

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

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2009



Dave Yost • Auditor of State

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

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Dave Yost • 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, 2009, 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, 2009, 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 February 4, 2011, 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.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

February 4, 2011

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(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, 2009. 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 \$7,298,266.
- General revenues of governmental activities accounted for \$22,231,080 of all governmental revenues. Program specific revenues in the form of charges for services, grants, contributions, and interest accounted for \$1,884,646 of total governmental revenues of \$24,115,726.
- The District had \$16,817,460 in expenses related to governmental activities. \$1,884,646 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 \$22,231,080 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 2009?" 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.

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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)**

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 7. 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.

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 2009 compared to 2008.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)**

THE DISTRICT AS A WHOLE (Continued)

Table 1
Net Assets

	Governmental Activities		Increase (Decrease)
	2009	2008	
Assets			
Current And Other Assets	\$ 37,415,578	\$ 32,470,691	\$ 4,944,887
Land, Wetlands, Land Restoration And Construction In Progress	123,034,157	119,825,212	3,208,945
Depreciable Capital Assets, Net	35,102,865	29,199,850	5,903,015
Total Assets	195,552,600	181,495,753	14,056,847
Liabilities			
Current And Other Liabilities	19,732,471	13,043,250	6,689,221
Long-Term Liabilities:			
Due Within One Year	352,432	48,509	303,923
Due In More Than One Year	420,729	655,292	(234,563)
Total Liabilities	20,505,632	13,747,051	6,758,581
Net Assets			
Invested In Capital Assets	158,137,022	149,025,062	9,111,960
Restricted For:			
Capital Outlay	11,281,290	11,837,072	(555,782)
Other Purposes	310,888	344,336	(33,448)
Educational Programs:			
Expendable	142,745	138,967	3,778
Nonexpendable	267,054	267,054	-
Gardens At Inniswood -			
Nonexpendable	452,558	452,558	-
Unrestricted	4,455,411	5,683,653	(1,228,242)
Total Net Assets	\$ 175,046,968	\$ 167,748,702	\$ 7,298,266

Total assets increased \$14,056,847. Current and other assets increased \$4,944,887 due to an increase in property taxes receivable relating to an increase in the property tax rate, which will be collected during 2010. Land, wetlands, land restoration and construction in progress increased \$3,208,945 due to additions primarily relating to the continuing development of Whittier Park and various Greenway Phase projects. Depreciable capital assets increased \$5,903,015 due to infrastructure development, including roads and trails within the District.

Current and other liabilities increased \$6,689,221 primarily due to an increase in deferred revenue relating to property taxes receivable.

Invested in capital assets increased \$9,111,960. This is primarily due to current year capital assets additions exceeding current year depreciation. Land, land restoration, construction in progress, and infrastructure, which includes roads and trails, experienced the largest increases.

Restricted net assets for capital outlay decreased \$555,782. This is primarily the result of the District spending the unrestricted monies received during the year and carried over from the prior year on the completed construction projects.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)**

THE DISTRICT AS A WHOLE (Continued)

Unrestricted net assets decreased \$1,228,242. This is primarily due to the District utilizing unrestricted monies for capital needs during the year.

Table 2 shows the changes in net assets for the years ended December 31, 2009 and 2008.

Table 2
Changes In Net Assets

	2009	2008	Increase/ (Decrease)
Revenues			
Program Revenues:			
Charges For Services	\$ 1,645,768	\$ 1,555,282	\$ 90,486
Operating Grants, Contributions, And Interest	192,348	67,476	124,872
Capital Grants And Contributions	46,530	18,996	27,534
Total Program Revenues	<u>1,884,646</u>	<u>1,641,754</u>	<u>242,892</u>
General Revenues:			
Property Taxes	11,205,099	12,608,556	(1,403,457)
Unrestricted Investment Earnings	99,654	331,740	(232,086)
Grants And Entitlements Not Restricted			
To Specific Programs:			
Operating	6,913,285	6,295,728	617,557
Capital	3,836,940	11,877,423	(8,040,483)
Contributions And Donations	58,322	8,857	49,465
Miscellaneous	117,780	17,297	100,483
Total General Revenues	<u>22,231,080</u>	<u>31,139,601</u>	<u>(8,908,521)</u>
Total Revenues	<u>24,115,726</u>	<u>32,781,355</u>	<u>(8,665,629)</u>
Program Expenses			
Administration	1,959,287	2,011,556	(52,269)
Education	2,446,074	2,465,230	(19,156)
Park Operations	6,874,999	5,950,681	924,318
Park Planning	358,405	767,863	(409,458)
Park Promotion	748,839	765,464	(16,625)
Rental Property	463,265	181,510	281,755
Natural Resource Management	382,661	343,783	38,878
Golf Course	1,261,348	1,293,339	(31,991)
Park Safety	2,322,582	2,435,464	(112,882)
Total Expenses	<u>16,817,460</u>	<u>16,214,890</u>	<u>602,570</u>
Increase In Net Assets	<u>7,298,266</u>	<u>16,566,465</u>	<u>(9,268,199)</u>
Net Assets At Beginning Of Year	167,748,702	151,182,237	16,566,465
Net Assets At End Of Year	<u>\$ 175,046,968</u>	<u>\$ 167,748,702</u>	<u>\$ 7,298,266</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)**

