

**METRO PARKS,  
SERVING SUMMIT COUNTY**

**AUDIT REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2012**

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





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Metro Parks Serving Summit County, prepared by James G. Zupka, CPA, Inc., for the audit period January 1, 2012 through December 31, 2012. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

May 21, 2013

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**METRO PARKS, SERVING SUMMIT COUNTY**  
**AUDIT REPORT**  
**DECEMBER 31, 2012**

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

*Certified Public Accountants*

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

*Garfield Hts., Ohio 44125*

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(216) 475 - 6136

Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

Board of Park Commissioners  
Metro Parks, Serving Summit County  
Akron, Ohio

**Report on the Financial Statements**

We have audited the accompanying financial statements and related notes of the Metro Parks, Serving Summit County, Ohio (the Park District), as of and for the year ended December 31, 2012.

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

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03; this responsibility includes designing, implementing, and maintaining internal control relevant to preparing and fair presenting financial statements free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards applicable in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Metro Parks, Serving Summit County, Ohio's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Metro Parks, Serving Summit County, Ohio's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

### **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1 of the financial statements, the Metro Parks, Serving Summit County, Ohio, prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03, which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statements referred to above do not present fairly, in accordance 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, 2012, or changes in financial position.

### **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Metro Parks, Serving Summit, County, Ohio, as of December 31, 2012, and its combined cash receipts and disbursements for the year then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits, described in Note 1.

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, during 2012, the Metro Parks, Serving Summit County, Ohio, adopted new accounting guidance in Governmental Accounting Standards Board No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Our opinion is not modified with respect to this matter.

### **Other Matters**

Our audit was conducted to opine on the financial statements taken as a whole. The Schedule of Expenditures of Federal Awards presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the financial statements. The Schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This Schedule was subjected to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this Schedule is fairly stated in all material respects in relation to the financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2013, on our consideration of the Metro Parks, Serving Summit County, Ohio's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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 Metro Parks, Serving Summit County, Ohio's internal control over financial reporting and compliance.

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

March 8, 2013

**METRO PARKS, SERVING SUMMIT COUNTY**  
**STATEMENTS OF CASH RECEIPTS, CASH DISBURSEMENTS, AND**  
**CHANGES IN FUND CASH BALANCES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Governmental Fund Types</u>		<u>Totals</u>
	<u>General</u>	<u>Capital Projects</u>	
<b><u>Cash Receipts</u></b>			
Taxes	\$15,687,383	\$ 0	\$15,687,383
Intergovernmental	117,500	369,964	487,464
Investment Income	23,859	0	23,859
Gifts and Donations	25,252	0	25,252
Aquatic Fees	293,253	0	293,253
Pavilion, Shelter and Property Rentals	168,350	0	168,350
Other	524,432	0	524,432
<b>Total Cash Receipts</b>	<u>16,840,029</u>	<u>369,964</u>	<u>17,209,993</u>
<b><u>Cash Disbursements</u></b>			
Current:			
Employee Wages and Benefits	7,131,838	0	7,131,838
Supplies, Materials, and Services	4,773,212	0	4,773,212
Capital Outlay:			
Equipment	520,138	0	520,138
Development	1,223,934	1,436,262	2,660,196
Land Purchase	1,474,057	0	1,474,057
<b>Total Cash Disbursements</b>	<u>15,123,179</u>	<u>1,436,262</u>	<u>16,559,441</u>
Total Cash Receipts Over Cash Disbursements	<u>1,716,850</u>	<u>(1,066,298)</u>	<u>650,552</u>
<b><u>Other Financing Sources</u></b>			
Interfund Advances In/(Out)	(1,074,000)	1,074,000	0
Interfund Transfer In/(Out)	232,692	(232,692)	0
<b>Total Other Financing Sources</b>	<u>(841,308)</u>	<u>841,308</u>	<u>0</u>
Net Change in Fund Balances	875,542	(224,990)	650,552
Fund Cash Balances, January 1	<u>15,344,048</u>	<u>490,780</u>	<u>15,834,828</u>
Restricted	67,399	265,790	333,189
Committed	2,745,069	0	2,745,069
Unassigned	<u>13,407,122</u>	<u>0</u>	<u>13,407,122</u>
<b>Fund Cash Balances, December 31</b>	<u>\$16,219,590</u>	<u>\$ 265,790</u>	<u>\$16,485,380</u>

See accompanying notes to the financial statements.

