,097	396,581	30,484
Fines, licenses and permits	23,539	23,539	24,052	513
Intergovernmental	1,900,247	1,916,715	1,928,215	11,500
Earnings on investments	70,738	70,738	80,808	10,070
Donations	62,999	62,999	93,302	30,303
Merchandise sales	54,453	54,453	113,253	58,800
Rental income	6,416	6,416	6,416	-
Miscellaneous	299,277	299,277	390,678	91,401
Total receipts	<u>16,916,680</u>	<u>16,933,148</u>	<u>17,166,219</u>	<u>233,071</u>
<b>Disbursements</b>				
Current:				
Conservation/recreation:				
Employee wages and benefits	9,776,025	9,782,333	9,327,509	454,824
Supplies, materials and services	2,776,235	2,878,235	2,229,730	648,505
Other expenses	952,664	770,025	644,687	125,338
Healthcare	1,800,000	1,603,692	1,526,186	77,506
Capital outlay				
Equipment	176,000	176,000	174,267	1,733
Development	2,218,581	2,158,581	1,155,662	1,002,919
Land purchase	32,000	382,020	285,195	96,825
Total disbursements	<u>17,731,505</u>	<u>17,750,886</u>	<u>15,343,236</u>	<u>2,407,650</u>
Excess of receipts over (under) disbursements	(814,825)	(817,738)	1,822,983	2,640,721
<b>Other financing sources (uses)</b>				
Sale of capital assets	-	-	424,500	424,500
Transfers out	-	-	(132,000)	(132,000)
Advances in	-	500,000	852,790	352,790
Advances out	-	-	(1,843,756)	(1,843,756)
Total other financing sources (uses)	<u>-</u>	<u>500,000</u>	<u>(698,466)</u>	<u>(1,198,466)</u>
Net change in fund balance	(814,825)	(317,738)	1,124,517	1,442,255
Fund balance at beginning of year	<u>6,804,570</u>	<u>6,804,570</u>	<u>6,804,570</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,989,745</u>	<u>\$ 6,486,832</u>	<u>\$ 7,929,087</u>	<u>\$ 1,442,255</u>

See accompanying notes to the financial statements.

**SUMMIT METRO PARKS**  
**SUMMIT COUNTY**  
Statement of Fund Net Position - Cash Basis  
Internal Service Fund  
December 31, 2017

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	<u>Internal Service</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 54,043
<b>Net Position</b>	
Unrestricted	<u>54,043</u>
Total Net Position	<u>\$ 54,043</u>

See accompanying notes to the financial statements.

**SUMMIT METRO PARKS**  
**SUMMIT COUNTY**  
Statement of Cash Receipts, Disbursements and Changes  
in Cash Basis Fund Net Position  
Internal Service Fund  
December 31, 2017

	Internal Service
<b>Operating cash receipts</b>	
Charges for services	\$ 292
Total operating cash receipts	292
<b>Operating cash disbursements</b>	
Claims	64,807
Other	13,442
Total operating cash disbursements	78,249
Operating Loss	(77,957)
<b>Other financing sources</b>	
Transfers in	132,000
Change in net position	54,043
Net position at beginning of year	-
Net position at end of year	\$ 54,043

See accompanying notes to the financial statements.

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

Notes to the Financial Statements  
For the Year Ended December 31, 2017

**1. DESCRIPTION OF THE PARK DISTRICT AND REPORTING ENTITY**

The Summit Metro Parks District, Summit County, (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 probate judge of Summit County appoints a five-member Board of Commissioners to govern the Park District. The Commissioners are authorized to acquire, develop, protect, maintain, and improve park lands and facilities. The Commissioners may convert acquired land into forest reserves. The Commissioners are also responsible for activities related to conserving natural resources, including streams, lakes, submerged lands, and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of these assets conducive to the general welfare.

**Reporting Entity**

The reporting entity is comprised of the primary government and other organizations included ensuring that the basic financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Park District. For the Park District, this includes general operations.

The Park District's management believes these financial statements present all activities for which the Park District is financially accountable.

**Related Organization**

The Summit Metro Parks Foundation (the Foundation) is a not-for-profit organization with a self-appointed 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 the 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 and determines how Foundation money is spent. During 2017, five Commissioners served on the Foundation's Board. The Foundation has unaudited receipts of \$1,080,500, unaudited expenditures of \$380,740 and an unaudited fund balance of \$5,933,458.

The Park District's management believes these financial statements present all activities for which the Park District is financially accountable.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in the "Basis of Accounting" section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting.

