



**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2006**



**Mary Taylor, CPA**  
Auditor of State



**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report.....	1
Management's Discussion & Analysis .....	3
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets .....	11
Statement of Activities .....	12
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	13
Reconciliation of Total Governmental Fund Balances To Net Assets of Governmental Activities .....	14
Statement of Revenues, Expenditures And Changes in Fund Balances – Governmental Funds .....	15
Reconciliation of the Statement of Revenues, Expenditures And Changes in Fund Balances of Governmental Funds To the Statement of Activities.....	16
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budget Basis) – General Fund.....	17
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budget Basis) – Golf Course Special Revenue Fund.....	18
Notes to the Basic Financial Statements .....	19
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	39
Schedule of Prior Audit Findings.....	41

**THIS PAGE INTENTIONALLY LEFT BLANK**



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Columbus and Franklin County Metropolitan Park District  
Franklin County  
1069 West Main Street  
Westerville, Ohio 43081

To the Board of Park Commissioners:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Columbus and Franklin County Metropolitan Park District, Franklin County, Ohio (the District), as of and for the year ended December 31, 2006, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Columbus and Franklin County Metropolitan Park District, Franklin County, Ohio, as of December 31, 2006, and the respective changes in financial position, thereof and the respective budgetary comparisons for the General and Golf Course Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 2, 2009, on our consideration of the District'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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

**Mary Taylor, CPA**  
Auditor of State

July 2, 2009

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(UNAUDITED)**

The discussion and analysis of the Columbus and Franklin County Metropolitan Park District's financial performance provides an overall review of the District's financial activities for the year ended December 31, 2006. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

***FINANCIAL HIGHLIGHTS***

- The District's total net assets increased \$8,766,080.
- General revenues of governmental activities accounted for \$21,391,870 or 91.23 percent of all governmental revenues. Program specific revenues in the form of charges for services, grants, contributions, and interest accounted for \$2,056,827 or 8.77 percent of total governmental revenues of \$23,448,697.
- The District had \$14,682,617 in expenses related to governmental activities. \$2,056,827 of these expenses were offset by program specific charges for services, grants, contributions, and interest. General revenues (primarily property taxes and grants and entitlements not restricted) of \$21,391,870 were adequate to provide for these programs.

***USING THIS ANNUAL FINANCIAL REPORT***

This annual report consists of a series of financial statements. These statements are organized so that the reader can understand the Columbus and Franklin County Metropolitan Park District's financial situation as a whole and also give a detailed view of the District's financial condition.

The Statement Of Net Assets and the Statement Of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. The fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term, as well as the amount of funds available for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column.

***REPORTING THE DISTRICT AS A WHOLE***

One of the most important questions asked about the District is "How did we do financially during 2006?" The Statement Of Net Assets and the Statement Of Activities, which appear first in the District's financial statements, report information on the District as a whole and its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(UNAUDITED)**

***REPORTING THE DISTRICT AS A WHOLE (continued)***

These two statements report the District's net assets and changes in those assets. This change in net assets is important because it informs the reader that, for the District as a whole, the financial position of the District has improved or diminished. In evaluating the overall financial health, the reader of these financial statements needs to take into account non-financial factors that also impact the District's financial well-being. Some of these factors include the District's tax base and the condition of capital assets.

In the Statement Of Net Assets and the Statement Of Activities, the District has only one kind of activity.

Governmental Activities – All of the District's services are reported here including administrative services, education, park operations, park planning, park promotion, rental property, natural resource management, golf course operations, and park safety.

***REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS***

**Fund Financial Statements**

The analysis of the District's major funds begins on page 8. Fund financial reports provide detailed information about the District's major funds – not the District as a whole. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's major funds. The District's major funds are the General Fund, the Golf Course special revenue fund, and the Capital Improvement capital projects fund.

**Governmental Funds** – All of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the Statement Of Net Assets and the Statement Of Activities) and governmental funds is reconciled in the financial statements.



**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(UNAUDITED)**

**THE DISTRICT AS A WHOLE**

As stated previously, the Statement Of Net Assets provides the perspective of the District as a whole. Table 1 provides a summary of the District's net assets for 2006 compared to 2005.

Table 1  
Net Assets

	Governmental Activities		Increase (Decrease)
	2006	2005	
<b>Assets</b>			
Current And Other Assets	\$30,256,083	\$28,191,877	\$2,064,206
Land, Wetlands And Construction in Progress	101,393,008	96,579,288	4,813,720
Depreciable Capital Assets, Net	21,884,200	20,777,525	1,106,675
<b>Total Assets</b>	<b>153,533,291</b>	<b>145,548,690</b>	<b>7,984,601</b>
<b>Liabilities</b>			
Current And Other Liabilities	12,613,067	13,348,885	(735,818)
Long-Term Liabilities:			
Due Within One Year	51,071	49,096	1,975
Due In More Than One Year	580,285	627,921	(47,636)
<b>Total Liabilities</b>	<b>13,244,423</b>	<b>14,025,902</b>	<b>(781,479)</b>
<b>Net Assets</b>			
Invested In Capital Assets	123,277,208	117,356,813	5,920,395
Restricted For:			
Capital Outlay	11,429,364	10,219,683	1,209,681
Other Purposes	364,165	253,032	111,133
Educational Programs:			
Expendable	85,924	64,668	21,256
Nonexpendable	267,054	267,054	0
Gardens At Inniswood (Nonexpendable)	452,558	454,765	(2,207)
Unrestricted	4,412,595	2,906,773	1,505,822
<b>Total Net Assets</b>	<b>\$140,288,868</b>	<b>\$131,522,788</b>	<b>\$8,766,080</b>

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(UNAUDITED)**

**THE DISTRICT AS A WHOLE** (continued)

Total assets increased \$7,984,601. An increase of 7.32 percent occurred within current and other assets of governmental activities when compared to the prior year. The only asset account which had a real affect on this increase was cash and cash equivalents, showing an increase of \$2,105,418. The District realized an increase in investment earnings as a result of having more cash to invest and earning a better than expected rate of return on the investments for the year. Land, wetlands and construction in progress increased 4.98 percent due to an increase in land purchases and construction in progress primarily relating to the continuing development of Whittier Park. Depreciable capital assets increased 5.33 percent due to infrastructure development, including roads and trails within the District.

The long-term liabilities decreased 7.27 percent as a result of the District having fewer retirements than in the prior year in compensated absences.

Invested in capital assets increased \$5,920,395. This is primarily due to current year capital asset additions exceeding current year depreciation. Construction in progress, land improvements and infrastructure, which includes roads and trails, experienced the largest increases.

While the District's governmental restricted net assets represent only 8.98 percent of overall net assets, when viewed alone, they did experience a substantial increase of \$1,339,863. The increase is related to a grant received for the Darby Creek Watershed Project and a better than expected return on investments.

The District's unrestricted net assets also represent a small percentage of overall net assets. However, when viewed alone, unrestricted net assets increased 51.80 percent from the prior year. This increase is attributable to a greater portion of property tax monies being transferred to unrestricted funds than in the prior year.

Table 2 shows the changes in net assets for the years ended December 31, 2006 and 2005.