**METRO PARKS, SERVING SUMMIT COUNTY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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

**Description of the Entity**

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

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

**Component Unit**

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

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

A Board of Trustees consisting of five (5) interested persons residing in the State of Ohio manages the Foundation's affairs. During 2012, three Commissioners served on the Foundation's Board.

**METRO PARKS, SERVING SUMMIT COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
**(CONTINUED)**

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

**Component Unit** (Continued)

The Foundation meets the criteria regarding component units stated in the last sentence of paragraph one of this footnote. According to the Auditor of State, government agencies using the method of accounting described below need not incorporate affiliated organizations within their government. Therefore, the Park District is not required to and has not included the Foundation within the reporting entity of the Park District. *(The Foundation's financial activities are not included in the Park District's basic financial statements as a blended component unit and represent .8 percent and .2 percent of receipts and disbursements, respectively, for the year ended December 31, 2012.*

**Basis of Accounting**

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

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

**Cash**

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

**Fund Accounting**

The Park District classifies its funds into the following types:

*General Fund*

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

*Capital Projects Funds*

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

**METRO PARKS, SERVING SUMMIT COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
**(CONTINUED)**

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

**Fund Accounting** (Continued)

*Capital Projects Funds* (Continued)

Recreational Trails Towpath

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

Transportation Enhancement

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

Ohio EPA Furnace Run Restoration

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

Clean Ohio Funds

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

Clean Ohio Trail Fund

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

U.S. Fish and Wildlife Habitat Development

This fund was established to aid in the development of a prairie habitat.

National Park Service

This fund was established to support a coyote research project.

**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:

*Nonspendable*

The nonspendable 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. It also includes the long-term amount of interfund loans.

**METRO PARKS, SERVING SUMMIT COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
**(CONTINUED)**

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

**Fund Balance** (Continued)

*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 classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board of Park Commissioners. Those committed amounts cannot be used for any other purpose unless the Board of Park Commissioners removes or changes the specific 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 classifications 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 Board of Park Commissioners or a Park District official delegated that authority by resolution, or by State Statute.

*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.

**METRO PARKS, SERVING SUMMIT COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
**(CONTINUED)**

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

**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 2012 budgetary activity appears in Note 2.

**Property and Equipment**

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

**Unpaid Vacation and Sick Leave**

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

**METRO PARKS, SERVING SUMMIT COUNTY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
(CONTINUED)**

**NOTE 2: BUDGETARY ACTIVITY**

Budgetary activity for the year ended December 31, 2012 was as follows:

2012 Budgeted vs. Actual Receipts			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 32,503,239	\$ 17,072,720	\$15,430,519
Capital Projects	2,557,444	2,510,262	47,182
Total	<u>\$ 35,060,683</u>	<u>\$ 19,582,982</u>	<u>\$15,477,701</u>

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 32,585,003	\$ 16,197,180	\$16,387,823
Capital Projects	1,589,110	1,668,954	(79,844)
Total	<u>\$ 34,174,113</u>	<u>\$ 17,866,134</u>	<u>\$16,307,979</u>

**NOTE 3: PROPERTY TAX**

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

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

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

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

**METRO PARKS, SERVING SUMMIT COUNTY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012  
(CONTINUED)**

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**NOTE 4: RETIREMENT SYSTEM**

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

Contribution rates are also prescribed by the Ohio Revised Code. Regular members of OPERS contributed 10 percent of their gross salaries for 2012. The Park Rangers contributed 11.50 percent of their gross salaries for 2012. The Park District contributed 14 percent of regular participants’ gross salaries for 2012. The Park District also contributed 18.10 percent of Park Rangers’ gross salaries for 2012. The Park District has paid all contributions required through December 31, 2012.

