



Dave Yost • Auditor of State

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

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INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Park Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Metropolitan Park District of the Toledo Area, Lucas County, Ohio (the District), as of and for the year ended December 31, 2010, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Metropolitan Park District of the Toledo Area, Lucas County, Ohio, as of December 31, 2010, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Land Acquisition 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 October 25, 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, flowing style.

Dave Yost
Auditor of State

October 25, 2011

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

***Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2010***

The discussion and analysis of Metropolitan Park District of the Toledo Area's (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2010. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2010 are as follows:

- ❑ In total, net assets increased \$7,027,635. Net assets of governmental activities increased \$7,020,933, which represents a 9.3% increase from 2009. Net assets of business-type activities increased \$6,702 from 2009.
- ❑ General revenues accounted for \$16,004,366 in revenue or 84.2% of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$3,012,058 or 15.8% of total revenues of \$19,016,424.
- ❑ The District had \$11,962,294 in expenses related to governmental activities; only \$2,978,861 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and unrestricted intergovernmental revenues) of \$16,004,366 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$13,733,054 in revenues and \$11,380,292 in expenditures and other financing uses. The general fund's fund balance increased \$2,352,762 to \$11,502,114 for 2010. The net increase of all governmental funds was \$3,409,167.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts – *management's discussion and analysis* and the *basic financial statements*. The basic financial statements include two kinds of statements that present different views of the District:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the District's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

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

***Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2010***

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net assets and how they have changed. Net-assets (the difference between the District's assets and liabilities) is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating.
- To assess the overall health of the District you need to consider additional nonfinancial factors such as the District's tax base and the condition of the District's capital assets

The government-wide financial statements of the District are divided into two categories:

- *Governmental Activities* – Most of the District's basic services are reported here. State and federal grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.
- *Business-type activity* - The District has one business-type activity, retail operations. This fund was established by the District in 2005. This includes the District's retail operations at the Wildwood Farmhouse and the Providence General Store.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

Governmental Funds – Most 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 available for spending in future periods. 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 you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. 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.

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

***Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2010***

Proprietary Funds – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

Government-Wide Financial Analysis

The following table provides a comparison of the District's net assets between December 31, 2010 and 2009:

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$31,965,441	\$28,052,796	\$22,727	\$16,525	\$31,988,168	\$28,069,321
Capital assets, Net	63,812,121	60,478,924	0	0	63,812,121	60,478,924
Total assets	95,777,562	88,531,720	22,727	16,525	95,800,289	88,548,245
Long-term debt outstanding	898,162	874,074	0	0	898,162	874,074
Other liabilities	12,054,221	11,853,400	128	628	12,054,349	11,854,028
Total liabilities	12,952,383	12,727,474	128	628	12,952,511	12,728,102
Net assets						
Invested in capital assets, net of related debt	63,812,121	60,478,924	0	0	63,812,121	60,478,924
Restricted	5,951,209	4,747,191	0	0	5,951,209	4,747,191
Unrestricted	13,061,849	10,578,131	22,599	15,897	13,084,448	10,594,028
Total net assets	<u>\$82,825,179</u>	<u>\$75,804,246</u>	<u>\$22,599</u>	<u>\$15,897</u>	<u>\$82,847,778</u>	<u>\$75,820,143</u>

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

***Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2010***

Changes in Net Assets – The following table provides a comparison of the changes in net assets for fiscal year 2010 and 2009:

	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Revenues						
Program revenues:						
Charges for Services and Sales	\$440,887	\$471,913	\$33,197	\$106,933	\$474,084	\$578,846
Capital Grants and Contributions	2,537,974	1,383,176	0	0	2,537,974	1,383,176
General revenues:						
Property Taxes	11,551,917	12,893,708	0	0	11,551,917	12,893,708
Intergovernmental Revenue, Unrestricted	4,183,561	3,437,705	0	0	4,183,561	3,437,705
Investment Earnings	103,587	64,307	0	0	103,587	64,307
Miscellaneous	165,301	203,014	0	0	165,301	203,014
Total revenues	<u>18,983,227</u>	<u>18,453,823</u>	<u>33,197</u>	<u>106,933</u>	<u>19,016,424</u>	<u>18,560,756</u>
Program Expenses						
Parks and Recreation	11,962,294	12,761,551	0	0	11,962,294	12,761,551
Retail Operations Fund	<u>0</u>	<u>0</u>	<u>26,495</u>	<u>122,625</u>	<u>26,495</u>	<u>122,625</u>
Total expenses	<u>11,962,294</u>	<u>12,761,551</u>	<u>26,495</u>	<u>122,625</u>	<u>11,988,789</u>	<u>12,884,176</u>
Change in Net Assets before Transfers	7,020,933	5,692,272	6,702	(15,692)	7,027,635	5,676,580
Transfers	<u>0</u>	<u>(35,000)</u>	<u>0</u>	<u>35,000</u>	<u>0</u>	<u>0</u>
Total Change in Net Assets	7,020,933	5,657,272	6,702	19,308	7,027,635	5,676,580
Beginning Net Assets	<u>75,804,246</u>	<u>70,146,974</u>	<u>15,897</u>	<u>(3,411)</u>	<u>75,820,143</u>	<u>70,143,563</u>
Ending Net Assets	<u><u>\$82,825,179</u></u>	<u><u>\$75,804,246</u></u>	<u><u>\$22,599</u></u>	<u><u>\$15,897</u></u>	<u><u>\$82,847,778</u></u>	<u><u>\$75,820,143</u></u>

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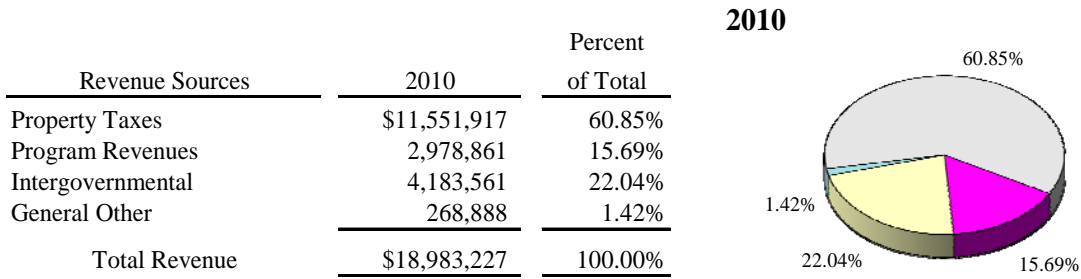
**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO**

***Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2010***

Governmental Activities

Net assets of governmental activities increased \$7,020,933 or 9.3% during 2010. Increased intergovernmental revenue receipts help to offset decreased tax collections in 2010. With anticipated reduced tax collections the District applied across-the-board expenditure reductions.

Property taxes made up 60.85% of revenues for governmental activities for the District in fiscal year 2010. The District's reliance upon tax revenues is demonstrated by the following graph:



The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

For the General Fund, the final budget basis revenue and other financing sources of \$14,130,500 did not change when compared to original budget estimates. Total actual revenue and other financing sources were .4% above final budget estimates. Final budget basis expenditures and other financing uses did not change when compared to original budget figures. Total actual expenditures and other financing uses were 5.9% below final budgeted figures.

Business-Type Activities

The Retail Operations Fund was established in 2005 to separately account for retail operations activity that was previously accounted for in the General Fund. In 2010, the revenues of the retail operations exceeded operating costs for the first time. Closure of one of the retail operations helped to put the fund into the black.

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

***Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2010***

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2010 the District had \$63,812,121 net of accumulated depreciation invested in land, antiques and art, buildings, land improvements, machinery and equipment and infrastructure. The following table shows fiscal year 2010 and 2009 balances:

	Governmental Activities		Increase (Decrease)
	2010	2009	
Land	\$50,743,810	\$48,350,402	\$2,393,408
Antiques and Art	553,061	553,061	0
Land Improvements	8,164,049	7,590,180	573,869
Buildings	15,002,615	14,529,057	473,558
Machinery and Equipment	3,372,200	3,081,533	290,667
Infrastructure	3,753,011	3,658,545	94,466
Less: Accumulated Depreciation	(17,776,625)	(17,283,854)	(492,771)
Totals	<u>\$63,812,121</u>	<u>\$60,478,924</u>	<u>\$3,333,197</u>

The primary increases occurred in land and buildings due to various property acquisitions in 2010.