Table 2  
Changes In Net Assets

	<u>2006</u>	<u>2005</u>	<u>Increase/ (Decrease)</u>
<b>Revenues</b>			
Program Revenues:			
Charges For Services	\$1,475,853	\$1,538,867	(\$63,014)
Operating Grants, Contributions, And Interest	577,855	117,021	460,834
Capital Grants And Contributions	3,119	0	3,119
<b>Total Program Revenues</b>	<u>\$2,056,827</u>	<u>\$1,655,888</u>	<u>\$400,939</u>

(continued)

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(UNAUDITED)**

Table 2  
Changes In Net Assets  
Governmental Activities  
(Continued)

	2006	2005	Increase/ (Decrease)
<b>Revenues</b>			
General Revenues:			
Property Taxes	\$12,296,765	\$11,952,148	\$344,617
Unrestricted Investment Earnings	641,665	310,728	330,937
Grants And Entitlements Not Restricted To Specific Programs:			
Operating	4,998,852	4,939,314	59,538
Capital	3,182,960	3,247,492	(64,532)
Contributions And Donations	3,298	508	2,790
Miscellaneous	268,330	5,746	262,584
Total General Revenues	<u>21,391,870</u>	<u>20,455,936</u>	<u>935,934</u>
Total Revenues	<u>23,448,697</u>	<u>22,111,824</u>	<u>1,336,873</u>
<b>Program Expenses</b>			
Administration	2,380,613	1,965,431	415,182
Education	1,954,427	1,763,255	191,172
Park Operations	5,112,236	5,049,832	62,404
Park Planning	691,809	436,931	254,878
Park Promotion	670,375	730,633	(60,258)
Rental Property	153,537	193,901	(40,364)
Natural Resource Management	420,093	435,582	(15,489)
Golf Course	1,039,037	1,109,357	(70,320)
Park Safety	2,260,490	2,326,842	(66,352)
Total Expenses	<u>14,682,617</u>	<u>14,011,764</u>	<u>670,853</u>
Increase In Net Assets	8,766,080	8,100,060	666,020
Net Assets At Beginning Of Year	131,522,788	123,422,728	8,100,060
Net Assets At End Of Year	<u>\$140,288,868</u>	<u>\$131,522,788</u>	<u>\$8,766,080</u>

**GOVERNMENTAL ACTIVITIES**

Program revenues, which are primarily represented by charges for District services, fines and charges generated by the golf course, as well as restricted intergovernmental revenue, restricted interest earnings and restricted donations, were 8.77 percent of total revenues for 2006 and were higher than 2005. The increase is related to a grant received from the Clean Ohio Assistance Fund for clean-up work to be completed at Whittier Park.

As previously mentioned, general revenues were 91.23 percent of total revenues for 2006. The .65 mill property tax levy is the largest source of revenue for the District, making up 52.44 percent of revenues for governmental activities for the year ended 2006. This levy is a ten-year levy that started in 1999 and will continue through 2008. The next largest source of revenue for the District is provided through local government funding by the State of Ohio and administered by Franklin County. Investment earnings more than doubled from the prior year. This was due to the District having more cash to invest and earning a better than expected return on the investments for the year.

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(UNAUDITED)**

**GOVERNMENTAL ACTIVITIES** (continued)

Governmental program expenses as a percentage of total governmental expenses for 2006 are expressed as follows:

Administration	16.21%
Education	13.31
Park Operations	34.82
Park Planning	4.71
Park Promotion	4.56
Rental Property	1.05
Natural Resource Management	2.86
Golf Course	7.08
Park Safety	15.40
	100.00%

The above chart clearly indicates that the District's major source of expenses, 34.82 percent, is related to park operations. All other forms of governmental operations represent 65.18 percent of expenses.

***THE DISTRICT'S FUNDS***

Information about the District's major governmental funds begins on page 12. All governmental funds had total revenues of \$22,751,231 and expenditures of \$20,667,443. The General Fund balance increased \$1,429,536 as a result of the District posting more property tax revenue into the General Fund than it had in prior years while keeping expenditures consistent with the prior year.

The Golf Course special revenue fund balance increased \$72,559 from the prior year. This was the result of the District monitoring expenditures closely to assure the golf course operates within its earned revenue limit.

The Capital Improvement capital projects fund balance increased \$489,266, as a result of an increase primarily in investment earnings due to a better than expected rate of return.

**GENERAL FUND BUDGETING HIGHLIGHTS**

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of receipts, disbursements, and encumbrances. The District's budget is adopted on a fund basis. Before the budget is adopted, the Board reviews detailed budget worksheets of each program within the General Fund and then adopts the budget on a fund basis.

Original General Fund budgeted revenues and other financing sources were \$17,959,499. The final budgeted revenues and other financing sources were \$17,870,564 resulting in a \$88,935 decrease. The decrease is largely related to the District estimating revenues high at the beginning of the year. As more accurate information was received, the District revised its revenues to reflect the more accurate estimates. Final budgeted revenues and other financing sources exceeded actual revenues and other financing sources by \$200,657 which is less than a one percent increase.

During 2006, the General Fund operated on one appropriation measure. Actual expenditures and other financing uses were less than the final budgeted expenditures and other financing uses by \$772,602 because the District strives to maintain expenditures to be good stewards of taxpayer funds.

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(UNAUDITED)**

The General Fund's ending fund balance was \$572,106 above the final budgeted amount.

**CAPITAL ASSETS**

At the end of 2006, the District had \$123,277,208 invested in capital assets (net of accumulated depreciation) for governmental activities, an increase of \$5,920,395, or 5.04 percent from the prior year. The increase in capital assets is primarily related to an increase in construction in progress relating to the Alum Creek Greenway Phase 2 and the continuing development of Whittier Park projects and infrastructure additions including roads and trails.

See Note 8 of the Notes To The Basic Financial Statements for more detailed capital assets information.

**CURRENT FINANCIAL ISSUES AND CONCERNS**

The District had a very successful 2006 with a 12 percent increase in visitors compared to the previous year. This substantial growth in the number of people enjoying the parks reflects the confidence the community places in the District to provide clean, safe parks. Our polling data indicates that over 70 percent of the adults in Franklin County visited the parks at least once last year. Many of the visitors make regular visits to relax in the natural beauty of nature, improve their health with a walk in the woods or to share a picnic with friends and family.

The Students Exploring Ecosystem Dynamics (SEED) program continues to grow. Thirty-nine schools participated in the District's fun and educational program. This program, designed to help fifth-graders gain a greater understanding of the natural world through an understanding of scientific principles, has achieved significant documented results in helping students in both suburban and inner city schools improve their knowledge in science and mathematics. On an average, students increased their scores by 25 percent on the science post-test developed by Columbus Public Schools. In addition to the school programs, more than 300 public programs are offered each month by the District.

The District constructed more than four miles of new trails in 2006 as part of our ongoing partnership to establish the Greenways Trail System. These trails, which parallel the major streams in Franklin County, are nearing completion along Blacklick Creek, Alum Creek and the Olentangy River. Much of the Olentangy River Greenway Trail has been complete for many years, but now more than 60 miles of the Greenways Trail System is bringing recreational opportunities to neighborhoods throughout the community.

