



**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

Metropolitan Park District of the Toledo Area
Lucas County
5100 West Central Avenue
Toledo, Ohio 43615-2100

To the Board of Commissioners:

We have audited the accompanying financial statements of the Metropolitan Park District of the Toledo Area, Lucas County, Ohio, (the District) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

As described in Note 8 to the financial statements, the District reclassified certain funds.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the District as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 2000 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 grants.

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

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

August 24, 2000

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
Cash Receipts:				
General Property Tax - Real Estate	\$8,087,662			\$8,087,662
Intergovernmental	2,203,585			2,203,585
Fines and Forfeits	8,500	\$7,698		16,198
Fees	151,950	88,282		240,232
Sales	65,743			65,743
Contracts - Services	24,168	81,005		105,173
Donations		424,168	\$22	424,190
Interest Income	201,592	37,771	56,050	295,413
Other Receipts	14,702			14,702
Total Cash Receipts	<u>10,757,902</u>	<u>638,924</u>	<u>56,072</u>	<u>11,452,898</u>
Cash Disbursements:				
Current:				
Salaries - Employees	3,881,310			3,881,310
PERS	574,844			574,844
Insurance	399,299			399,299
Workers' Compensation	111,035			111,035
Medicare	25,443			25,443
Unemployment Compensation	1,229			1,229
Materials and Supplies	343,988			343,988
Contract - Repairs	76,059			76,059
Contract - Services	1,101,774	70,575		1,172,349
Major Maintenance	111,739			\$111,739
Capital Projects	1,021,265	48,641		1,069,906
Equipment	346,676			346,676
Land	32,000			32,000
Other Expenses	5,238	38,521	4,218	47,977
Total Cash Disbursements	<u>8,031,899</u>	<u>157,737</u>	<u>4,218</u>	<u>8,193,854</u>
Total Receipts Over/(Under) Disbursements	<u>2,726,003</u>	<u>481,187</u>	<u>51,854</u>	<u>3,259,044</u>
Other Financing Receipts/(Disbursements):				
Refunds/Reimbursements	17,426	2,182		19,608
Other Uses	(3,717)			(3,717)
Total Other Financing Receipts/(Disbursements)	<u>13,709</u>	<u>2,182</u>		<u>15,891</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>2,739,712</u>	<u>483,369</u>	<u>51,854</u>	<u>3,274,935</u>
Fund Cash Balances, January 1	<u>2,137,316</u>	<u>528,801</u>	<u>1,111,915</u>	<u>3,778,032</u>
Fund Cash Balances, December 31	<u>\$4,877,028</u>	<u>\$1,012,170</u>	<u>\$1,163,769</u>	<u>\$7,052,967</u>
Reserves for Encumbrances, December 31	<u>\$1,289,602</u>	<u>\$40,721</u>		<u>\$1,330,323</u>

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

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND CASH BALANCES
 ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
Cash Receipts:				
General Property Tax - Real Estate	\$4,917,379			\$4,917,379
Intergovernmental	1,746,822			1,746,822
Grants	28,059			28,059
Fines and Forfeits	4,953	\$910		5,863
Fees	140,813	83,025		223,838
Sales	67,572			67,572
Contracts - Services	29,148			29,148
Donations		161,350	\$5,000	166,350
Interest Income	134,114	21,717	58,511	214,342
Other Receipts	2,613			2,613
Total Cash Receipts	<u>7,071,473</u>	<u>267,002</u>	<u>63,511</u>	<u>7,401,986</u>
Cash Disbursements:				
Current:				
Salaries - Employees	3,666,726			3,666,726
PERS	537,153			537,153
Insurance	375,345			375,345
Workers' Compensation	152,850			152,850
Medicare	22,237			22,237
Unemployment Compensation	8,877			8,877
Materials and Supplies	396,117			396,117
Contract - Repairs	64,886			64,886
Contract - Services	1,230,110	10,752		1,240,862
Major Maintenance	116,137			\$116,137
Capital Projects	553,695			553,695
Equipment	266,006			266,006
Land	1,760,473			1,760,473
Other Expenses	10,836	66,181		77,017
Total Cash Disbursements	<u>9,161,448</u>	<u>76,933</u>		<u>9,238,381</u>
Total Receipts Over/(Under) Disbursements	<u>(2,089,975)</u>	<u>190,069</u>	<u>63,511</u>	<u>(1,836,395)</u>
Other Financing Receipts/(Disbursements):				
Refunds/Reimbursements	14,749	23,436		38,185
Refund of Deposits	(2,703)	(869)		(3,572)
Transfers-In		22,000		22,000
Transfers-Out		(22,000)		(22,000)
Other Sources	17,640			17,640
Total Other Financing Receipts/(Disbursements)	<u>29,686</u>	<u>22,567</u>		<u>52,253</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(2,060,289)</u>	<u>212,636</u>	<u>63,511</u>	<u>(1,784,142)</u>
Fund Cash Balances, January 1	<u>4,197,605</u>	<u>316,165</u>	<u>1,048,404</u>	<u>5,562,174</u>
Fund Cash Balances, December 31	<u>\$2,137,316</u>	<u>\$528,801</u>	<u>\$1,111,915</u>	<u>\$3,778,032</u>
Reserves for Encumbrances, December 31	<u>\$974,959</u>	<u>\$6,002</u>		<u>\$980,961</u>