**NOTE 5: RISK MANAGEMENT**

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

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

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

**NOTE 6: LEGAL COMPLIANCE**

The following fund had appropriations exceeding estimated resources at year end:

	<u>Total Final Estimated Resources</u>	<u>Total Final Appropriations</u>	<u>Variance</u>
General	\$ 32,503,239	\$ 32,585,003	\$ (81,764)

The following fund had expenditures exceeding appropriations at year end:

	<u>Final Appropriations</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Capital Projects Funds	\$ 1,589,110	\$ 1,668,954	\$ (79,844)

**METRO PARKS, SERVING SUMMIT COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
**(CONTINUED)**

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**NOTE 7: CONTINGENT LIABILITIES**

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

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

**NOTE 8: INTERFUND ADVANCES**

Advances are made into Capital Project funds from the General Fund and Returns of Advances are made back to the General Fund. These advances are used to pay allowable grant expenditures for the current year. All grants are on a reimbursement basis.

**NOTE 9: INTERFUND TRANSFERS**

Allowable grant expenditures paid by the General Fund in the previous years. Reimbursement monies transferred into the General Fund from the respective grant funds for allowable grant expenditures.

**NOTE 10: CHANGE IN ACCOUNTING PRINCIPLE AND FUND BALANCES**

For fiscal year 2012, the Park District implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

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 the General Fund and the Capital Projects funds for the year ended December 31, 2012 are presented as follows:

**METRO PARKS, SERVING SUMMIT COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
**(CONTINUED)**

NOTE 11: **CHANGE IN ACCOUNTING PRINCIPLE AND FUND BALANCES** (Continued)

	<u>General Fund</u>	<u>Capital Projects Funds</u>	<u>Total</u>
<b><u>Fund Balances</u></b>			
<i>Restricted</i>			
Furnace run Restoration	\$ 0	\$ 20,002	\$ 20,002
OECA Towpath	0	11,776	11,776
Bike and Hike Trail	0	25,740	25,740
Clean Ohio Freedom Trail	0	208,272	208,272
Youth Fishing Program	67,399	0	67,399
<i>Committed</i>			
Land Acquisition and Restoration	1,873,216	0	1,873,216
Land Surveys	105,213	0	105,213
Equipment and Vehicles	543,550	0	543,550
Building Renovation	25,000	0	25,000
Marketing	185,490	0	185,490
Other	12,600	0	12,600
<i>Unassigned</i>	<u>13,407,122</u>	<u>0</u>	<u>13,407,122</u>
<b>Total Fund Balances</b>	<b><u>\$ 16,219,590</u></b>	<b><u>\$ 265,790</u></b>	<b><u>\$ 16,485,380</u></b>

**METRO PARKS, SERVING SUMMIT COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**DECEMBER 31, 2012**

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Pass-Through Entity Number</b>	<b>Federal CFDA Number</b>	<b>Disbursements</b>
<b><u>U.S. Environmental Protection Agency</u></b>			
<i>Passed Through the Ohio Environmental Protection Agency</i>			
Clean Water Act, Section 319(h), Nonpoint Source Implementation Program	C9975500009	66.460	\$ 186,510
<b>Total U.S. Environmental Protection Agency</b>			<u>186,510</u>
<b><u>U.S. Department of Transportation</u></b>			
<i>Passed Through the Ohio Department of Transportation</i>			
Transportation Enhancement Program		20.205	700,000
<b>Total U.S. Department of Transportation</b>			<u>700,000</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 886,510</u>

See accompanying note to the Schedule of Expenditures of Federal Awards

**METRO PARKS, SERVING SUMMIT COUNTY**  
**NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**DECEMBER 31, 2012**

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NOTE 1: **BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Metro Parks, Serving Summit County, Ohio, and is presented 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*.