Conservation efforts remain a central focus for the District. We have become Ohio's leader in restoring wildlife habitat in wetlands and prairies. These rare, yet vital, habitats have been destroyed throughout the region, and most of the native wildlife that relies on these habitats is in dire straits. Many of the rare species are responding to our habitat restoration efforts. One dramatic example of an endangered species returning and taking advantage of restored habitat is the osprey nest at Pickerington Ponds. Ospreys are large birds with five-foot wingspreads that feed on fish in the wetlands. We expect the ospreys back in May. They can be easily viewed from the Master Observation Pavilion in the Glacier Knoll picnic area.

**CONTACTING THE DISTRICT'S FINANCE DEPARTMENT**

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact William Ruff, Finance Director, Columbus And Franklin County Metropolitan Park District, 1069 West Main Street, Westerville, Ohio 43081.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**Statement Of Net Assets  
December 31, 2006**

	<b>Governmental Activities</b>
<b><u>Assets:</u></b>	
Equity In Pooled Cash And Investments	\$13,194,419
Accounts Receivable	1,526
Due From Other Governments (See Note 7)	3,931,216
Prepaid Items	45,190
Property Taxes Receivable	12,626,174
Cash And Cash Equivalents With Fiscal Agents	457,558
Land, Wetlands And Construction In Progress (See Note 8)	101,393,008
Depreciable Capital Assets, Net (See Note 8)	21,884,200
<i>Total Assets</i>	153,533,291
<b><u>Liabilities:</u></b>	
Accounts Payable	50,578
Accrued Wages And Benefits	363,961
Contracts Payable	231,793
Matured Compensated Absences Payable	262
Retainage Payable	215,121
Due To Other Governments	178,681
Deferred Revenue	11,572,671
Long-Term Liabilities:	
Due Within One Year (See Note 12)	51,071
Due In More Than One Year (See Note 12)	580,285
<i>Total Liabilities</i>	13,244,423
<b><u>Net Assets:</u></b>	
Invested In Capital Assets	123,277,208
Restricted For:	
Capital Outlay	11,429,364
Other Purposes	364,165
Educational Programs:	
Expendable	85,924
Nonexpendable	267,054
Gardens At Inniswood - Nonexpendable	452,558
Unrestricted	4,412,595
<i>Total Net Assets</i>	\$140,288,868

See Accompanying Notes To The Basic Financial Statements

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**Statement Of Activities  
For The Year Ended December 31, 2006**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue And Changes In Net Assets</u>
		<u>Charges For Services</u>	<u>Operating Grants, Contributions, And Interest</u>	<u>Capital Grants And Contributions</u>	<u>Governmental Activities</u>
<b><u>Governmental Activities:</u></b>					
Administration	\$2,380,613	\$5,055	\$33,919	\$0	(\$2,341,639)
Education	1,954,427	78,851	29,695	0	(1,845,881)
Park Operations	5,112,236	0	514,241	0	(4,597,995)
Park Planning	691,809	0	0	0	(691,809)
Park Promotion	670,375	0	0	0	(670,375)
Rental Property	153,537	307,766	0	0	154,229
Natural Resource Management	420,093	0	0	0	(420,093)
Golf Course	1,039,037	1,083,448	0	0	44,411
Park Safety	2,260,490	733	0	3,119	(2,256,638)
<i>Total Activites</i>	<u>\$14,682,617</u>	<u>\$1,475,853</u>	<u>\$577,855</u>	<u>\$3,119</u>	<u>(12,625,790)</u>
<b><u>General Revenues:</u></b>					
					12,296,765
					641,665
					4,998,852
					3,182,960
					3,298
					268,330
					<u>21,391,870</u>
					8,766,080
					<u>131,522,788</u>
					<u>\$140,288,868</u>

See Accompanying Notes To The Basic Financial Statements



**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**Balance Sheet  
Governmental Funds  
December 31, 2006**

	<b>General</b>	<b>Golf Course</b>	<b>Capital Improvement</b>	<b>Nonmajor Funds</b>	<b>Total Governmental Funds</b>
<b><u>Assets:</u></b>					
Equity In Pooled Cash And Investments	\$2,504,785	\$491,776	\$9,671,773	\$526,085	\$13,194,419
Cash And Cash Equivalents					
With Fiscal Agents	5,000	0	0	452,558	457,558
Receivables:					
Property Taxes	12,626,174	0	0	0	12,626,174
Accounts	626	900	0	0	1,526
Due From Other Governments (See Note 7)	2,849,090	0	1,082,126	0	3,931,216
Prepaid Items	45,190	0	0	0	45,190
<b>Total Assets</b>	<b>\$18,030,865</b>	<b>\$492,676</b>	<b>\$10,753,899</b>	<b>\$978,643</b>	<b>\$30,256,083</b>
<b><u>Liabilities And Fund Balances:</u></b>					
<b><u>Liabilities:</u></b>					
Accounts Payable	\$43,903	\$2,655	\$4,020	\$0	\$50,578
Contracts Payable	0	0	231,793	0	231,793
Accrued Wages And Benefits	338,444	25,517	0	0	363,961
Matured Compensated Absences Payable	262	0	0	0	262
Retainage Payable	0	0	215,121	0	215,121
Due To Other Governments	125,995	9,815	42,871	0	178,681
Deferred Revenue	15,115,564	900	1,056,075	0	16,172,539
<b>Total Liabilities</b>	<b>15,624,168</b>	<b>38,887</b>	<b>1,549,880</b>	<b>0</b>	<b>17,212,935</b>
<b><u>Fund Balances:</u></b>					
Reserved For Encumbrances	339,446	53,793	2,287,637	0	2,680,876
Reserved For Prepaid Items	45,190	0	0	0	45,190
Reserved For Permanent Endowments	0	0	0	538,482	538,482
Unreserved:					
Undesignated, Reported In:					
General Fund	2,022,061	0	0	0	2,022,061
Special Revenue Funds	0	399,996	0	57,340	457,336
Capital Projects Funds	0	0	6,916,382	115,767	7,032,149
Permanent Funds	0	0	0	267,054	267,054
<b>Total Fund Balances</b>	<b>2,406,697</b>	<b>453,789</b>	<b>9,204,019</b>	<b>978,643</b>	<b>13,043,148</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$18,030,865</b>	<b>\$492,676</b>	<b>\$10,753,899</b>	<b>\$978,643</b>	<b>\$30,256,083</b>

See Accompanying Notes To The Basic Financial Statements

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**Reconciliation Of Total Governmental Fund Balances To  
Net Assets Of Governmental Activities  
December 31, 2006**

---

<b>Total Governmental Fund Balances</b>	\$13,043,148
---	--------------

**Amounts reported for governmental activities in the Statement Of Net Assets are different because:**

Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	93,961,349
Wetlands	844,401
Construction In Progress	6,587,258
Other Capital Assets	33,815,531
Accumulated Depreciation	<u>(11,931,331)</u>

Total	123,277,208
-------	-------------

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Property Taxes	1,053,503
Due From Other Governments	3,545,465
Accounts	<u>900</u>

