



**NORTH COAST REGIONAL COUNCIL OF PARK DISTRICTS
LORAIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2003 & 2002



**Auditor of State
Betty Montgomery**

**NORTH COAST REGIONAL COUNCIL OF PARK DISTRICTS
LORAIN COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

North Coast Regional Council of Park Districts
Lorain County
12882 Diagonal Road
Lagrange, Ohio 44050

To the Board of Representatives:

We have audited the accompanying financial statements of the North Coast Regional Council of Park Districts, Lorain County, Ohio, (the Council) as of and for the years ended December 31, 2003 and December 31, 2002. These financial statements are the responsibility of the Council'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 Council 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 Council as of December 31, 2003 and December 31, 2002, and its combined cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2004, on our consideration of the Council'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 management, the Board of Representatives and other officials authorized to receive this report under § 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

January 30, 2004

**NORTH COAST REGIONAL COUNCIL OF PARK DISTRICTS
LORAIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN
FUND CASH BALANCES
GENERAL FUND**

FOR THE YEARS ENDED DECEMBER 31, 2003 AND DECEMBER 31, 2002

	General Fund	
	2003	2002
Cash Receipts:		
Charges for Services	\$ 1,302,414	\$ 1,163,441
Intergovernmental Receipts	89,668	126,162
Interest	141,388	159,447
Miscellaneous	1,050	1,042
Total Cash Receipts	1,534,520	1,450,092
Cash Disbursements:		
Current:		
Contracts - Services	1,717,087	2,918,116
Advertising	3,337	456
Legal Fees	-	131,515
Land Acquisition	2,715,697	295,916
Other	8,151	9,060
Total Cash Disbursements	4,444,272	3,355,063
Total Receipts (Under) Disbursements	(2,909,752)	(1,904,971)
Fund Cash Balances, January 1	7,876,339	9,781,310
Fund Cash Balances, December 31	\$ 4,966,587	\$ 7,876,339

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

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**NORTH COAST REGIONAL COUNCIL OF PARK DISTRICTS
LORAIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

North Coast Regional Council of Park Districts, Lorain County, (the Council) is a body corporate and politic established on July 8, 1998 under Chapter 167 of the Ohio Revised Code to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Council is comprised of the Lorain County Metropolitan Park District, Erie Metroparks, Medina County Park District, and Sandusky County Park District. The Council's Board of Representatives consists of the appointed director and the chairman of the board of park commissioners of the member Park Districts. The Council designates sites within its jurisdiction to acquire, improve, restore, enhance, administer and/or preserve with funds received from the U.S. Army Corps of Engineers, the Ohio EPA and/or developers under the "In Lieu Fee Agreement" (ILFA) program. The charges for services represent amounts from developers and local government agencies for mitigation agreement fees.

The Council's management believes these financial statements present all activities for which the Council 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.

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

C. Cash

As permitted by the Ohio Revised Code, the Lorain County Metropolitan Park District Treasurer holds the Council's cash as custodian for the Council. The Council's assets are held in cash and certificates of deposit. Certificates of deposit are valued at cost.

D. Fund Accounting

The Council uses fund accounting to segregate cash that is restricted as to use. The only fund type the Council uses is the General Fund. The General Fund is the general operating fund. It is used to account for all financial resources.

E. 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.

**NORTH COAST REGIONAL COUNCIL OF PARK DISTRICTS
LORAIN COUNTY**

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

2. EQUITY IN POOLED CASH

The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	<u>2003</u>	<u>2002</u>
Demand deposits	3,863,514	2,656,129
Certificates of deposit	<u>1,103,073</u>	<u>5,220,210</u>
Total deposits	<u>4,966,587</u>	<u>7,876,339</u>

Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

3. RISK MANAGEMENT

The Council has obtained general liability insurance from commercial carriers.

4. RELATED PARTY TRANSACTIONS

In the fiscal years ended December 31, 2003 and December 31, 2002, the Council reimbursed the Lorain County Metropolitan Park District for contract services and advertising costs originally paid by the Park District, but were expenses for the Council. The amounts paid to the Lorain County Metropolitan Park District for 2003 and 2002 were \$748.65 and \$690,995.91, respectively. These costs are reflected as contracts-services and advertising cash disbursements in the accompanying financial statements.



Auditor of State Betty Montgomery

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

North Coast Regional Council of Park Districts
Lorain County
12882 Lake Road
Elyria, Ohio 44050

To the Board of Representatives:

We have audited the financial statements of the North Coast Regional Council of Park Districts, Lorain County, Ohio, (the Council) as of and for the years ended December 31, 2003 and December 31, 2002, and have issued our report thereon dated January 30, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Council'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 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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Council in a separate letter dated January 30, 2004.

This report is intended solely for the information and use of management and the Board of Representatives, 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

January 30, 2004



**Auditor of State
Betty Montgomery**

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NORTH COAST REGIONAL COUNCIL OF PARK DISTRICTS

LORAIN 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
MARCH 4, 2004**