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 revenues, restricted interest earnings and restricted donations, were \$1,884,646 of total revenues for 2009 and were higher than 2008. The increase is primarily related to an estate donation for the operation of the Inniswood Park and charges for services relating to increased participation in the District's various programs and rounds of golf played at Blacklick Woods Golf Course.

As previously mentioned, general revenues were \$22,231,080 of total revenues for 2009. This is a \$8,908,521 decrease from the prior year. This decrease is related to a decrease in State funding, land acquisition reimbursements and other reimbursements relating to the completion of numerous construction projects.

Governmental program expenses as a percentage of total governmental expenses for 2009 are expressed as follows:

Administration	11.65%
Education	14.55
Park Operations	40.88
Park Planning	2.13
Park Promotion	4.45
Rental Property	2.75
Natural Resource Management	2.28
Golf Course	7.50
Park Safety	13.81
	<hr/>
	100.00%

The above chart clearly indicates that the District's major source of expenses, 40.88 percent, is related to park operations. All other forms of governmental operations represent 59.12 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 \$23,979,797 and expenditures of \$25,865,360.

The General Fund balance decreased \$1,356,086 as a result of the District transferring monies to the Capital Improvement Capital Projects Fund to fund capital related projects.

The Golf Course Special Revenue Fund balance decreased \$25,803 from the prior year. Revenues actually increased \$20,774 from the prior year, but expenditures continue to exceed revenues.

The Capital Improvement Capital Projects Fund balance decreased \$521,125, as a result of the District spending additional money on the completion of and continuing construction of park projects.

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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)**

Original and final General Fund budgeted revenues and other financing sources were \$18,706,525. Actual revenues and other financing sources were less than final budgeted revenues and other financing sources by \$22,540, which is mostly due to a decrease in local government monies received from the State and investment earnings which was the result of the struggling economy.

During 2009, 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 \$2,014,433 due to the District reducing administrative costs and not transferring the total budgeted amount.

The General Fund's ending fund balance was \$1,991,893 above the final budgeted amount.

CAPITAL ASSETS

At the end of 2009, the District had \$158,137,022 invested in capital assets (net of accumulated depreciation) for governmental activities, an increase of \$9,111,960 from the prior year. The increase in capital assets is primarily related to an increase in land, land restoration, and construction in progress for the various Greenway Phase projects and the continuing development of Whittier Park projects along with infrastructure additions, including roads and trails.

See Note 7 of the Notes To The Basic Financial Statements for more detailed capital assets information.

CURRENT ISSUES

This has been another productive year for the Metro Parks system, and one that has been thoroughly enjoyed by the park visitors. By year's end, 6,500,000 visitors will have enjoyed free outdoor recreational and educational activities in the Metro Parks. The parks and facilities continue to be clean, safe and well maintained even as new facilities are opened for public enjoyment.

Passage of the Metro Parks levy in May 2009 ensures financial stability for the next 10 years. The voters supported the tax levy with a 58 percent margin of victory. Passage of this levy in the midst of a severe recession reflects positively on the strong level of support for Metro Parks in the community.

Scioto Audubon Metro Park remained a focus and significant progress was made in improving the park. Audubon Ohio's Grange Insurance Audubon Center was opened with strong support from the community. Metro Parks provided very strong support of Audubon Ohio in their effort to get their facility completed. More progress was made towards addressing impacted soils, and Ohio EPA has granted a No Further Action letter for a portion of the property that recognizes that the environmental cleanup has met the appropriate standards. The City of Columbus made progress towards relocating the impound lot with the new impound lot under construction.

Progress was achieved constructing Greenway trails. The trail north of Three Creeks along Alum Creek is finished through Bexley. Plans are approved for construction of the Blacklick Creek Greenway Trail bridge over US 33, and the section of the trail from Blacklick Woods to Tussing Road was completed. The Darby Creek Greenway Trail in Battelle Darby Creek Metro Park was opened from Cedar Ridge to near Broad Street. Additional trail improvements were made throughout the park system.

The school initiative was expanded to include more schools, including over 70 percent of the fifth graders attending Columbus City Schools. Programs and activities for seniors were significantly expanded and continue to be well received. Over 350,000 people will participate in Metro Parks' educational activities this year.

The park system grew by 565 acres this year. These additional acres will bring Metro Parks' total conserved acreage to 24,860 acres. Grants and income from municipal partners for land acquisition exceeded \$3,500,000 in 2009.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Unaudited)**

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.