Total	4,599,868
-------	-----------

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Compensated Absences	<u>(631,356)</u>
----------------------	------------------

<b>Net Assets of Governmental Activities</b>	<b><u><u>\$140,288,868</u></u></b>
--	------------------------------------

See Accompanying Notes To The Basic Financial Statements

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**Statement Of Revenues, Expenditures And Changes In Fund Balances  
Governmental Funds  
For The Year Ended December 31, 2006**

	<b>General</b>	<b>Golf Course</b>	<b>Capital Improvement</b>	<b>Nonmajor Funds</b>	<b>Total Governmental Funds</b>
<b><u>Revenues:</u></b>					
Property Taxes	\$12,171,721	\$0	\$0	\$0	\$12,171,721
Intergovernmental	4,985,484	0	3,132,259	0	8,117,743
Charges For Services	84,379	36,780	5,055	0	126,214
Golf Course	0	799,385	0	0	799,385
Fines And Forfeitures	733	0	0	0	733
Investment Earnings	80,129	0	524,143	44,851	649,123
Increase (Decrease) In Fair Value Of Investments	0	0	16,468	(1,985)	14,483
Rent	307,766	246,383	0	0	554,149
Contributions And Donations	12,323	0	3,019	34,008	49,350
Miscellaneous	9,929	572	257,829	0	268,330
<b>Total Revenues</b>	<b>17,652,464</b>	<b>1,083,120</b>	<b>3,938,773</b>	<b>76,874</b>	<b>22,751,231</b>
<b><u>Expenditures:</u></b>					
Current Operations And Maintenance:					
Administration	1,749,570	738	107,048	222	1,857,578
Education	1,728,184	0	0	0	1,728,184
Park Operations	4,385,071	24,239	0	22,795	4,432,105
Park Planning	332,733	0	29,165	0	361,898
Park Promotion	662,655	0	0	2,660	665,315
Rental Property	102,688	0	0	0	102,688
Natural Resource Management	404,715	0	0	0	404,715
Golf Course	24,468	936,919	0	0	961,387
Park Safety	2,059,465	0	0	0	2,059,465
Capital Outlay	318,128	50,965	7,725,015	0	8,094,108
<b>Total Expenditures</b>	<b>11,767,677</b>	<b>1,012,861</b>	<b>7,861,228</b>	<b>25,677</b>	<b>20,667,443</b>
Excess Of Revenues Over (Under) Expenditures	5,884,787	70,259	(3,922,455)	51,197	2,083,788
<b><u>Other Financing Sources (Uses):</u></b>					
Proceeds From Sale Of Capital Assets	16,470	2,300	0	0	18,770
Transfers - In (See Note 14)	0	0	4,471,721	60,000	4,531,721
Transfers - Out (See Note 14)	(4,471,721)	0	(60,000)	0	(4,531,721)
<b>Total Other Financing Sources (Uses)</b>	<b>(4,455,251)</b>	<b>2,300</b>	<b>4,411,721</b>	<b>60,000</b>	<b>18,770</b>
<b>Net Change In Fund Balance</b>	<b>1,429,536</b>	<b>72,559</b>	<b>489,266</b>	<b>111,197</b>	<b>2,102,558</b>
<b>Fund Balances At Beginning Of Year</b>	<b>977,161</b>	<b>381,230</b>	<b>8,714,753</b>	<b>867,446</b>	<b>10,940,590</b>
<b>Fund Balances At End Of Year</b>	<b>\$2,406,697</b>	<b>\$453,789</b>	<b>\$9,204,019</b>	<b>\$978,643</b>	<b>\$13,043,148</b>

See Accompanying Notes To The Basic Financial Statements

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**Reconciliation Of The Statement Of Revenues, Expenditures And Changes  
In Fund Balances Of Governmental Funds To The Statement Of Activities  
For The Year Ended December 31, 2006**

---

**Net Change in Fund Balances - Total Governmental Funds** \$2,102,558

**Amounts reported for governmental activities in the Statement Of Activities are different because:**

Governmental funds report capital outlays as expenditures. However, in the Statement Of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Asset Additions	7,764,486	
Depreciation	(1,179,394)	
Excess Of Capital Outlay Over Depreciation Expense		6,585,092

The proceeds from the sale of capital assets are reported as revenue in the governmental funds. However, the cost of capital assets is removed from the capital assets account in the Statement Of Net Assets and offset against the proceeds from the sale of capital assets resulting in a loss on the sale of capital assets in the Statement Of Activities.

Proceeds From Sale Of Capital Assets	(18,770)	
Loss On Disposal Of Capital Assets	(645,927)	
		(664,697)

Some revenues that will not be collected for several months after the District's year-end are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues changed by these amounts this year:

Property Taxes	125,044	
Intergovernmental	577,824	
Charges For Services	(4,628)	
Accrued Interest	(774)	
		697,466

Some items reported as expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:

Decrease In Compensated Absences		45,661

**Change in Net Assets of Governmental Activities** \$8,766,080

See Accompanying Notes To The Basic Financial Statements

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**Statement Of Revenues, Expenditures And Changes In  
Fund Balance - Budget And Actual (Budget Basis)  
General Fund  
For The Year Ended December 31, 2006**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Revenues:</u></b>				
Property Taxes	\$12,275,615	\$12,474,564	\$12,171,721	(\$302,843)
Intergovernmental	\$5,177,222	\$4,915,000	\$4,986,825	\$71,825
Charges For Services	174,435	165,600	83,777	(81,823)
Fines And Forfeitures	0	0	733	733
Investment Earnings	46,347	44,000	80,129	36,129
Rent	256,386	243,400	308,016	64,616
Contributions And Donations	2,107	2,000	12,323	10,323
Miscellaneous	27,387	26,000	4,988	(21,012)
<b>Total Revenues</b>	<b>17,959,499</b>	<b>17,870,564</b>	<b>17,648,512</b>	<b>(222,052)</b>
<b><u>Expenditures:</u></b>				
Current Operations And Maintenance:				
Administration	2,086,252	2,086,252	1,936,184	150,068
Education	1,840,613	1,840,613	1,733,011	107,602
Park Operations	4,651,922	4,651,922	4,431,509	220,413
Park Planning	348,155	348,155	332,282	15,873
Park Promotion	789,550	789,550	750,106	39,444
Rental Property	154,349	154,349	100,021	54,328
Natural Resource Management	435,953	435,953	409,625	26,328
Golf Course	32,279	32,279	24,468	7,811
Park Safety	2,174,160	2,174,160	2,070,237	103,923
Capital Outlay	405,133	405,133	358,321	46,812
<b>Total Expenditures</b>	<b>12,918,366</b>	<b>12,918,366</b>	<b>12,145,764</b>	<b>772,602</b>
Excess Of Revenues Over (Under) Expenditures	5,041,133	4,952,198	5,502,748	550,550
<b><u>Other Financing Sources (Uses):</u></b>				
Proceeds From Sale Of Capital Assets	0	0	16,470	16,470
Refund Of Prior Year Receipts	(3,600)	(3,600)	(3,439)	161
Refund Of Prior Year Expenditures	0	0	4,925	4,925
Transfers - Out	(4,471,721)	(4,471,721)	(4,471,721)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(4,475,321)</b>	<b>(4,475,321)</b>	<b>(4,453,765)</b>	<b>21,556</b>
<b>Net Change In Fund Balance</b>	<b>565,812</b>	<b>476,877</b>	<b>1,048,983</b>	<b>572,106</b>
<b>Fund Balance At Beginning Of Year</b>	<b>820,014</b>	<b>820,014</b>	<b>820,014</b>	<b>0</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>259,961</b>	<b>259,961</b>	<b>259,961</b>	<b>0</b>
<b>Fund Balance At End Of Year</b>	<b>\$1,645,787</b>	<b>\$1,556,852</b>	<b>\$2,128,958</b>	<b>\$572,106</b>