Additional information on the District's capital assets can be found in Note 6.

Debt

At December 31, 2010, the District had \$898,162 in noncurrent liabilities, \$537,029 due within one year. The following table summarizes the District's noncurrent liabilities outstanding as of December 31, 2010 and 2009:

	2009	2009
Governmental Activities:		
Compensated Absences	<u>\$898,162</u>	<u>\$874,074</u>
Total Governmental Activities	<u>\$898,162</u>	<u>\$874,074</u>

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2010

ECONOMIC FACTORS

The Metropolitan Park District of the Toledo Area acquires lands for the conservation of significant natural, historical and cultural resources. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of same as the Board deems conducive to the general welfare. The District receives the majority of its funding from property taxes, state and federal grants and charges for services (program fees). The District employs 75 full time, 47 part-time, and 38 seasonal/intern employees. The Board periodically reviews park fees to help offset the costs of park operations.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Carla Y. Westbrook, CPA, Director of Finance/Treasurer, Metropolitan Park District of the Toledo Area, 5100 W. Central Avenue, Toledo, Ohio 43615-2100.



METROPARKS
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***METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO***



METROPARKS
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METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Statement of Net Assets
December 31, 2010

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 17,456,349	\$ 22,727	\$ 17,479,076
Receivables:			
Taxes	12,799,269	0	12,799,269
Intergovernmental	1,675,235	0	1,675,235
Interest	34,588	0	34,588
Non-Depreciable Capital Assets	51,296,871	0	51,296,871
Depreciable Capital Assets, Net	12,515,250	0	12,515,250
Total Assets	95,777,562	22,727	95,800,289
Liabilities:			
Accounts Payable	222,099	0	222,099
Accrued Wages and Benefits Payable	165,124	0	165,124
Intergovernmental Payable	232,899	128	233,027
Unearned Revenue	11,434,099	0	11,434,099
Noncurrent liabilities:			
Due within one year	537,029	0	537,029
Due in more than one year	361,133	0	361,133
Total Liabilities	12,952,383	128	12,952,511
Net Assets:			
Invested in Capital Assets, Net of Related Debt	63,812,121	0	63,812,121
Restricted For:			
Capital Projects	552,196	0	552,196
Other Purposes	5,346,024	0	5,346,024
Permanent Fund:			
Expendable	12,989	0	12,989
Nonexpendable	40,000	0	40,000
Unrestricted	13,061,849	22,599	13,084,448
Total Net Assets	\$ 82,825,179	\$ 22,599	\$ 82,847,778

See accompanying notes to the basic financial statements

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

**Statement Of Activities
For The Year Ended December 31, 2010**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Parks and Recreation	\$ 11,962,294	\$ 440,887	\$ 0	\$ 2,537,974
Total Governmental Activities	<u>11,962,294</u>	<u>440,887</u>	<u>0</u>	<u>2,537,974</u>
Business-Type Activities:				
Retail Operations	26,495	33,197	0	0
Total Business-Type Activities	<u>26,495</u>	<u>33,197</u>	<u>0</u>	<u>0</u>
Totals	<u>\$ 11,988,789</u>	<u>\$ 474,084</u>	<u>\$ 0</u>	<u>\$ 2,537,974</u>

General Revenues:

Property Taxes
Intergovernmental Revenues, Unrestricted
Investment Earnings
Miscellaneous
Total General Revenues

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

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

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (8,983,433)	\$ 0	\$ (8,983,433)
(8,983,433)	0	(8,983,433)
0	6,702	6,702
0	6,702	6,702
(8,983,433)	6,702	(8,976,731)
11,551,917	0	11,551,917
4,183,561	0	4,183,561
103,587	0	103,587
165,301	0	165,301
16,004,366	0	16,004,366
7,020,933	6,702	7,027,635
75,804,246	15,897	75,820,143
\$ 82,825,179	\$ 22,599	\$ 82,847,778

