



FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2007 AND 2006







# Mary Taylor, CPA

Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Metro Parks Serving Summit County, Summit County, prepared by Apple Growth Partners, for the audit period January 1, 2006 through December 31, 2007. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA  
Auditor of State

May 28, 2009

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Metro Parks, Serving Summit County  
Financial Statements  
December 31, 2007 and 2006

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## Independent Auditor's Report

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

We have audited the accompanying statements of cash receipts, cash disbursements and changes in fund cash balances of the Metro Parks, Serving Summit County (the Park District) as of and for the years ended December 31, 2007 and 2006. These financial statements are the responsibility of the Park District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Note A, the Park District prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above for the years ended December 31, 2007 and 2006, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Metro Parks, Serving Summit County as of December 31, 2007 and 2006, or it's changes in financial position for the years then ended.

Also in our opinion the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Metro Parks, Serving Summit County as of December 31, 2007 and 2006, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note A.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated June 24, 2008 on our consideration of the Park District's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We conducted our audit to opine on the financial statements that collectively comprise the Park District's basic financial statements. The accompanying federal awards expenditure schedule is presented for the purposes of additional analysis as required by The U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The schedule is not a required part of the basic financial statements. We subjected the federal awards expenditure schedule to the auditing procedures applied in the audit of the basic financial statements. We subjected the federal awards expenditure schedule to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Apple Growth Partners*

Certified Public Accountants  
June 24, 2008

**Metro Parks, Serving Summit County**  
**Statements of Cash Receipts, Cash Disbursements, and**  
**Changes in Fund Cash Balances**  
**For The Year Ended December 31, 2007**

	Government Fund Types		Totals
	General	Capital Projects	
<b>Cash Receipts:</b>			
Taxes	\$ 17,895,694	\$ -	\$ 17,895,694
Intergovernmental	572,784	579,028	1,151,812
Investment Income	255,354	-	255,354
Gifts and Donations	6,656	-	6,656
Aquatic Fees	220,159	-	220,159
Pavilion, Shelter and Property Rentals	164,958	-	164,958
Other	423,763	-	423,763
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	19,539,368	579,028	20,118,396
<b>Cash Disbursements:</b>			
Current:			
Employee Wages and Benefits	5,667,829	-	5,667,829
Supplies, Materials and Services	3,470,080	-	3,470,080
Capital Outlay:			
Equipment	369,046	-	369,046
Development	1,860,950	-	1,860,950
Land Purchase	1,590,215	579,028	2,169,243
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	12,958,120	579,028	13,537,148
Total Cash Receipts Over (Under) Cash Disbursements	6,581,248	-	6,581,248
Fund Cash Balances, January 1	1,032,518	-	1,032,518
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	<u>\$ 7,613,766</u>	<u>\$ -</u>	<u>\$ 7,613,766</u>

**Metro Parks, Serving Summit County**  
**Statements of Cash Receipts, Cash Disbursements, and**  
**Changes in Fund Cash Balances - General Fund**  
**For The Year Ended December 31, 2006**

	December 31,
	2006
<b>Cash Receipts:</b>	
Taxes	\$ 8,224,629
Intergovernmental	1,096,610
Investment Income	43,973
Gifts and Donations	10,129
Aquatic Fees	212,421
Pavilion, Shelter and Property Rentals	154,322
Other	162,390
	9,904,474
 <b>Cash Disbursements:</b>	
Current:	
Employee Wages and Benefits	5,245,191
Supplies, Materials and Services	3,277,406
Capital Outlay:	
Equipment	277,029
Development	1,183,399
Land Purchase	-
	9,983,025
Total Cash Receipts Over (Under) Cash Disbursements	(78,551)
Fund Cash Balances, January 1	1,111,069
Fund Cash Balances, December 31	\$ 1,032,518

**METRO PARKS, SERVING SUMMIT COUNTY**  
**Notes to Financial Statements**  
December 31, 2007 and 2006

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Description of the Entity** - The Metro Parks, Serving Summit County, Summit County, Ohio, (the Park District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Park District is directed by a three-member Board of Commissioners appointed by the probate judge of Summit County. The Park District acquires lands for conversion into forest reserves and for the conservation of the natural resources, including streams, lakes, submerged lands and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of same as the Board deems conducive to the general welfare.