See Accompanying Notes To The Basic Financial Statements

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**Statement Of Revenues, Expenditures And Changes In  
Fund Balance - Budget And Actual (Budget Basis)  
Golf Course Special Revenue Fund  
For The Year Ended December 31, 2006**

	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Budgetary Actual</b>	<b>Variance Positive (Negative)</b>
<b><u>Revenues:</u></b>				
Charges For Services	\$31,440	\$32,000	\$47,275	\$15,275
Golf Course	884,250	900,000	799,385	(100,615)
Rent	263,310	268,000	246,383	(21,617)
Miscellaneous	0	0	470	470
<i>Total Revenues</i>	<u>1,179,000</u>	<u>1,200,000</u>	<u>1,093,513</u>	<u>(106,487)</u>
<b><u>Expenditures:</u></b>				
Current Operations And Maintenance:				
Administration	17,121	17,121	9,789	7,332
Park Operations	31,675	31,675	26,472	5,203
Golf Course	1,049,792	1,049,792	952,376	97,416
Capital Outlay	173,363	173,363	220,027	(46,664)
<i>Total Expenditures</i>	<u>1,271,951</u>	<u>1,271,951</u>	<u>1,208,664</u>	<u>63,287</u>
Excess Of Revenues Under Expenditures	<u>(92,951)</u>	<u>(71,951)</u>	<u>(115,151)</u>	<u>(43,200)</u>
<b><u>Other Financing Sources:</u></b>				
Proceeds From Sale Of Capital Assets	0	0	2,300	2,300
Refund Of Prior Year Expenditures	0	0	30	30
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>2,330</u>	<u>2,330</u>
<i>Net Change In Fund Balance</i>	(92,951)	(71,951)	(112,821)	(40,870)
<i>Fund Balance At Beginning Of Year</i>	391,278	391,278	391,278	0
<i>Prior Year Encumbrances Appropriated</i>	<u>156,947</u>	<u>156,947</u>	<u>156,947</u>	<u>0</u>
<i>Fund Balance At End Of Year</i>	<u><u>\$455,274</u></u>	<u><u>\$476,274</u></u>	<u><u>\$435,404</u></u>	<u><u>(\$40,870)</u></u>

See Accompanying Notes To The Basic Financial Statements

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

---

**NOTE 1 - DESCRIPTION OF THE DISTRICT AND REPORTING ENTITY**

The Columbus and Franklin County Metropolitan Park District (the "District") is a body politic established to exercise the rights and privileges conveyed to it under the authority of Section 1545.01, Ohio Revised Code.

The District's governing body is a three member Board of Commissioners appointed by the probate judge of Franklin County. The District is classified as a related organization of Franklin County.

The District acquires land for conversion into forest reserves and for the conservation of 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, protect and promote the use of same as the Board deems conducive to the general welfare. These activities are directly controlled by the Board through the budgetary process and are included within this report.

In evaluating how to define the District for financial reporting purposes, management has considered all agencies, departments and organizations making up the Columbus And Franklin County Metropolitan Park District and its potential component units consistent with *Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity."*

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District, in that the District approves the organization's budget, the issuance of its debt, or the levying of its taxes. The District has no component units.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

**A. BASIS OF PRESENTATION**

The District's basic financial statements consist of government-wide statements, including a Statement Of Net Assets and a Statement Of Activities, and fund financial statements which provide a more detailed level of financial information.

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

---

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**A. BASIS OF PRESENTATION** (continued)

*GOVERNMENT-WIDE FINANCIAL STATEMENTS*

The Statement Of Net Assets and the Statement Of Activities display information about the District as a whole. These statements include all financial activities of the District. The statements usually distinguish between those activities of the District that are governmental in nature and those that are considered business-type activities; the District, however, has no activities that are classified as business-type.

The Statement Of Net Assets presents the financial condition of the governmental activities of the District at year-end. The Statement Of Activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

*FUND FINANCIAL STATEMENTS*

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

**B. FUND ACCOUNTING**

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. All funds of the District are governmental funds.

Governmental funds are those through which most governmental functions are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

General Fund – This fund is the operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Golf Course – This fund accounts for the operation of the Blacklick Woods Golf Course.



**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

---

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**B. FUND ACCOUNTING** (continued)

Capital Improvement – This fund accounts for various acquisition, construction and improvement projects. These projects are financed from tax dollars, local resources and federal and State grants.

The other governmental funds of the District account for contributions and donations and other resources whose use is restricted for a particular purpose.

**C. MEASUREMENT FOCUS**

*GOVERNMENT-WIDE FINANCIAL STATEMENTS*

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the Statement Of Net Assets. The Statement Of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net assets.

*FUND FINANCIAL STATEMENTS*

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the Balance Sheet. The Statement Of Revenues, Expenditures And Changes In Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**D. BASIS OF ACCOUNTING**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

*REVENUES – EXCHANGE AND NON-EXCHANGE TRANSACTIONS*

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. “Measurable” means the amount of the transaction can be determined and “available” means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the District, available means expected to be received within thirty-one days of year-end.

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

---

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**D. BASIS OF ACCOUNTING** (continued)

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: state-levied locally shared taxes, charges for services (including program fees and merchandise sales), fines and forfeitures, grants and rentals.

*DEFERRED REVENUE*

Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2006, but were levied to finance 2007 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

*EXPENSES/EXPENDITURES*

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**E. CASH AND CASH EQUIVALENTS**

To improve cash management, cash received by the District is pooled. Monies for all funds, except for money held by Franklin County and the Inniswood Permanent Fund, are maintained in this pool. Individual fund integrity is maintained through the District's records. Interest in the pool is presented as "Equity In Pooled Cash And Cash Equivalents" on the financial statements. The District also has an amount with Franklin County, who processes the District's payroll, to cover any payroll adjustments. The cash in the Inniswood Permanent Fund is held by the Columbus Foundation. The balances in these accounts are presented on the financial statements as "Cash And Cash Equivalents With Fiscal Agents."

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

---

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**E. CASH AND CASH EQUIVALENTS** (continued)

During 2006, the District's investments were limited to the Allegiant Government Mortgage Fund Class I #406 Mutual Fund, repurchase agreements and State Treasury Asset Reserve of Ohio (STAROhio). Non-participating investment contracts such as repurchase agreements are reported at cost. The remaining investments are reported at fair value which is based on the fund's share price.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during 2006. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 2006.