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

**Balance Sheet
Governmental Funds
December 31, 2010**

	General	Land Acquisition Levy	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 11,756,062	\$ 2,032,659	\$ 3,667,628	\$ 17,456,349
Receivables:				
Property Taxes	10,665,466	2,133,803	0	12,799,269
Intergovernmental	1,386,360	157,848	131,027	1,675,235
Interest	34,588	0	0	34,588
Advance to Other Funds	168,000	0	0	168,000
Total Assets	\$ 24,010,476	\$ 4,324,310	\$ 3,798,655	\$ 32,133,441
Liabilities:				
Accounts Payable	\$ 145,097	\$ 19,782	\$ 57,220	\$ 222,099
Accrued Wages and Benefits Payable	145,523	3,168	16,433	165,124
Intergovernmental Payable	206,513	2,391	23,995	232,899
Deferred Revenue	12,011,229	2,291,651	136,441	14,439,321
Advances from Other Funds	0	0	168,000	168,000
Total Liabilities	12,508,362	2,316,992	402,089	15,227,443
Fund Balances:				
Reserved for Encumbrances	393,971	85,432	179,995	659,398
Reserved for Endowments	0	0	40,000	40,000
Reserved for Property Replacement	995,320	0	0	995,320
Undesignated, Unreserved in:				
General Fund	10,112,823	0	0	10,112,823
Special Revenue Funds	0	1,921,886	2,748,753	4,670,639
Capital Projects Funds	0	0	414,829	414,829
Permanent Fund	0	0	12,989	12,989
Total Fund Balances	11,502,114	2,007,318	3,396,566	16,905,998
Total Liabilities and Fund Balances	\$ 24,010,476	\$ 4,324,310	\$ 3,798,655	\$ 32,133,441

See accompanying notes to the basic financial statements

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

***Reconciliation Of Total Governmental Fund Balances
To Net Assets Of Governmental Activities
December 31, 2010***

Total Governmental Fund Balances	\$ 16,905,998
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	63,812,121
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	3,005,222
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated Absences Payable	<u>(898,162)</u>
<i>Net Assets of Governmental Funds</i>	<u>\$ 82,825,179</u>

See accompanying notes to the basic financial statements

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2010

	General	Land Acquisition Levy	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property Taxes	\$ 9,577,647	\$ 1,896,640	\$ 0	\$ 11,474,287
Intergovernmental Revenues	3,692,075	1,945,514	249,775	5,887,364
Fines and Forfeitures	3,866	0	2,474	6,340
Charges for Services	167,506	0	67,091	234,597
Sales	56,317	0	52,352	108,669
Fees	0	0	91,281	91,281
Donations	6,824	0	627,641	634,465
Investment Earnings	78,260	0	6	78,266
All Other Revenue	150,559	1,083	13,659	165,301
Total Revenue	<u>13,733,054</u>	<u>3,843,237</u>	<u>1,104,279</u>	<u>18,680,570</u>
Expenditures:				
Current:				
Parks and Recreation	10,047,292	2,584,249	2,639,862	15,271,403
Total Expenditures	<u>10,047,292</u>	<u>2,584,249</u>	<u>2,639,862</u>	<u>15,271,403</u>
Excess (Deficiency) of Revenues Over Expenditures	3,685,762	1,258,988	(1,535,583)	3,409,167
Other Financing Sources (Uses):				
Transfers In	0	0	1,333,000	1,333,000
Transfers Out	(1,333,000)	0	0	(1,333,000)
Total Other Financing Sources (Uses)	<u>(1,333,000)</u>	<u>0</u>	<u>1,333,000</u>	<u>0</u>
Net Change in Fund Balance	2,352,762	1,258,988	(202,583)	3,409,167
Fund Balances at Beginning of Year	<u>9,149,352</u>	<u>748,330</u>	<u>3,599,149</u>	<u>13,496,831</u>
Fund Balances End of Year	<u>\$ 11,502,114</u>	<u>\$ 2,007,318</u>	<u>\$ 3,396,566</u>	<u>\$ 16,905,998</u>