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

*Certified Public Accountants*

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

*Garfield Hts., Ohio 44125*

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

Board of Park Commissioners  
Metro Parks, Serving Summit County  
Akron, Ohio

We have audited, 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, the financial statements of the Metro Parks, Serving Summit County (the Park District) as of and for the year ended December 31, 2012, and the related notes to the financial statements and have issued our report thereon dated March 8, 2013, wherein we noted the Park District follows a special purpose framework the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Metro Parks, Serving Summit County, Ohio's internal control over financial reporting (internal control) to determine the auditing procedures that are 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 Metro Parks, Serving Summit County, Ohio's internal control. Accordingly, we do not express an opinion on the effectiveness of the Metro Parks, Serving Summit County, Ohio'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 entity'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 Metro Parks, Serving Summit County, Ohio's financial statements are free from 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 Metro Parks, Serving Summit County, Ohio'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 Metro Parks, Serving Summit County, Ohio's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

March 8, 2013

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

*Certified Public Accountants*

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

*Garfield Hts., Ohio 44125*

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

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

Board of Park Commissioners  
Metro Parks, Serving Summit County  
Akron, Ohio

**Report on Compliance for Each Major Federal Programs**

We have audited the Metro Parks, Serving Summit County, Ohio's (the Park District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Metro Parks, Serving Summit County, Ohio's major federal program for the year ended December 31, 2012. The *Summary of Audit Results* in the accompanying Schedule of Findings and Questioned Costs identifies the Metro Parks, Serving Summit County, Ohio's major federal program.

**Management's Responsibility**

The Metro Parks, Serving Summit County, Ohio's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

**Auditor's Responsibility**

Our responsibility is to opine on the Metro Parks, Serving Summit County, Ohio's compliance for each of the Metro Parks, Serving Summit County, Ohio's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Metro Parks, Serving Summit County, Ohio'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 compliance opinion on the Metro Parks, Serving Summit County, Ohio's major program. However, our audit does not provide a legal determination of the Metro Parks, Serving Summit County, Ohio's compliance.

## Opinion on the Major Federal Program

In our opinion, the Metro Parks, Serving Summit County, Ohio, complied, in all material respects, with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2012.

## Report on Internal Control Over Compliance

The Metro Parks, Serving Summit County, Ohio's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Metro Parks, Serving Summit County, Ohio's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Metro Parks, Serving Summit County, Ohio's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

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

March 8, 2013

**METRO PARKS, SERVING SUMMIT COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 & §.505  
DECEMBER 31, 2012**

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**1. SUMMARY OF AUDITOR'S RESULTS**

2012(i)	Type of Financial Statement Opinion	Unmodified
2012(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
2012(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2012(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
2012(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2012(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
2012(v)	Type of Major Program's Compliance Opinion	Unmodified
2012(vi)	Are there any reportable findings under .510?	No
2012(vii)	Major Programs (list):  Transportation Enhancement Program - CFDA #20.205	
2012(viii)	Dollar Threshold: Type A\B Program	Type A: \$300,000 or more Type B: All others less than \$300,000
2012(ix)	Low Risk Auditee?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

**METRO PARKS, SERVING SUMMIT COUNTY**  
**SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS**  
**DECEMBER 31, 2012**

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Finding Number	Finding Summary	Fully Corrected	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or No Longer Valid; <i>Explain</i>
2011-1	Non-Compliance Citation - Appropriations Exceed Actual Resources	No	Partially Corrected - Repeated as Management Comment in 2012
2011-2	Non-Compliance Citation - Appropriations Exceed Certificate of Estimated Resources	No	Partially Corrected - Repeated as Management Comment in 2012

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

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# Dave Yost • Auditor of State

**METRO PARKS SERVING SUMMIT COUNTY**

**SUMMIT COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JUNE 4, 2013**