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

**STATEMENT OF NET ASSETS
DECEMBER 31, 2009**

	Governmental Activities
<u>Assets:</u>	
Equity In Pooled Cash And Cash Equivalents	\$ 12,831,142
Accrued Interest Receivable	6,998
Accounts Receivable	10,000
Due From Other Governments (See Note 6)	3,470,125
Prepaid Items	56,069
Property Taxes Receivable	20,560,859
Cash And Cash Equivalents With Fiscal Agents	480,385
Land, Wetlands, Land Restoration And Construction In Progress (See Note 7)	123,034,157
Depreciable Capital Assets, Net (See Note 7)	35,102,865
<i>Total Assets</i>	195,552,600
<u>Liabilities:</u>	
Accounts Payable	9,363
Accrued Wages And Benefits Payable	269,681
Contracts Payable	117,640
Retainage Payable	128,162
Due To Other Governments	116,092
Deferred Revenue	19,091,533
Long-Term Liabilities:	
Due Within One Year (See Note 11)	352,432
Due In More Than One Year (See Note 11)	420,729
<i>Total Liabilities</i>	20,505,632
<u>Net Assets:</u>	
Invested In Capital Assets	158,137,022
Restricted For:	
Capital Outlay	11,281,290
Other Purposes	310,888
Educational Programs:	
Expendable	142,745
Nonexpendable	267,054
Gardens At Inniswood - Nonexpendable	452,558
Unrestricted	4,455,411
<i>Total Net Assets</i>	\$ 175,046,968

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, 2009**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges For</u>	<u>Operating Grants,</u>	<u>Capital</u>	<u>Revenue And</u>
		<u>Services</u>	<u>Contributions,</u>	<u>Grants And</u>	<u>Changes In Net</u>
			<u>And Interest</u>	<u>Contributions</u>	<u>Assets</u>
					<u>Governmental</u>
					<u>Activities</u>
<u>Governmental Activities:</u>					
Administration:					
Salaries And Benefits	\$ 1,080,825	\$ -	\$ -	\$ -	\$ (1,080,825)
All Other	878,462	5,895	18,918	-	(853,649)
Education	2,446,074	98,241	14,865	-	(2,332,968)
Park Operations	6,874,999	-	157,915	-	(6,717,084)
Park Planning	358,405	-	-	-	(358,405)
Park Promotion	748,839	-	-	-	(748,839)
Rental Property	463,265	484,017	-	-	20,752
Natural Resource Management	382,661	-	-	46,530	(336,131)
Golf Course	1,261,348	1,056,450	-	-	(204,898)
Park Safety	2,322,582	1,165	650	-	(2,320,767)
Total Governmental Activities	\$ 16,817,460	\$ 1,645,768	\$ 192,348	\$ 46,530	\$ (14,932,814)
<u>General Revenues:</u>					
Property Taxes					11,205,099
Unrestricted Investment Earnings					99,654
Grants And Entitlements Not Restricted					.
To Specific Programs:					
Operating					6,913,285
Capital					3,836,940
Contributions And Donations					58,322
Miscellaneous					117,780
Total General Revenues					22,231,080
Change In Net Assets					7,298,266
Net Assets At Beginning Of Year					167,748,702
Net Assets At End Of Year					\$ 175,046,968

See Accompanying Notes To The Basic Financial Statements

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

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	<u>General</u>	<u>Golf Course</u>	<u>Capital Improvement</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<u>Assets:</u>					
Equity In Pooled Cash And Investments	\$ 905,670	\$ 383,581	\$ 10,945,758	\$ 596,133	\$ 12,831,142
Cash And Cash Equivalents					
With Fiscal Agents	5,000	-	-	475,385	480,385
Receivables:					
Property Taxes	20,560,859	-	-	-	20,560,859
Accounts	-	10,000	-	-	10,000
Accrued Interest	-	-	6,998	-	6,998
Due From Other Governments (See Note 6)	3,104,950	-	365,175	-	3,470,125
Prepaid Items	56,069	-	-	-	56,069
Total Assets	24,632,548	393,581	11,317,931	1,071,518	37,415,578
<u>Liabilities And Fund Balances:</u>					
<u>Liabilities:</u>					
Accounts Payable	4,253	5,110	-	-	9,363
Accrued Wages And Benefits Payable	252,841	16,840	-	-	269,681
Contracts Payable	-	-	117,640	-	117,640
Retainage Payable	-	-	128,162	-	128,162
Due To Other Governments	108,047	8,045	-	-	116,092
Deferred Revenue	23,316,527	-	18,675	-	23,335,202
Total Liabilities	23,681,668	29,995	264,477	-	23,976,140
<u>Fund Balances:</u>					
Reserved For Encumbrances	409,751	7,628	3,005,974	-	3,423,353
Reserved for Permanent Endowments	-	-	-	572,476	572,476
Unreserved,					
Undesignated, Reported In:					
General Fund	541,129	-	-	-	541,129
Special Revenue Funds	-	355,958	-	-	355,958
Capital Projects Funds	-	-	8,047,480	209,161	8,256,641
Permanent Funds	-	-	-	289,881	289,881
Total Fund Balances	950,880	363,586	11,053,454	1,071,518	13,439,438
Total Liabilities And Fund Balances	\$ 24,632,548	\$ 393,581	\$ 11,317,931	\$ 1,071,518	\$ 37,415,578