See accompanying notes to the basic financial statements

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

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Fiscal Year Ended December 31, 2010***

Net Change in Fund Balances - Total Governmental Funds	\$ 3,409,167
 <i>Amounts reported for governmental activities in the statement of activities are different because</i>	
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. This is the amount by which capital outlays and contributions exceeded depreciation.	3,344,188
The net effect of various miscellaneous transactions involving capital assets (i.e. disposals) is to decrease net assets.	(10,991)
Revenues and transfers in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	302,657
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(24,088)</u>
<i>Change in Net Assets of Governmental Activities</i>	<u>\$ 7,020,933</u>

See accompanying notes to the basic financial statements

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2010**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 9,455,000	\$ 9,455,000	\$ 9,577,647	\$ 122,647
Intergovernmental Revenue	3,512,640	3,512,640	3,675,440	162,800
Fines and Forfeitures	10,000	10,000	3,866	(6,134)
Charges for Services	215,000	215,000	233,910	18,910
Sales	20,125	20,125	56,317	36,192
Donations	11,500	11,500	6,824	(4,676)
Investment Earnings	35,000	35,000	91,293	56,293
All Other Revenue	65,135	65,135	12,530	(52,605)
Total Revenues	<u>13,324,400</u>	<u>13,324,400</u>	<u>13,657,827</u>	<u>333,427</u>
Expenditures:				
Current:				
Parks and Recreation	11,361,206	11,361,206	10,537,580	823,626
Total Expenditures	<u>11,361,206</u>	<u>11,361,206</u>	<u>10,537,580</u>	<u>823,626</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,963,194	1,963,194	3,120,247	1,157,053
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	600	600
Transfers Out	(1,333,000)	(1,333,000)	(1,333,000)	0
Advances In	568,000	568,000	400,000	(168,000)
Advances Out	(168,000)	(168,000)	(168,000)	0
Other Sources	238,100	238,100	137,408	(100,692)
Other Uses	0	0	21	21
Total Other Financing Sources (Uses):	<u>(694,900)</u>	<u>(694,900)</u>	<u>(962,971)</u>	<u>(268,071)</u>
Net Change in Fund Balance	1,268,294	1,268,294	2,157,276	888,982
Fund Balance at Beginning of Year	7,551,778	7,551,778	7,551,778	0
Prior Year Encumbrances	565,069	565,069	565,069	0
Fund Balance at End of Year	<u>\$ 9,385,141</u>	<u>\$ 9,385,141</u>	<u>\$ 10,274,123</u>	<u>\$ 888,982</u>

See accompanying notes to the basic financial statements

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

**Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Land Acquisition Levy Fund
For the Year Ended December 31, 2010**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 1,892,000	\$ 1,892,000	\$ 1,896,640	\$ 4,640
Intergovernmental Revenue	3,111,700	3,111,700	2,154,850	(956,850)
Total Revenues	<u>5,003,700</u>	<u>5,003,700</u>	<u>4,051,490</u>	<u>(952,210)</u>
Expenditures:				
Current:				
Parks and Recreation	5,146,967	5,146,967	2,872,323	2,274,644
Total Expenditures	<u>5,146,967</u>	<u>5,146,967</u>	<u>2,872,323</u>	<u>2,274,644</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(143,267)	(143,267)	1,179,167	1,322,434
Other Financing Sources (Uses):				
Advances Out	(400,000)	(400,000)	(400,000)	0
Other Sources	0	0	1,083	1,083
Total Other Financing Sources (Uses):	<u>(400,000)</u>	<u>(400,000)</u>	<u>(398,917)</u>	<u>1,083</u>
Net Change in Fund Balance	(543,267)	(543,267)	780,250	1,323,517
Fund Balance at Beginning of Year	694,631	694,631	694,631	0
Prior Year Encumbrances	435,675	435,675	435,675	0
Fund Balance at End of Year	<u>\$ 587,039</u>	<u>\$ 587,039</u>	<u>\$ 1,910,556</u>	<u>\$ 1,323,517</u>