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

Notes to the Financial Statements  
For the Year Ended December 31, 2017

**A. Basis of Presentation**

The Park District's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Park District as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. The activity of the internal service fund is eliminated to avoid "doubling-up" revenues and expenses. However, the services provided and used are not eliminated in the process of consolidation.

The Statement of Net Position presents the cash balance of the governmental activities of the Park District at year end. The statement of activities compares disbursements with program receipts for each function of program of the Park District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the government is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on the cash-basis or draws from the Park District's general receipts.

Fund Financial Statements

During the year, the Park District segregates transactions related to certain Park District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Park District at this more detailed level. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

**B. Fund Accounting**

The Park District uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The Park District classifies each fund as either governmental or proprietary.

**1. Governmental Funds:**

Governmental funds are those through which most governmental functions of the Park District are financed. The following are the Park District's major governmental funds:



**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

Notes to the Financial Statements  
For the Year Ended December 31, 2017

General Fund - The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Clean Ohio Conservation Fund - This fund was established to account for Ohio Public Works Commission Clean Ohio Conservation Fund used for acquisition of green space and the protection and enhancement of river and stream corridors.

**2. Proprietary Funds:**

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise or internal service; the park District has no enterprise funds.

Internal Service Fund – This fund accounts for services provided by one department to other departments of the Park District. The Park District's only internal service fund accounted for the operation of the Park District's self-insurance program for vision and dental benefits.

**C. Basis of Accounting**

The Park District's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Park District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Park District are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

**D. Deposits and Investments**

As the Ohio Revised Code permits, the Summit County Fiscal Officer holds the Park District's deposits as the Park District's custodian. The County holds the Park District's assets in its investment pool, valued at the Fiscal Officer's reported carrying amount. The carrying amount of deposits and investments at December 31 were \$9,181,133.

**E. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Park District is bound to observe constraints imposed upon the use of the resources in the governmental funds.

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

Notes to the Financial Statements  
For the Year Ended December 31, 2017

The classifications are as follows:

**Non-spendable** – The non-spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

**Restricted** – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**Committed** - The committed fund balance includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Park District’s Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned** – Amounts in the assigned fund balance classification are intended to be used by the Park District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the District Board or a District official delegated that authority by resolution, or by State Statute. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year’s appropriated budget in the General Fund.

**Unassigned** – Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Park District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**F. Interfund Receivables/Payables**

The Park District reports advances in and advances out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

**G. Capital Assets**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. The financial statements do not report these assets.

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

Notes to the Financial Statements  
For the Year Ended December 31, 2017

**H. Accumulated 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 leave is not reflected as a liability under the Park District's cash basis of accounting.

**I. Inter-fund Activity**

The statements report exchange transactions between funds as receipts in the seller funds and as disbursements in the purchasing funds. Non-exchange flows of cash from one fund to another are reported as inter-fund transfers. Governmental funds report inter-fund transfers as other financing sources/uses. The statements do not report repayments from funds responsible for particular disbursements to the funds initially paying the costs.

**J. Budgetary Process**

Ohio law requires the Park District to budget and appropriate all funds. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which use the budgetary basis of accounting. The budgetary basis reports expenditures when a commitment is made (i.e., when an encumbrance is approved). The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts the Park District may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control the Board selects. The Board uses the Function level within each fund as its legal level of control.

The certificate of estimated resources may be amended during the year if the Park District projects increases or decreases in receipts. The amounts reported as the original budget in the budgetary statements reflect the amounts in the certificate when the Board adopted the original appropriations. The amounts reported as the final budget in the budgetary statements reflect the amounts in the amended certificate in effect at the time the final appropriations were passed.

The Board may amend appropriations throughout the year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budget reflect the first appropriation for a fund covering the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budget represent the final appropriation the Board passed during the year.

**3. PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the Park District. Property tax revenue received during 2017 for real and public utility property taxes represents collections of 2016 taxes.

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

Notes to the Financial Statements  
For the Year Ended December 31, 2017

2017 real property taxes are levied after October 1, 2017 on the assessed value as of January 1, 2017 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2017 real property taxes are collected in and intended to finance 2018. Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2017 public utility property taxes became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes.

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the Park District. The County Auditor periodically remits to the Park District its portion of the taxes.