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

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

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

A Board of Trustees consisting of five (5) interested persons residing in the State of Ohio manages the Foundation's affairs. During 2007 and 2006 three Commissioners served on the Foundation's Board.

The Foundation meets the criteria regarding component units stated in the last sentence of paragraph one of this footnote. According to the Auditor of State government agencies using the method of accounting described in item C below need not incorporate affiliated organizations within their government. Therefore, the Park District is not required to and has not included the Foundation within the reporting entity of the Park District. *(The Foundation's financial activities are not included in the Park District's basic financial statements as a blended component unit and represent 22.14% and 23.49 % of receipts and disbursements, respectively, for the year ended December 31, 2007 and 2.06% and 0.02% of receipts and disbursements, respectively, for the year ended December 31, 2006.)*

**Basis of Accounting** - These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipt and disbursement basis of accounting. Revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**METRO PARKS, SERVING SUMMIT COUNTY**  
**Notes to Financial Statements**  
December 31, 2007 and 2006

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

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

General Fund

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

Capital Project Fund

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

Coastal Zone Management Administration Awards- This fund receives grant money for the purchase of coastal land having ecological value.

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

Appropriations

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

Estimated Resources

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

Encumbrances

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

A summary of 2007 and 2006 budgetary activity appears in Note B.

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

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

**METRO PARKS, SERVING SUMMIT COUNTY**  
**Notes to Financial Statements**  
December 31, 2007 and 2006

**B. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2007 and 2006 was as follows:

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 18,966,119	\$ 19,539,368	\$ 573,249
Capital Projects	-	579,028	579,028
Total	\$ 18,966,119	\$ 20,118,396	\$ 1,152,277

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 19,998,637	\$ 12,958,120	\$ 7,040,517
Capital Projects	-	579,028	(579,028)
Total	\$ 19,998,637	\$ 13,537,148	\$ 6,461,489

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 9,774,273	\$ 9,904,474	\$ 130,201

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 11,124,899	\$ 9,983,025	\$ 1,141,874

**C. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Park Commissioners. The State Board of Tax Equilization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

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

Tangible personal property tax is assessed to the property owners, who must file a list of such property to the County by each April 30.

**METRO PARKS, SERVING SUMMIT COUNTY**  
**Notes to Financial Statements**  
**December 31, 2007 and 2006**

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Park District.

**D. RETIREMENT SYSTEM**

The Park District's full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. Regular members of OPERS contributed 9.0% and 9.5% of their gross salaries for 2006 and 2007, respectively. The Park Rangers contributed 10.10% of their gross salaries for 2006 and 2007. The Park District contributed 13.70% and 13.85% of regular participants' gross salaries for 2006 and 2007, respectively. The Park District also contributed 16.93% and 17.17% of Park Rangers' gross salaries for 2006 and 2007, respectively. The Park District has paid all contributions required through December 31, 2007 and 2006.

**E. RISK MANAGEMENT**

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

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

**F. RELATED PARTY TRANSACTION**

The Park District receives in-kind donations in the form of office space for the resource management department from a Board member. The office space is temporary until permanent offices can be found for this department. The lease has a value of \$300 per month. Subsequent to year end the lease expired and was not renewed.

**H. CONTINGENT LIABILITIES**

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

The Park District is involved in many interrelated lawsuits. Although the outcome of these suits is not presently determinable, management believes that the resolution of these matters will not materially adversely affect the Park District's financial condition.

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SUPPLEMENTAL INFORMATION

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

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

We have audited the financial statements of Metro Parks, Serving Summit County (the Park District) as of and for the years ended December 31, 2007 and 2006 and have issued our report thereon dated June 24, 2008, wherein we noted the Park District followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Park District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Park District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Park District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Park District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Park District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Park District in a separate letter dated June 24, 2008.