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, 2009**

Total Governmental Fund Balances	\$ 13,439,438
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Amounts reported for governmental activities in the Statement Of Net Assets are different because:

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

Land	111,565,176
Wetlands	907,232
Land Restoration	7,635,353
Construction In Progress	2,926,396
Other Capital Assets	62,867,142
Accumulated Depreciation	<u>(27,764,277)</u>

Total	158,137,022
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Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:

Property Taxes	1,469,326
Due From Other Governments	2,774,193
Accrued Interest	<u>150</u>

Total	4,243,669
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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>(773,161)</u>
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Net Assets Of Governmental Activities	<u><u>\$ 175,046,968</u></u>
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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, 2009**

	<u>General</u>	<u>Golf Course</u>	<u>Capital Improvement</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<u>Revenues:</u>					
Property Taxes	\$ 11,172,485	\$ -	\$ -	\$ -	\$ 11,172,485
Intergovernmental	6,757,620	-	3,890,570	-	10,648,190
Charges For Services	98,241	40,000	5,895	-	144,136
Golf Course	-	763,996	-	-	763,996
Fines And Forfeitures	1,165	-	-	-	1,165
Investment Earnings	2,841	-	50,164	22,707	75,712
Increase In Fair Value Of Investments	-	-	19,873	5,459	25,332
Rent	484,017	252,454	-	-	736,471
Contributions And Donations	38,740	-	233,093	22,697	294,530
Miscellaneous	97,660	20,120	-	-	117,780
Total Revenues	18,652,769	1,076,570	4,199,595	50,863	23,979,797
<u>Expenditures:</u>					
Current Operations And Maintenance:					
Administration:					
Salaries And Benefits	1,066,125	-	-	-	1,066,125
All Other	788,719	2,333	-	-	791,052
Education	2,143,107	-	-	-	2,143,107
Park Operations	5,595,583	31,978	585	21,112	5,649,258
Park Planning	144,171	-	224,988	-	369,159
Park Promotion	748,230	-	-	-	748,230
Rental Property	331,486	-	-	-	331,486
Natural Resource Management	378,229	-	-	-	378,229
Golf Course	33,991	1,026,870	-	-	1,060,861
Park Safety	2,188,146	-	-	-	2,188,146
Capital Outlay	303,368	41,192	10,795,147	-	11,139,707
Total Expenditures	13,721,155	1,102,373	11,020,720	21,112	25,865,360
Excess Of Revenues Over (Under) Expenditures	4,931,614	(25,803)	(6,821,125)	29,751	(1,885,563)
<u>Other Financing Sources (Uses):</u>					
Proceeds From Sale Of Capital Assets	5,300	-	-	-	5,300
Transfers - In (See Note 14)	7,000	-	6,300,000	-	6,307,000
Transfers - Out (See Note 14)	(6,300,000)	-	-	(7,000)	(6,307,000)
Total Other Financing Sources (Uses)	(6,287,700)	-	6,300,000	(7,000)	5,300
Net Change In Fund Balance	(1,356,086)	(25,803)	(521,125)	22,751	(1,880,263)
Fund Balances At Beginning Of Year	2,306,966	389,389	11,574,579	1,048,767	15,319,701
Fund Balances At End Of Year	\$ 950,880	\$ 363,586	\$ 11,053,454	\$ 1,071,518	\$ 13,439,438

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, 2009**

Net Change In Fund Balances - Total Governmental Funds \$ (1,880,263)

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	11,131,566	
Depreciation	<u>(1,919,881)</u>	

Excess Of Capital Outlay Over Depreciation Expense 9,211,685

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 disposal of capital assets in the Statement Of Activities.