The full tax rate for all District operations for the year ended December 31, 2017 was \$1.46 per \$1,000 of assessed value. The assessed values of real and public utility tangible personal property upon which 2017 property tax receipts were based are as follows:

<u>Property Category</u>	<u>2016 Assessed Value</u>
<u>Real Property</u>	
Residential and agricultural	\$ 8,227,457,600
Other	2,377,732,590
 <u>Tangible Personal Property</u>	
Public utilities	447,891,510
Total	<u>\$ 11,053,081,700</u>

**4. BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as assigned fund balance (cash basis). There were no encumbrances outstanding at year end (budgetary basis) for the General fund.

**5. INTERFUND ADVANCES AND TRANSFERS**

The General Fund advances monies into Capital Project Funds for the purpose of paying allowable grant expenditures for the current year. Additionally, returns of advances are made from the Capital Project funds to repay the General Fund advances. Outstanding advances at December 31, 2017, consisted of the following:

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

Notes to the Financial Statements  
For the Year Ended December 31, 2017

<u>Fund:</u>	Advance <u>To:</u>	Advance <u>From:</u>
General fund	\$ -	\$ 1,851,757
Clean ohio conservation fund	1,209,726	-
Nonmajor governmental funds	<u>642,031</u>	<u>-</u>
Total	<u>\$ 1,851,757</u>	<u>\$ 1,851,757</u>

As of December 30, 2017, all advances outstanding are anticipated to be repaid within one year.

During 2017, the following transfers were made:

Transfers from general fund to:	
Internal service fund	\$ 132,000

The above-mentioned Transfer To/From was used to move receipts from the general fund required to collect property tax revenue to the internal service fund required to pay self-insured health care expenses in accordance with budgetary authorizations. Transfers from the general fund into the internal service fund were in compliance with Ohio Revised Code to pay for the Park District's self- insurance program.

**6. RISK MANAGEMENT**

**Commercial Insurance**

The Park District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

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

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

**Self-Insurance**

The Park District is self-insured for dental and vision insurance only. The dental and vision policies each have a maximum annual limit of \$1,000 paid out per person for approved claims.

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

Notes to the Financial Statements  
For the Year Ended December 31, 2017

**7. DEFINED BENEFIT PENSION PLAN**

**Ohio Public Employees Retirement System (OPERS)**

District employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g., District employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2017, member and employer contribution rates were consistent across all three plans. For 2017, OPERS members contributed 10% of their gross salaries and the Park District contributed an amount equaling 14% and of participants' gross salaries. The Park Rangers contributed 13.0% of their gross salaries and the Park District contributed 18.10% of Park Rangers' gross salaries for 2017. The Park District's required contributions to OPERS for the years ended December 31, 2017, 2016 and 2015 were \$1,083,465, \$961,093 and \$931,156 respectively; 100% has been contributed for 2017, 2016, and 2015.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

Notes to the Financial Statements  
For the Year Ended December 31, 2017

<p><b>Group A</b> Eligible to retire prior to January 7, 2013 or five years <u>after January 7, 2013</u></p> <p><b>State and Local</b></p> <p><b>Age and service requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit</p> <p><b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30</p>	<p><b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire <u>ten years after January 7, 2013</u></p> <p><b>State and Local</b></p> <p><b>Age and service requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit</p> <p><b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30</p>	<p><b>Group C</b> Members not in other Groups and members hired on or after <u>January 7, 2013</u></p> <p><b>State and Local</b></p> <p><b>Age and service requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit</p> <p><b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35</p>
<p><b>Public Safety</b></p> <p><b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit</p> <p><b>Law Enforcement</b></p> <p><b>Age and Service Requirements:</b> Age 52 with 15 years of service credit</p> <p><b>Public Safety and Law Enforcement</b></p> <p><b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25</p>	<p><b>Public Safety</b></p> <p><b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit</p> <p><b>Law Enforcement</b></p> <p><b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit</p> <p><b>Public Safety and Law Enforcement</b></p> <p><b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25</p>	<p><b>Public Safety</b></p> <p><b>Age and Service Requirements:</b> Age 52 with 25 years of service credit or Age 56 with 15 years of service credit</p> <p><b>Law Enforcement</b></p> <p><b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 56 with 15 years of service credit</p> <p><b>Public Safety and Law Enforcement</b></p> <p><b>Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25</p>

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

Notes to the Financial Statements  
For the Year Ended December 31, 2017

	<u>State and Local</u>	<u>Law Enforcement</u>
<b>2017 Statutory maximum contribution rates</b>		
Employer	14.00%	18.10%
Employee	10.00%	**
<b>2017 Actual contribution rates</b>		
Employer:		
Pension	13.00%	17.10%
Post-employment health care benefits	<u>1.00%</u>	<u>1.00%</u>
Total employer	<u>14.00%</u>	<u>18.10%</u>
Employee	<u>10.00%</u>	<u>13.00%</u>

\*This rate is determined by OPERS' Board and has no maximum rate established by ORC.

