



**Auditor of State
Betty Montgomery**

**METRO PARKS, SERVING SUMMIT COUNTY
SUMMIT COUNTY**

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Park Commissioners:

We have audited the accompanying financial statements of the Metro Parks, Serving Summit County, Summit County, Ohio, (the Park District) as of and for the years ended December 31, 2003 and 2002. 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 audit.

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

As described in Note 1, the Park District prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

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, Summit County, Ohio, as of December 31, 2003 and 2002, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 20, 2004, on our consideration of the Park District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee, management, Board of Park Commissioners and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

August 20, 2004

**METRO PARKS, SERVING SUMMIT COUNTY
SUMMIT COUNTY**

**STATEMENTS OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

	2003	2002
Cash Receipts:		
Taxes	\$7,548,480	\$6,939,397
Intergovernmental	1,351,394	1,416,693
Investment Income	36,034	128,729
Gifts and Donations	7,614	35,690
Aquatic Fees	194,792	273,050
Pavillion, Shelter and Property Rentals	157,888	144,545
Other	111,674	85,750
Total Cash Receipts	9,407,876	9,023,854
Cash Disbursements:		
Current:		
Employee Wages and Benefits	5,419,917	4,999,058
Supplies, Materials and Services	2,845,182	2,664,995
Capital Outlay:		
Equipment	276,663	330,283
Development	1,624,231	1,530,161
Land Purchase	1,015,513	162,107
Total Cash Disbursements	11,181,506	9,686,604
Total Cash Receipts (Under) Cash Disbursements	(1,773,630)	(662,750)
Fund Cash Balances, January 1 (Restated, See Note 2)	3,711,533	4,374,283
Fund Cash Balances, December 31	\$1,937,903	\$3,711,533

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

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**METRO PARKS, SERVING SUMMIT COUNTY
SUMMIT COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

C. Cash and Investments

As permitted by the Ohio Revised Code, the 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.

D. Fund Accounting

The Park District uses the General Fund as its general operating fund to account for all financial activity.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level and appropriations may not exceed estimated resources. Appropriation Authority includes current year appropriations plus encumbrances carried over from the prior year (if any). The Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

**METRO PARKS, SERVING SUMMIT COUNTY
SUMMIT COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. Estimated Resources

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

3. 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 2003 and 2002 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Accumulated Leave

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

2. RESTATEMENT OF BEGINNING FUND CASH BALANCE

In the prior audit report, there was a formula error in computation of the 2001 and 2000 Fund Cash Balances, December 31. As a result, the following adjustment was made to the December 31, 2001 Fund Cash Balance:

Fund Cash Balance, December 31	\$5,237,517
Less:	
2001 Total Receipts (Under) Disbursements	<u>(863,234)</u>
Restated Fund Cash Balance, December 31	<u>\$4,374,283</u>

**METRO PARKS, SERVING SUMMIT COUNTY
SUMMIT COUNTY**

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$9,911,558	\$9,407,876	(\$503,682)

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$13,623,092	\$11,181,506	\$2,441,586

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$8,756,795	\$9,023,854	\$267,059

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$13,130,578	\$9,686,604	\$3,443,974

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Park Commissioners. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual 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 by the property owners, who must file a list of such property to the County by each April 30.

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

**METRO PARKS, SERVING SUMMIT COUNTY
SUMMIT COUNTY**

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

5. 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. In January 2002, regular members of OPERS contributed 8.5% of their gross salaries, and Park Rangers contributed 9% of their gross salaries. Beginning February 1, 2002, the new rate of 10.1% was deducted for Park Rangers and the new employers share went to 16.7% through December 31, 2003. The Park District contributed an amount equal to 13.55% of regular participant's gross salaries. The Park District has paid all contributions required through December 31, 2003.

6. RISK MANAGEMENT

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

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

7. CONTINGENT LIABILITIES

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

8. THE AKRON METRO PARKS FOUNDATION – COMPONENT UNIT

The Akron Metro Parks Foundation was established as a not-for-profit charitable endowment to support the Metro Parks, Serving Summit County on July 24, 1991. The Foundation is governed by a five (5) member Board of Trustees consisting of the 3 Commissioners of the Metro Parks, Serving Summit County and 2 other individual trustees. The Foundation is a not-for-profit corporation pursuant to the laws of the State of Ohio. Under guidance provided by Governmental Accounting Standards Board Statement No.14: The Financial Reporting Entity, the foundation is a component unit of the Park District. The financial records are available to the public for review at the Park District's Headquarters.



**Auditor of State
Betty Montgomery**

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

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

To the Board of Park Commissioners:

We have audited the financial statements of the Metro Parks, Serving Summit County, Summit County, Ohio, (the Park District) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated August 20, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Park District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could directly and materially affect 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 we must report under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to the Park District's management in a separate letter dated August 20, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Park District's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report that we have reported to the Park District's management in a separate letter dated August 20, 2004.

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

August 20, 2004



**Auditor of State
Betty Montgomery**

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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
SEPTEMBER 30, 2004**