Proceeds From Sale Of Capital Assets	(5,300)	
Loss On Disposal Of Capital Assets	<u>(94,425)</u>	

(99,725)

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	32,614	
Intergovernmental	103,165	
Accrued Interest	<u>150</u>	

135,929

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:

Increase In Compensated Absences	<u>(69,360)</u>	
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Change In Net Assets Of Governmental Activities \$ 7,298,266

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, 2009**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Property Taxes	\$ 11,667,039	\$ 11,667,039	\$ 11,172,485	\$ (494,554)
Intergovernmental	6,268,598	6,268,598	6,776,536	507,938
Charges For Services	95,000	95,000	98,241	3,241
Fines And Forfeitures	-	-	1,165	1,165
Investment Earnings	228,888	228,888	2,841	(226,047)
Rent	400,000	400,000	484,017	84,017
Contributions And Donations	15,000	15,000	38,740	23,740
Miscellaneous	25,000	25,000	38,909	13,909
Total Revenues	18,699,525	18,699,525	18,612,934	(86,591)
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Administration:				
Salaries And Benefits	1,186,060	1,186,060	1,234,977	(48,917)
All Other	1,753,836	1,753,836	857,898	895,938
Education	2,188,503	2,188,503	2,200,761	(12,258)
Park Operations	5,826,929	5,826,929	5,719,576	107,353
Park Planning	156,203	156,203	158,651	(2,448)
Park Promotion	932,446	932,446	822,671	109,775
Rental Property	170,889	170,889	325,333	(154,444)
Natural Resource Management	412,492	412,492	396,505	15,987
Golf Course	36,900	36,900	34,648	2,252
Park Safety	2,257,579	2,257,579	2,242,386	15,193
Capital Outlay	445,896	445,896	353,741	92,155
Total Expenditures	15,367,733	15,367,733	14,347,147	1,020,586
Excess Of Revenues Over Expenditures	3,331,792	3,331,792	4,265,787	933,995
<u>Other Financing Sources (Uses):</u>				
Proceeds From Sale Of Capital Assets	-	-	5,300	5,300
Refund Of Prior Year Receipts	-	-	(6,153)	(6,153)
Refund Of Prior Year Expenditures	-	-	58,751	58,751
Transfers - In	7,000	7,000	7,000	-
Transfers - Out	(5,292,000)	(7,300,000)	(6,300,000)	1,000,000
Total Other Financing Sources (Uses)	(5,285,000)	(7,293,000)	(6,235,102)	1,057,898
Net Change In Fund Balance	(1,953,208)	(3,961,208)	(1,969,315)	1,991,893
Fund Balance At Beginning Of Year	2,011,236	2,011,236	2,011,236	-
Prior Year Encumbrances Appropriated	454,746	454,746	454,746	-
Fund Balance (Deficit) At End Of Year	\$ 512,774	\$ (1,495,226)	\$ 496,667	\$ 1,991,893

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, 2009**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Charges For Services	\$ 40,000	\$ 40,000	\$ 30,000	\$ (10,000)
Golf Course	809,000	809,000	763,996	(45,004)
Rent	251,000	251,000	252,454	1,454
Miscellaneous	-	-	20,120	20,120
<i>Total Revenues</i>	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,066,570</u>	<u>(33,430)</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Administration	5,255	5,255	3,838	1,417
Park Operations	31,800	31,800	32,391	(591)
Golf Course	1,103,457	1,103,457	1,052,152	51,305
Capital Outlay	42,800	42,800	41,192	1,608
<i>Total Expenditures</i>	<u>1,183,312</u>	<u>1,183,312</u>	<u>1,129,573</u>	<u>53,739</u>
<i>Net Change In Fund Balance</i>	(83,312)	(83,312)	(63,003)	20,349
<i>Fund Balance At Beginning Of Year</i>	415,038	415,038	415,038	-
<i>Prior Year Encumbrances Appropriated</i>	<u>18,808</u>	<u>18,808</u>	<u>18,808</u>	<u>-</u>
<i>Fund Balance At End Of Year</i>	<u>\$ 350,534</u>	<u>\$ 350,534</u>	<u>\$ 370,843</u>	<u>\$ 20,349</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, 2009**

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.

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.

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

FUND ACCOUNTING

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. 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.

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 that 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 31 days of year-end.

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 5). 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 and grants.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2009, but were levied to finance 2010 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met have also been 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.

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."

During 2009, the District's investments were limited to the Allegiant Government Mortgage Fund Class I #406 Mutual Fund, the State Treasury Asset Reserve of Ohio (STAROhio) and Certificates of Deposit. Investments in the mutual fund 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 2009. 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, 2009.

Interest income is distributed to the funds according to Ohio constitutional and statutory requirements. Interest revenue credited to the General Fund during 2009 amounted to \$2,841 which includes \$2,374 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond December 31, 2009, 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.

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 \$1,000. 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 Land, Wetlands, Land Restoration, and Construction In Progress, are depreciated. The District has elected to report Wetlands and Land Restoration as separate, non-depreciable capital assets. The value of Wetlands is the cost the District incurred to restore or create Wetlands on District property. Land Restoration is the cost incurred to restore acquired land back to its natural habitat by removing levees and planting trees and grasses. 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.