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### *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 an instance of noncompliance that we are required to report under *Government Auditing Standards* is described in the accompanying Schedule of Findings and Questioned Costs as item 2007-001.

This report is intended solely for the information and use of management, the Board of Park Commissioners, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

### *Apple Growth Partners*

Akron, Ohio  
June 24, 2008

**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

### Compliance

We have audited the compliance of Metro Parks, Serving Summit County (the Park District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 2007. The Park District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Park District's management. Our responsibility is to express an opinion on the Park District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Park District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Park District's compliance with those requirements.

In our opinion, the Park District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 2007. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2007-001.

### Internal Control Over Compliance

The management of the Park District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Park District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with

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OMB Circular A-133. Accordingly, we do not express an opinion on the effectiveness of the Park District's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

The Park District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Park District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Park Commissioners, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Apple Growth Partners*

Akron, Ohio  
June 24, 2008

Metro Parks, Serving Summit County  
 Schedule of Expenditures of Federal Awards  
 December 31, 2007

Federal Grantor/Pass-through Grantor/Program Title	<u>Federal CFDA Number</u>	<u>Federal Expenses</u>
National Oceanic and Atmospheric Administration, Department of Commerce:		
Direct Program:		
Coastal Zone Management Administration Awards	11.419	\$ <u>579,028</u>
Total Expenditures of Federal Awards		<u>\$ 579,028</u>

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The above Schedule of Federal Awards Expenditures is a summary of the Park District's federal award programs. The schedule has been prepared on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require that the Park District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Park District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the schedule.

**Metro Parks, Serving Summit County**  
**Schedule of Findings and Questioned Costs**  
**December 31, 2007**

**SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of the Park District.
2. No significant deficiencies or material weaknesses in internal control were disclosed during the audit of the financial statements.
3. One instance of noncompliance material to the financial statements of the Park District was disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control were disclosed during the audit of the major federal award program.
5. The auditor's report on compliance for the major federal award program for the Park District expresses an unqualified opinion on the major federal program.
6. No audit findings relative to the major federal award program for the Park District for the year ended December 31, 2007.
7. The program tested as the major program was the National Oceanic and Atmospheric Administration, Department of Commerce - CFDA #11.419.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The Park District was determined to be a high-risk auditee.

**FINDINGS - FINANCIAL STATEMENT AUDIT (IN ACCORDANCE WITH GAGAS)**

**FINDING NUMBER 2007-001**

**Noncompliance citation**

Ohio Revised Code § 5705.10 states in part that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose is to be paid into a special fund for such purpose.

Chapter 5705 of the Revised Code sets forth a scenario that provides for a uniform budget and appropriation process in order to assure that a governmental entity expends no more than it expects to receive in revenue. In order to accomplish this end, all appropriations must be accounted to and from each appropriation fund. While federal and state loans and grants are deemed appropriated and in the process of collection so as to be available for expenditure, they must still be recorded. R.C. 5705.42. Thus, a mechanism is still required to account for receipt and expenditure. That mechanism is an amendment of, or a supplement to, the entity's estimated resources, or its appropriation measure, which shall comply with all provisions of law governing the taxing authority in making an original appropriation. R.C. 5705.40. An original appropriation measure must be passed by the taxing authority, and may amendment of, or supplement to, that measure also requires legislative action. R.C. 5705.38.

The Park District did not establish a separate capital project fund for the receipt and disbursement using the federal awards received from the National Oceanic and Atmospheric Administration, Department of Commerce.

Based upon the above Revised Code section, we have determined that the funds in the amount of \$579,028 should have been recorded into capital project funds. The financial statements have been adjusted to reflect this amount.

FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS

None



**Mary Taylor, CPA**  
Auditor of State

**METRO PARKS SERVING SUMMIT COUNTY**

**SUMMIT COUNTY**

**CLERK'S CERTIFICATION**

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JUNE 9, 2009**