Interest income is distributed to the funds according to Ohio constitutional and statutory requirements. Interest revenue credited to the General Fund during 2006 amounted to \$80,129 which includes \$70,241 assigned from other funds.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are reported as cash equivalents on the financial statements.

**F. PREPAID ITEMS**

Payments made to vendors for services that will benefit periods beyond December 31, 2006, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which the services are consumed.

**G. CAPITAL ASSETS**

General capital assets are capital assets that are associated with and generally rise from governmental activities. These assets generally result from expenditures in governmental funds. These assets are reported in the governmental activities column of the government-wide Statement Of Net Assets but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values on the date donated. The District maintains a capitalization threshold of one thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All reported capital assets, except for land, wetland and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the District's historical records of necessary improvements and replacements.

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

---

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**G. CAPITAL ASSETS** (continued)

Depreciation is computed using the straight-line method over the following useful lives:

<u>Descriptions</u>	<u>Estimated Life</u>
Land Improvements	10 - 25 years
Buildings	40 years
Equipment	7 years
Furnishings	5 years
Radios	5 years
Vehicles	5 years
Computer Equipment	6 years
Infrastructure	50 years

**H. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as liabilities in the fund financial statements only to the extent that they are due for payment during the current year.

**I. COMPENSATED ABSENCES**

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based upon the District's past experience of making termination payments.

The entire compensated absences liability is reported on the government-wide financial statements. On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent that payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees will be paid.

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

---

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**J. FUND BALANCE RESERVES**

Reserves of fund equity in governmental funds indicate that portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund equity reserves have been established for encumbrances, prepaid items, and permanent endowments. The reserve for permanent endowments recognizes contributions and interest earnings received that are to be used to support the educational activities of the District and contributions used to support capital related improvements and maintenance at the Inniswood Park gardens.

**K. INTERNAL ACTIVITY**

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement Of Activities.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**L. NET ASSETS**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include funds for the operation of recreational activities.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The government-wide Statement Of Net Assets reports \$12,599,065 of restricted net assets, none of which is restricted by enabling legislation.

**M. BUDGETARY PROCESS**

All funds of the District are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board at the fund level. The Finance Director has been authorized to allocate appropriations to the function and object level within each fund.

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

---

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**M. BUDGETARY PROCESS** (continued)

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts reflect the amounts in the amended certificate in effect at the time final appropriations were passed by the Board.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year, including all supplemental appropriations.

**N. ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates.

**NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES**

For 2006, the District has implemented *GASB Statement No. 47, "Accounting for Termination Benefits."*

GASB Statement No. 47 establishes accounting and financial reporting standards for termination benefits. This statement clarifies and establishes reporting requirements for those benefits provided by employers to employees as an incentive or settlement for voluntary early termination or as a consequence of the involuntary early termination of services. The implementation of this statement had no effect on the District's financial statements for 2006.

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position and results of operations on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement Of Revenues, Expenditures And Changes In Fund Balance – Budget And Actual (Budget Basis) is presented for the General Fund and the Golf Course Special Revenue Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- (c) Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING** (continued)

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis for the General Fund and the Golf Course Special Revenue Fund are as follows:

Net Change in Fund Balance		
	General Fund	Golf Course Fund
GAAP Basis	\$1,429,536	\$72,559
Increases (Decreases) Due To:		
Revenue Accruals	973	10,423
Expenditure Accruals	(699)	(139,431)
Encumbrances	(380,827)	(56,372)
Budget Basis	\$1,048,983	(\$112,821)

**NOTE 5 - DEPOSIT AND INVESTMENTS**

State statutes classify monies held by the District into three categories.

Active monies are public monies necessary to meet current demands on the treasury. Active monies must be maintained either as cash in the District's Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the District has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies may be deposited or invested in the following securities:

1. Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality;
3. Written repurchase agreements for a period not to exceed thirty days in securities listed above that mature within five years from the date of purchase;
4. Bonds and other obligations of the State of Ohio;

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**NOTE 5 - DEPOSIT AND INVESTMENTS** (continued)

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio); and,
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time.

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in possession of an outside party. At December 31, 2006, \$974,586 of the District's bank balance of \$1,074,585 was collateralized and uninsured. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim to the FDIC.

The District does not have a deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105% of the deposits being secured.

*Investments:* As of December 31, 2006, the District had the following investments. All investments, except the Allegiant Government Mortgage Fund Class I #406 Mutual Fund, are in an internal investment pool.

	Fair Value	Less than 1	1 - 2
STAROhio	\$9,200,645	\$9,200,645	\$0
Allegiant Government Mortgage Fund Class I #406 Mutual Fund	450,592	0	450,592
Repurchase Agreement	2,971,000	2,971,000	0
Totals	\$12,622,237	\$12,171,645	\$450,592

*Interest Rate Risk:* As a means of limiting its exposure to fair value losses caused by rising interest rates, the District's investment policy requires that, to the extent possible, investments will match anticipated cash flow requirements. No investment shall be made unless the Finance Director, at the time of making the investment, reasonably expects it can be held to its maturity. Unless matched to a specific obligation or debt of the District, the District will not directly invest in securities maturing more than five years from the date of investment.



**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

---

**NOTE 5 - DEPOSIT AND INVESTMENTS** (continued)

*Credit Risk:* STAROhio including the repurchase agreements carries a rating of AAAM by Standard and Poor's. The Allegiant Government Mortgage Fund Class I #406 Mutual Fund carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service and that the Money Market Mutual Fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The District has no policy regarding credit risk.

*Concentration of Credit Risk:* The District places no limit on the amount it may invest in any one issuer. The District's investment in Allegiant Government Mortgage Fund Class I #406 Mutual Fund represents 3.7 percent of the District's total investments. The Allegiant Government Mortgage Fund Class I #406 represents 46 percent of the investments reported in the District's Nonmajor Funds.

*Custodial credit risk:* Custodial credit risk for investments is the risk that in the event of bank failure, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. As of December 31, 2006, \$2,971,000 of the District's investment was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

**NOTE 6 - PROPERTY TAX**

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in Franklin County. Property tax revenue received during 2006 for real and public utility property taxes represents collections of 2005 taxes. Property tax payments received during 2006 for tangible personal property (other than public utility property) are for 2006 taxes.

2006 real property taxes are levied after October 1, 2006, on the assessed value as of January 1, 2006, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2006 real property taxes are collected in and intended to finance 2007.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2006 public utility property taxes became a lien December 31, 2005, are levied after October 1, 2006, and are collected in 2007 with real property taxes.