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

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

In accordance with Ohio Revised Code, the District's cash is held and invested by the Lucas County Treasurer, who acts as custodian for District monies. The District's assets are held in the County's cash and investment pool, and are valued at the Treasurer's reported carrying amount.

D. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Funds:

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

Cardinal Fund – to account for the receipt and expenditure of Donor restricted and unrestricted donations.

Member Fund – Provide special programming and benefits to Members of the District. To fund certain designated projects. Revenue is generated from membership fees.

3. Fiduciary Funds (Trust Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. Funds for which the District is acting in an agency capacity are classified as agency funds. The District had the following significant fiduciary funds:

Carson Fund – Receives interest income and donations to be used for maintenance of the Wildwood Preserve Manor House Gardens.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The District must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 1999 and 1998 budgetary activity appears in Note 2.

F. Property, Plant and Equipment

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

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

G. Unpaid Vacation and Sick Leave

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

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$10,255,211	\$10,775,328	\$520,117
Special Revenue		641,106	641,106
Fiduciary		56,072	56,072
Total	\$10,255,211	\$11,472,506	\$1,217,295

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$10,171,621	\$9,325,218	\$846,403
Special Revenue	249,502	198,458	51,044
Fiduciary	6,500	4,218	2,282
Total	\$10,427,623	\$9,527,894	\$899,729

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$6,868,184	\$7,101,159	\$232,975
Special Revenue		311,569	311,569
Fiduciary		63,511	63,511
Total	\$6,868,184	\$7,476,239	\$608,055

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$10,611,095	\$10,139,110	\$471,985
Special Revenue	250,000	105,804	144,196
Fiduciary			
Total	<u>\$10,861,095</u>	<u>\$10,244,914</u>	<u>\$616,181</u>

3. PROPERTY TAX

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

Public utilities are also taxed on personal and real property located within the District.

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

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

4. RETIREMENT SYSTEM

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

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, park rangers contribute the law enforcement rate of 9 percent of their gross wages, while the other employees contributed 8.5 to PERS. The District contributed an amount equal to 16.70 % and 13.55% of participants' gross salaries. The District has paid all contributions required through December 31, 1999.

5. RISK MANAGEMENT

The District maintains comprehensive insurance coverage with private carriers for real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. The District also carries an umbrella liability insurance against losses in excess of regular policy coverage. Real property is 100 percent coinsured less the deductible.

The District also provides health insurance, drug prescription, dental and vision coverage to full-time employees through the County.

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

6. CONTINGENT LIABILITIES

The District is defendant in a lawsuit. Although the outcome of this suit is not presently determinable, counsel believes that the resolution of this matter will not materially adversely affect the District's financial condition.

7. SUBSEQUENT EVENTS

The District purchased the Fallen Timbers Battlefield from the City of Toledo for \$5.5 million. The District purchased 72 acres immediately for \$2.8 million, with the remaining 115 acres to be purchased for \$2.7 million by July 31, 2001.

8. RESTATEMENT OF PRIOR YEAR FUND BALANCE

To provide a more accurate representation of fund classification, the District reclassified the following funds from the Expendable Trust Fund Type to a Special Revenue Fund Type: Cardinal, MPTA, Nature Express, Friendship, Law Enforcement, Land, Environmental Education, Members, Members Trip, and Manor House. This change had the following effects on the fund balance as it was previously reported as of December 31, 1997.

	<u>Special Revenue</u>	<u>Expendable Trust Fund</u>
Fund Balance as Previously Reported		\$1,364,569
Restatement of Expendable Trust Fund	<u>\$316,165</u>	<u>(316,165)</u>
Restatement January 1, 1998	<u><u>\$316,165</u></u>	<u><u>\$1,048,404</u></u>

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

Metropolitan Park District of the Toledo Area
Lucas County
5100 West Central Avenue
Toledo, Ohio 43615-2100

To the Board of Commissioners:

We have audited the accompanying financial statements of the Metropolitan Park District of the Toledo Area, Lucas County, Ohio, (the District) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated August 24, 2000, in which we indicated the District reclassified certain funds. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated August 24, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated August 24, 2000.

Metropolitan Park District of the Toledo Area
Lucas County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

August 24, 2000



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METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA

LUCAS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 26, 2000**