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:	
Roads	10-50 years
All Purpose Trails	50 years
Other Paved Areas	5-30 years

In the case of the initial capitalization of general infrastructure assets, the District chose to include all such items regardless of their acquisition date.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

FUND BALANCE RESERVES

Reserves of fund equity in governmental funds indicate that a 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, capital improvements, and education. The reserve for capital improvements recognizes contributions used to support capital related improvements and maintenance at the Inniswood Park gardens. The reserve for education recognizes contributions and interest earnings received that are to be used to support the educational activities of the District.

INTERNAL ACTIVITY

Transfers within governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement Of Activities. Payments for interfund services provided and used are not eliminated.

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Board 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 \$12,454,535 of restricted net assets, none of which is restricted by enabling legislation.

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.

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.

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations and changes in fund balance 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).
- (d) Investments are recorded at fair value (GAAP basis) rather than at cost (budget basis).

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	\$ (1,356,086)	\$ (25,803)
Increases (Decreases) Due To:		
Revenue Accruals	18,916	(10,000)
Expenditure Accruals	(218,142)	(14,462)
Encumbrances	(414,003)	(12,738)
Budget Basis	\$ (1,969,315)	\$ (63,003)

NOTE 4 - 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 Board 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

NOTE 4 - DEPOSIT AND INVESTMENTS (Continued)

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. United States Treasury notes, bills, bonds, or other obligations or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed 30 days;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. 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;
7. The State Treasurer's investment pool (STAROhio); and,
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not to exceed 25 percent of the interim monies available for investment at any one time.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purchase of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

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, 2009, \$5,159,270 of the District's bank balance of \$5,659,270 was uninsured and collateralized. 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

NOTE 4 - DEPOSIT AND INVESTMENTS (Continued)

The District does not have a deposit policy for custodial credit 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 one hundred five percent of the deposits being secured.

Investments: As of December 31, 2009, 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	Investment Maturities (in Years)	
		Less than 1	1 - 2
STAROhio	\$ 7,386,736	\$ 7,386,736	\$ -
Allegiant Government Mortgage Fund Class I #406 Mutual Fund	475,385	-	475,385
Totals	\$ 7,862,121	\$ 7,386,736	\$ 475,385

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.

Credit Risk: STAROhio 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 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.

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 investments or collateral securities that are in possession of an outside party. At December 31, 2009, none of the District's investment was exposed to custodial credit risk.

NOTE 5 - 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 2009 for real and public utility property taxes represents collections of 2008 taxes. Property tax payments received during 2009 for tangible personal property (other than public utility property) are for 2009 taxes.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

NOTE 5 - PROPERTY TAX (Continued)

2009 real property taxes are levied after October 1, 2009, on the assessed value as of January 1, 2009, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2009 real property taxes are collected in and intended to finance 2010. 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.

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. 2009 public utility property taxes became a lien December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes.

Tangible personal property taxes received in 2009 (other than public utility property tax) represents the collection of calendar year 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2009 were levied after October 1, 2008, on the values as of December 31, 2008. 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 by September 20.

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, 2009, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2009 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, 2009, was \$0.65 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2009 property tax receipts were based are as follows:

Category	Assessed Value
Real Property:	
Agricultural/Residential	\$ 19,204,907,230
Commercial/Industrial/Mineral	8,133,401,860
Public Utility Real	10,087,950
Tangible Personal Property:	
General Business	77,629,514
Public Utility Personal	573,951,430
Total	<u>\$ 27,999,977,984</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

NOTE 5 - PROPERTY TAX (Continued)

The District had a .65 mill property tax levy that started in 1999 and ran 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. The District records all of the levy monies in the General Fund. Transfers to the Capital Improvement Capital Projects Fund will be made when funds are needed to complete projects. This levy was replaced with a .75 mill property tax levy that began in 2009 and runs through 2018.

NOTE 6 - RECEIVABLES

Receivables at December 31, 2009, consisted of Property Taxes, Accounts, Accrued Interest, and Due From Other Governments. 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 due from other governments follows:

	<u>Amount</u>
<u>Governmental Activities</u>	
Local Government	\$ 2,068,746
State Allocation	346,500
Homestead And Rollback	1,025,330
Personal Property Reimbursement	10,244
Ohio Department of Natural Resources	480
Pleasant Valley Quarry Habitat Restoration Grant	18,675
Elder Abuse Training Grant	150
Total Due From Other Governments	<u>\$ 3,470,125</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

NOTE 7 - CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2009, was as follows:

	Balance At 12/31/2008	Additions	Deletions	Balance At 12/31/2009
<u>Governmental Activities</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 107,377,237	\$ 4,187,939	\$ -	\$ 111,565,176
Wetlands	844,401	62,831	-	907,232
Land Restoration	4,698,502	2,936,851	-	7,635,353
Construction In Progress	6,905,072	4,998,697	(8,977,373)	2,926,396
Total Capital Assets, Not Being Depreciated	119,825,212	12,186,318	(8,977,373)	123,034,157
Depreciable Capital Assets:				
Land Improvements	3,958,480	2,465,186	-	6,423,666
Buildings	21,312,713	345,824	(225,271)	21,433,266
Equipment	3,752,818	203,522	(30,017)	3,926,323
Furnishings	130,094	18,072	-	148,166
Radios	250,813	23,850	(1,021)	273,642
Vehicles	1,463,544	80,375	(48,238)	1,495,681
Computer Equipment	246,230	8,574	-	254,804
Infrastructure	24,134,376	4,777,218	-	28,911,594
Total Depreciable Capital Assets	55,249,068	7,922,621	(304,547)	62,867,142
Less Accumulated Depreciation:				
Land Improvements	(1,252,096)	(550,250)	-	(1,802,346)
Buildings	(7,615,024)	(550,551)	125,546	(8,040,029)
Equipment	(3,017,429)	(224,956)	30,017	(3,212,368)
Furnishings	(107,384)	(9,695)	-	(117,079)
Radios	(228,525)	(22,542)	1,021	(250,046)
Vehicles	(1,169,470)	(133,744)	48,238	(1,254,976)
Computer Equipment	(181,341)	(20,425)	-	(201,766)
Infrastructure	(12,477,949)	(407,718)	-	(12,885,667)
Total Accumulated Depreciation	(26,049,218)	(1,919,881) *	204,822	(27,764,277)
Depreciable Capital Assets, Net	29,199,850	6,002,740	(99,725)	35,102,865
Governmental Activities Capital Assets, Net	\$ 149,025,062	\$ 18,189,058	\$ (9,077,098)	\$ 158,137,022

* Depreciation expense was charged to governmental programs as follows:

Administration	\$ 79,829
Education	298,638
Park Operations	1,174,498
Rental Property	49,904
Golf Course	192,842
Park Safety	124,170
Total Depreciation Expense	\$ 1,919,881

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

NOTE 8 - DEFINED BENEFIT PENSION PLAN

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description – The District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension 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. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, 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 Pension 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. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2009, members in state and local classifications contributed 10.0 percent of covered payroll.

The District's 2009 contribution rate was 14.0 percent of covered payroll. For the period January 1 through March 31, a portion of the District's contribution equal to 7.0 percent of covered payroll was allocated to fund the post-employment health care plan; for the period April 1 through December 31, 2009 this amount was decreased to 5.5 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the City of 14.0 percent.

The District's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2009, 2008, and 2007 were \$672,237, \$535,907, and \$561,933, respectively; 96.40 percent has been contributed for 2009 and 100 percent for 2008 and 2007.

NOTE 9 - POSTEMPLOYMENT BENEFITS

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description – Ohio Public Employees Retirement System (OPERS) maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)

Disclosures for the health care plan are presented separately in the OPERS financial report which 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.

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund post-employment health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, state and local employers contributed at a rate of 14.0 percent of covered payroll. Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The amount of employer contributions which were allocated to fund post-employment health care was 7.0 percent from January 1 through March 31, 2009, and 5.5 percent from April 1 through December 31, 2009.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2009, 2008, and 2007 were \$434,977, \$535,907, and \$429,503, respectively; 96.40 percent has been contributed for 2009 and 100 percent for 2008 and 2007.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. The rate increases allowed additional funds to be allocated to the health care plan.

NOTE 10 - EMPLOYEE BENEFITS

COMPENSATED ABSENCES

Vacation leave accumulates at the completion of each two-week payroll cycle, reflecting hours worked and longevity, beginning with the full-time employees' 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 40 hours for part-time employees. Employees are paid for earned, unused vacation leave at the time of termination of employment.

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. Employees with 10 or more years of continuous full-time employment with the District who voluntarily leave employment, retire, or die, are paid for one-fourth of the sick leave balance accrued through the last date of service up to a maximum of 30 days.

Full-time hourly 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 at the next pay date. Employees are paid for earned, unused compensatory time 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, 2009
(Continued)**

NOTE 10 - EMPLOYEE BENEFITS (Continued)

Holiday time may be accumulated by full-time employees, but must be used prior to year-end.

INSURANCE

The District provides hospitalization and surgical insurance through United Healthcare of Ohio, Inc. The prescription drug plan is provided through Express Scripts, Inc. Dental insurance is provided through Aetna Dental. Vision insurance is provided through United Healthcare Vision. Life insurance is provided through United Specialty Benefits.

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 11 - LONG-TERM OBLIGATIONS

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

<u>Types / Issues</u>	<u>Balance 12/31/08</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/09</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>					
Compensated Absences	\$ 703,801	404,568	335,208	773,161	\$ 352,432

Compensated absences will be paid from the General Fund and the Golf Course Special Revenue Fund.