2006 tangible personal property taxes are levied after October 1, 2005, on the value as of December 31, 2005. Collections are made in 2006. In prior years, tangible personal property was assessed at 25 percent of true value for capital assets and 23 percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2006 is 18.75 percent. This will be reduced to 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due by September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**NOTE 6 - PROPERTY TAX** (continued)

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Columbus And Franklin County Metropolitan Park District. The County Auditor periodically remits to the District its portion of the taxes. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2006, and for which there is an enforceable legal claim. In the General Fund, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2006 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

The full tax rate for all District operations for the year ended December 31, 2006, was \$0.65 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2006 property tax receipts were based are as follows:

Category	Assessed Value
Real Property:	
Agricultural/Residential	\$18,795,314,860
Commercial/Industrial/Mineral	7,635,996,900
Public Utility Real	8,591,850
Tangible Personal Property:	
General Business	1,117,739,575
Public Utility	745,706,020
Total	\$28,303,349,205

The District has a .65 mill property tax levy that started in 1999 and will run through 2008, for the purpose of conserving natural resources; developing, improving, maintaining, and operating the various parks and other properties of the District; and for acquiring, developing, improving, maintaining and operating additional lands.

**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2006, consisted of property taxes, accounts (billings for user charged services), and intergovernmental receivables. All receivables are considered fully collectible and will be collected within one year with the exception of property taxes. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. A summary of the principal items of intergovernmental receivables follows:

	Amount
<u>Governmental Activities</u>	
Local Government	\$2,586,900
Local Government Revenue Assistance	262,190
Homestead And Rollback	475,760
Personal Property Exemption	26,051
U.S. Department of Housing And Urban Development Grant	76,644
Wildlife Habitat Incentives Program	7,405
Clean Ohio Assistance Fund	89,830
WRRSP - Darby Creek Watershed	406,436
Total Intergovernmental Receivable	\$3,931,216

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**NOTE 8 - CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2006, was as follows:

	Balance At 12/31/2005	Additions	Deletions	Balance At 12/31/2006
<u>Governmental Activities</u>				
Capital Assets, Not Being Depreciated:				
Land	\$92,842,084	\$1,140,000	(\$20,735)	\$93,961,349
Wetlands	784,860	59,541	0	844,401
Land Restoration	0	0	0	0
Construction in Progress	2,952,344	5,797,063	(2,162,149)	6,587,258
Total Capital Assets Not Being Depreciated	<u>96,579,288</u>	<u>6,996,604</u>	<u>(2,182,884)</u>	<u>101,393,008</u>
Depreciable Capital Assets:				
Land Improvements	1,972,152	853,588	0	2,825,740
Buildings	21,248,971	71,335	(696,800)	20,623,506
Equipment	3,242,826	161,512	(60,710)	3,343,628
Furnishings	123,289	0	(3,220)	120,069
Radios	248,898	4,500	(9,455)	243,943
Vehicles	1,240,568	121,005	(50,710)	1,310,863
Computer Equipment	186,928	18,254	(10,064)	195,118
Infrastructure	3,432,092	1,720,572	0	5,152,664
Total Depreciable Capital Assets	<u>31,695,724</u>	<u>2,950,766</u>	<u>(830,959)</u>	<u>33,815,531</u>
Less Accumulated Depreciation:				
Land Improvements	(610,731)	(189,024)	0	(799,755)
Buildings	(6,206,396)	(505,834)	33,117	(6,679,113)
Equipment	(2,592,483)	(209,113)	59,906	(2,741,690)
Furnishings	(119,306)	(3,983)	3,220	(120,069)
Radios	(193,584)	(19,770)	9,245	(204,109)
Vehicles	(960,872)	(132,498)	50,710	(1,042,660)
Computer Equipment	(150,978)	(15,480)	10,064	(156,394)
Infrastructure	(83,849)	(103,692)	0	(187,541)
Total Accumulated Depreciation	<u>(10,918,199)</u>	<u>(1,179,394) *</u>	<u>166,262</u>	<u>(11,931,331)</u>
Depreciable Capital Assets, Net	<u>20,777,525</u>	<u>1,771,372</u>	<u>(664,697)</u>	<u>21,884,200</u>
Governmental Activities Capital Assets, Net	<u>\$117,356,813</u>	<u>\$8,767,976</u>	<u>(\$2,847,581)</u>	<u>\$123,277,208</u>

\* Depreciation expense was charged to governmental programs as follows:

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

---

**NOTE 8 - CAPITAL ASSETS** (continued)

Administration	\$64,541
Education	111,915
Park Operations	638,844
Rental Property	50,849
Natural Resource Management	5,709
Golf Course	192,660
Park Safety	114,876
Total Depreciation Expense	<u>\$1,179,394</u>

**NOTE 9 - DEFINED BENEFIT PENSION PLAN**

**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM**

The District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

For the year ended December 31, 2006, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 9 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The District's contribution rate for pension benefits for 2006 was 9.2 percent, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 12.43 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006, 2005, and 2004 were \$629,497, \$645,140 and \$634,526 respectively; 94.41 percent has been contributed for 2006 and 100 percent for 2005 and 2004. No contributions to the member-directed plan were made by the District or plan members in 2006.

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

---

**NOTE 10 - POSTEMPLOYMENT BENEFITS**

**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2006 local government employer contribution rate was 13.7 percent of covered payroll (16.93 percent for public safety and law enforcement); 4.5 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest individual actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4.0 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .5 percent and 6.3 percent based on additional annual pay increases. Health care costs were assumed to increase between .5 and 6.0 percent annually for the next nine years and 4.0 percent annually after nine years.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 369,214. The number of active contributing participants for both plans used in the December 31, 2005, actuarial valuation was 358,804. Actual District contributions for 2006 which were used to fund postemployment benefits were \$307,906. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. To improve the solvency of the Health Care Fund, OPERS created a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

**NOTE 11 - EMPLOYEE BENEFITS**

**A. COMPENSATED ABSENCES**

Vacation leave accumulates at the completion of each two week payroll cycle, reflecting hours worked and longevity, beginning with the full-time employee's first payroll period. Part-time employees are eligible to earn vacation at a rate of .025 for each hour worked. Vacation can be accumulated up to a maximum of two years for full-time employees and up to forty hours for part-time employees. Employees are paid for earned, unused vacation leave at the time of termination of employment.

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**NOTE 11 - EMPLOYEE BENEFITS** (continued)

**A. COMPENSATED ABSENCES** (continued)

Sick leave is earned bi-weekly at the rate of 2.3077 hours for each week worked, beginning with the date of appointment to a full-time position and can be accumulated without limit. Upon retirement or termination, employees with ten or more years of service with the District will be paid for one-fourth of their accumulated hours of sick leave up to a maximum of thirty days. In the event that an employee dies as a result of injuries sustained on the job, his or her estate will be paid the total allowable amount of all earned unused sick leave.

Full-time employees working in excess of designated work hours are entitled to compensatory time, while part-time and seasonal employees working in excess of designated work hours will be paid for overtime. Compensatory time may be accumulated up to 240 hours. Employees who accumulate in excess of 240 hours will be paid for the excess hours.

Holiday time may be accumulated by park rangers but must be used prior to year-end.

**B. INSURANCE**

The District provides hospitalization and surgical insurance through United Healthcare of Ohio, Inc. The prescription drug plan is provided through CatalystRX Services. Dental insurance is provided through Aetna Dental. Vision insurance is provided through Spectera. Life insurance is provided through U. S. Life Insurance Company.