\*\*This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

**8. POST EMPLOYMENT BENEFITS**

**Ohio Public Employees Retirement System**

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. This trust is also used to fund health care for Member-Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed Plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2016 CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the OPERS Board of Trustees (OPERS Board) in Chapter 145 of the Ohio Revised Code.

The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS may be set aside to fund OPERS health care plans.



**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

Notes to the Financial Statements  
For the Year Ended December 31, 2017

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, State and Local employers contributed at a rate of 14.0% of earnable salary and Public Safety and Law Enforcement employers contributed at 18.1%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0% during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0.0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited for Member-Directed Plan participants for 2017 was 4.0%.

The Park District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2017, 2016 and 2015 were \$77,509, \$147,661 and \$142,543 respectively; 100% has been contributed for 2017, 2016, and 2015.

**SUMMIT METRO PARKS  
SUMMIT COUNTY, OHIO**

Notes to the Financial Statements  
For the Year Ended December 31, 2017

**9. FUND BALANCES**

Fund balance is classified as non-spendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Park District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for major governmental funds and all other governmental funds are presented below:

Fund balance	General	Clean Ohio Conservation	Nonmajor Governmental Funds	Total Governmental Funds
Restricted:				
Land Purchase or Park Maintenance	\$ -	\$ -	\$ 45,195	\$ 45,195
Pond Brook Restoration	-	-	200,000	200,000
Valley View Restoration	-	922,639	-	922,639
Construction of Freedom Trail Phase III	-	-	24,915	24,915
OECA Towpath Grants	-	-	5,254	5,254
Endowment for Youth Fishing	41,277	-	-	41,277
Total restricted	<u>41,277</u>	<u>922,639</u>	<u>275,364</u>	<u>1,239,280</u>
Committed:				
Consultation	81,936	-	-	81,936
Planning & Development	1,259,123	-	-	1,259,123
Maintenance Materials	2,267	-	-	2,267
Contract Services	17,375	-	-	17,375
Total committed	<u>1,360,701</u>	<u>-</u>	<u>-</u>	<u>1,360,701</u>
Assigned:				
Subsequent Year Appropriations	<u>1,819,370</u>	<u>-</u>	<u>-</u>	<u>1,819,370</u>
Unassigned	<u>4,707,739</u>	<u>-</u>	<u>-</u>	<u>4,707,739</u>
Total fund balances	<u>\$ 7,929,087</u>	<u>\$ 922,639</u>	<u>\$ 275,364</u>	<u>\$ 9,127,090</u>

**10. PRIOR PERIOD RESTATEMENT OF FUND BALANCE/NET POSITION/CHANGE IN PRESENTATION**

The financial statements were restated due to the implementation of the Governmental Accounting Standards Board Statement Number 34 cash basis reporting model of the financial statements. The financial statements now report governmental-wide financial statements, major funds and aggregate all remaining funds into an "Other Governmental Funds" column for presentation purposes instead of presenting the financial statements on a fund-type basis. The beginning fund balances and net position were restated accordingly.

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

**INDEPENDENT AUDITOR'S 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***

Summit Metro Parks  
Summit County  
975 Treaty Line Road  
Akron, Ohio 44313

To the Board of Park Commissioner:

We have audited, in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the remaining aggregate fund information of the Summit Metro Parks, Summit County (the Park District) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated July 29, 2019, wherein we noted the Park District uses a special purpose framework other than generally accepted accounting principles. We also noted that the Park District changed its financial statement presentation and restated its beginning fund balances and net position.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Park District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Park district's internal control. Accordingly, we do not express an opinion on the effectiveness of the Park District's internal control.

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 a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

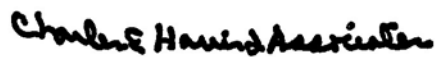
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Park District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Park District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



***Charles E. Harris and Associates, Inc.***  
July 29, 2019

**Summit Metro Parks**  
Summit County  
Schedule of Prior Audit Findings  
(Prepared by Management)  
December 31, 2018 and 2017

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2016-001	Compilation of Annual Financial Report	Corrective Action Taken and Finding is Fully Corrected	
2016-002	Self-Insurance Employer Contribution Rates	Corrective Action Taken and Finding is Fully Corrected	

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# OHIO AUDITOR OF STATE KEITH FABER



**SUMMIT METRO PARKS**

**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  
OCTOBER 3, 2019**