NOTE 12 - 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 2009, the District contracted with several companies for various types of insurance coverage as follows:

Selective Insurance	Property (\$1,000 deductible)	\$ 22,753,582
	Inland Marine (\$5,000 deductible)	3,328,320
	Electronic Data Processing - Computer Coverage (\$500 deductible)	255,292
	Boiler and Machinery (\$1,000 deductible)	22,753,582
	Crime (\$500 deductible)	10,000
	General Liability - Occurrence	1,000,000
	- Aggregate	2,000,000
	Public Officials (\$10,000 deductible)	1,000,000
	Employment Practices (\$10,000 deductible)	1,000,000
	Automobile Liability	1,000,000
	Umbrella	10,000,000
	Ohio Farmers	
	Bond for Finance Director	500,000

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

NOTE 12 - RISK MANAGEMENT (Continued)

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.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. There has been no significant change in coverage from last year.

NOTE 13 - CONTRACTUAL COMMITMENTS

At December 31, 2009, the District's significant contractual commitments consisted of:

Projects	Contract Amount	Amount Completed	Balance at 12/31/2009
Camp Chase Trail Lilly Chapel to Kropp Road	\$ 1,266,156	\$ 449,974	\$ 816,182
Whittier Metro Park	1,050,958	797,004	253,954
Blacklick Creek Greenway at State Route 33	908,502	900,464	8,038
Blacklick Creek Greenway Trail Phase 7	825,659	25,125	800,534
Cedar Ridge Restroom - South End	346,030	342,500	3,530
Blacklick Creek Floodplain Restoration	141,600	114,705	26,895
Blacklick Creek Greenway Phase 10	112,875	110,504	2,371
WHIP Wetland and Reforestation	96,883	25,075	71,808
Big Walnut Creek Greenways Phase 1	36,546	19,418	17,128
Darby Creek Greenway Trail I-70 Underpass	30,495	28,313	2,182
Totals	<u>\$ 4,815,704</u>	<u>\$ 2,813,082</u>	<u>\$ 2,002,622</u>

NOTE 14 - INTERFUND ACTIVITY

Transfers made during the year ended December 31, 2009, were as follows:

		Transfer To		
		General Fund	Capital Improvement Fund	Total
Transfers From	General Fund	\$ -	\$ 6,300,000	\$ 6,300,000
	Nonmajor Funds	7,000	-	7,000
	Total	<u>\$ 7,000</u>	<u>\$ 6,300,000</u>	<u>\$ 6,307,000</u>

The transfer from the General Fund to the Capital Improvement Fund was made to fund capital projects of the District. The transfer from the Nonmajor Funds to the General Fund was the result of the District using money restricted for educational purposes to start a new educational program.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)**

NOTE 15 - COMPLIANCE

The General Fund had final appropriations in excess of final estimated revenues and available fund balance of \$1,495,226 for the year ended December 31, 2009.

NOTE 16 - CONTINGENT LIABILITIES

FEDERAL AND STATE GRANTS

For the period January 1, 2009, to December 31, 2009, 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 17 - DONOR RESTRICTED ENDOWMENTS

The District's permanent funds include donor restricted endowments of \$862,357. 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 \$142,745 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 - SHORT-TERM OBLIGATION

Changes in the short-term obligation during 2009 were as follows:

	Balance at December 31, 2008	Increase	Decrease	Balance at December 31, 2009
Ohio Department Of Development Loan 0% - 2008	\$ 100,000	-	100,000	\$ -

The 2008 Ohio Department of Development Loan, authorized in the amount of \$100,000, is being used to finance the remediation and cleanup of contaminated soil at the Whittier Metro Park. The loan activity is reflected in the Capital Improvement Capital Projects Fund, which was repaid during 2009.



Dave Yost • 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, (the District) as of and for the year ended December 31, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 4, 2011. 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 the purpose of expressing our opinions on the financial statements, but not for the purpose of opining 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

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 an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2009-01.

We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated February 4, 2011.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

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



Dave Yost
Auditor of State

February 4, 2011

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

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
--

FINDING NUMBER 2009-01

**Noncompliance
Appropriations Exceeding Estimated Resources**

Ohio Rev. Code Section 5705.39 requires that total appropriations from each fund should not exceed the total estimated revenue available for expenditure for that fund. No appropriation measure is to become effective until the County Auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

Appropriations exceeded estimated resources in the following fund for the final appropriation measure:

Fund	Fund Number	Estimated Resources	Appropriations	Variance
General Fund	27	\$20,717,761	\$22,212,987	(\$1,495,226)

We recommend the Commissioners review the final estimated resources and final appropriation measure to ensure the total appropriations for each fund do not exceed the estimated resources. Appropriating and spending more than what is estimated to be available in a fund can result in a deficit fund balance.

Officials' Response:

Metro Parks will implement procedures to review the final estimated resources and final appropriations to ensure the total appropriation for each fund do not exceed the estimated resources.

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Dave Yost • 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
MARCH 29, 2011**