**C. DEFERRED COMPENSATION**

District employees may participate in the Ohio Public Employees Deferred Compensation Plan or the County Commissioners Association of Ohio Deferred Compensation Plan. These plans were created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to both plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

**NOTE 12 - LONG-TERM OBLIGATIONS**

The change in the District's long-term obligations during the year consisted of the following:

Types / Issues	Balance 12/31/05	Addition	Deletions	Balance 12/31/06	Due Within One Year
<u>Governmental Activities</u>					
Compensated Absences	\$677,017	\$49,609	\$95,270	\$631,356	\$51,071

Compensated absences will be paid from the General Fund and the Golf Course special revenue Fund.

The District's overall legal debt margin was \$283,033,492 at December 31, 2006.

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**NOTE 13 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2006, the District contracted with several companies for various types of insurance coverage as follows:

Westfield Group	Property (\$1,000 deductible)	\$21,939,079
	Inland Marine (\$500 deductible)	2,678,129
	Electronic Data Processing - Computer Coverage (\$500 deductible)	153,143
	Boiler and Machinery (\$1,000 deductible)	3,799,312
	Crime	10,000
	General Liability - Occurrence	1,000,000
	Aggregate	2,000,000
	Automobile Liability (\$250 deductible)	1,000,000
Ohio Farmers	Bond for Finance Director	500,000
Scottsdale Indemnity Company	Law Enforcement (\$5,000 deductible)	1,000,000
	Public Officials (\$10,000 deductible)	1,000,000
	Employment Practices	1,000,000
American Alternative	Commercial Umbrella	10,000,000

There has been a significant increase in property insurance coverage from the prior year due to the additions of new buildings, equipment, vehicles and computer equipment. Settled claims have not exceeded coverage in any of the last three years.

The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

**NOTE 14 - INTERFUND TRANSFERS**

Transfers made during the year ended December 31, 2006, were as follows:

Transfers From	Transfers To		
	Capital Improvement Fund	Nonmajor Funds	Total
General Fund	\$4,471,721	\$0	\$4,471,721
Capital Improvement	<u>0</u>	<u>60,000</u>	<u>60,000</u>
Total	<u>\$4,471,721</u>	<u>\$60,000</u>	<u>\$4,531,721</u>

Transfers were made from the General Fund to the Capital Improvement fund to move a portion of the .65 mill operating levy to the Capital Improvement to cover various projects. The Capital Improvement fund transfers funds to the Special Park District Forum Special Revenue Fund to cover the expenditures associated with the District hosting a national conference.

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

**NOTE 15 - CONTINGENT LIABILITIES**

**A. FEDERAL AND STATE GRANTS**

For the period January 1, 2006, to December 31, 2006, the District received federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the District believes such disallowance, if any, would be immaterial.

**NOTE 16 - CONTRACTUAL COMMITMENTS**

At December 31, 2006, the District's significant contractual commitments consisted of:

<u>Projects</u>	<u>Contract Amount</u>	<u>Amount Completed</u>	<u>Balance at 12/31/2006</u>
Darby Dan EPA Restoration	\$33,271	\$32,996	\$275
Blacklick Creek Greenway At State Route 33	177,785	169,207	8,578
Cedar Ridge Sewer Expansion Phase 1	99,144	90,411	8,733
Daycamp Facility At Highbanks Metro Park	382,911	362,149	20,762
Entrance Road Relocation At Highbanks Metro Park	425,457	409,387	16,070
Blacklick Creek Greenway Trail Phase 7	6,500	6,423	77
Blacklick Creek Greenway Trail Phase 8	467,971	44,969	423,002
Olen Quarry/Darby Bend Lakes	676,639	309,122	367,517
Alum Creek Greenway Phase 1	1,294,921	1,229,270	65,651
Alum Creek Greenway Phase 2	1,236,380	909,586	326,794
Stream Restoration Heron Pond	17,037	13,933	3,104
Learning Center At Glacier Ridge Metro Park	294,266	111,216	183,050
Whittier Metro Park	3,441,920	2,881,790	560,130
Totals	<u>\$8,554,202</u>	<u>\$6,570,459</u>	<u>\$1,983,743</u>

**NOTE 17 – DONOR RESTRICTED ENDOWMENTS**

The District's private purpose trust funds include donor restricted endowments. Endowments, in the amount of \$719,612, represent the principal portion. The amount of net appreciation in donor restricted investments that is available for expenditures by the District is \$85,924 and is included as held in trust for educational programs. State law permits the District to appropriate, for purposes consistent with the endowment's intent, net appreciation, realized and unrealized, unless the endowment terms specify otherwise. The endowments indicate that the interest should be used to provide educational programs.

**NOTE 18 – SUBSEQUENT EVENT**

On May 16, 2006, the District was named as a defendant in a negligence and wrongful death lawsuit filed with the Franklin County Common Pleas Court. The District settled a negligence and wrongful death lawsuit filed with the Franklin County Common Pleas Court. The settlement was approved by the Probate Court on January 10, 2007. The settlement required the District's insurance company to make a \$125,000 lump sum payment. No liability has been accrued on the financial statements since the disposition of this claim was covered by the District's insurance company.



**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2006  
(Continued)**

---

**NOTE 18 – SUBSEQUENT EVENT** (continued)

May 5, 2009, the voter approved a replacement levy of .65 mill and an increase of 0.1 mill for the purpose of conserving and improving natural resources, wildlife, habitat, streams and natural areas, developing, improving, maintaining and operating various parks, land and trails at a rate not exceeding .75 mill for each dollar of valuation, which amounts to .075 for each one hundred dollars, for a period of 10 years commencing in 2009, first due in calendar 2010.

**NOTE 19 – RESTATEMENT OF PROPERTY TAXES / DEFERRED REVENUE / PROPERTY TAXES RECEIVABLES**

In 2006 and prior years, the District records all of the levy monies into the Capital Improvement capital projects fund and, when necessary, makes a transfer to the General Fund to cover operating expenditures. This activity was reclassified to reflect all of levy monies in the General fund. The reclassification had no affect on the General or Capital Improvement fund balances.

**THIS PAGE INTENTIONALLY LEFT BLANK**



# Mary Taylor, CPA

## Auditor of State

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

Columbus and Franklin County Metropolitan Park District  
Franklin County  
1069 West Main Street  
Westerville, Ohio 43081

To the Board of Park Commissioners:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Columbus and Franklin County Metropolitan Park District, Franklin County, Ohio (the District) as of and for the year ended December 31, 2006, which collectively comprise the District's basic financial statements and have issued our report thereon dated July 2, 2009. 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 the Comptroller General of the United States' *Government Auditing Standards*.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the 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 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 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 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 did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain internal control matters that we reported to the District's management in a separate letter dated July 2, 2009.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the District's management in a separate letter dated July 2, 2009.

We intend this report solely for the information and use of the audit committee, management, and Board of Park Commissioners. We intend it for no one other than these specified parties.

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

**Mary Taylor, CPA**  
Auditor of State

July 2, 2009

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT  
FRANKLIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2005-001	Ohio Rev. Code Section 5705.41 (B) Expenditures Exceeding Appropriations	Yes	Corrected.





**Mary Taylor, CPA**  
Auditor of State

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT**

**FRANKLIN 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  
AUGUST 11, 2009**