See accompanying notes to the basic financial statements

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

***Statement of Net Assets
Enterprise Fund
December 31, 2010***

	<u>Retail Operations</u>
ASSETS:	
Current assets:	
Cash and Cash Equivalents	\$ 22,727
Total Assets	<u>22,727</u>
LIABILITIES:	
Current Liabilities:	
Intergovernmental Payable	128
Total Liabilities	<u>128</u>
NET ASSETS:	
Unrestricted	22,599
Total net assets	<u>\$ 22,599</u>

See accompanying notes to the basic financial statements

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Statement of Revenues, Expenses and Changes in Fund Net Assets
Enterprise Fund
For the Year Ended December 31, 2010

	Retail Operations
Operating Revenues:	
Sales	\$ 31,769
Other Operating Revenue	1,428
Total Operating Revenues	<u>33,197</u>
Operating Expenses:	
Personal Services	8,733
Contractual Services	3,406
Materials and Supplies	14,356
Total Operating Expenses	<u>26,495</u>
Change in Net Assets	6,702
Net Assets Beginning of Year	<u>15,897</u>
Net Assets End of Year	<u>\$ 22,599</u>

See accompanying notes to the basic financial statements

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

***Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2010***

	Business-Type Activities <u>Retail Operations</u>
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$33,197
Cash Payments for Goods and Services	(18,256)
Cash Payments to Employees	<u>(8,739)</u>
Net Cash Provided by Operating Activities	<u>6,202</u>
Net Increase in Cash and Cash Equivalents	6,202
Cash and Cash Equivalents at Beginning of Year	<u>16,525</u>
Cash and Cash Equivalents at End of Year	<u><u>\$22,727</u></u>
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income	\$6,702
Adjustments to Reconcile Operating Loss to	
Net Cash Used by Operating Activities:	
Decrease in Accounts Payable	(494)
Decrease in Intergovernmental Payable	<u>(6)</u>
Total Adjustments	<u>(500)</u>
Net Cash Provided by Operating Activities	<u><u>\$6,202</u></u>

See accompanying notes to the basic financial statements

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Metropolitan Park District of the Toledo Area, Lucas County, Ohio (the District), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a three-member Board of Commissioners appointed by the probate judge of Lucas County. The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure the financial statements are not misleading.

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. The District acquires lands for the conservation of significant natural, historical and cultural resources. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of same as the Board deems conducive to the general welfare.

The Board of Park Commissioners appoints a Director who is responsible for appointment of a Treasurer to act as fiscal agent for the District and custodian of all funds.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*," as amended by GASB Statement No. 39 "*Determining Whether Certain Organizations Are Component Units*", in that the financial statements include all organizations, activities, functions and component units for which the District (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either the District's ability to impose its will over the organization or the possibility that the organization will provide a financial benefit to, or impose a financial burden on, the District. Based on the foregoing, the District does not have any component units.

The accounting policies and financial reporting practices of the District conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of its significant accounting policies.

B. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. The various funds are grouped into the categories governmental, proprietary and fiduciary.

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Governmental Funds - These are funds through which most governmental functions typically are financed. The acquisition, use and balances of the District's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the District's major governmental funds:

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

Land Acquisition Levy Fund - The Land Acquisition Levy Fund receives the proceeds of a .3 mil tax levy levied solely for the purposes of funding land acquisition and related costs.

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

Proprietary Fund - The proprietary fund is accounted for on a "economic resources" measurement focus. This measurement focus provides that all assets and all liabilities associated with the operation of the proprietary funds are included on the balance sheet. The proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Retail Operations Fund - The retail operations fund accounts for the retail operations at the Wildwood Farmhouse and the Providence General Store.

C. Basis of Presentation – Financial Statements

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 the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund 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.

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function or program 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 and grants and contributions that are restricted to meeting the operational or capital requirements of 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 business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements – Fund financial statements report detailed information about the District. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The enterprise fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

The proprietary fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund is included on the statement of net assets. The statement of revenues, expenses and changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

D. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the District is considered to be 60 days after fiscal year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Revenue considered susceptible to accrual at year end includes interest on investments and grants and entitlements. Other revenue, including fines, fees, sales, certain charges for services and miscellaneous revenues are recorded as revenue when received in cash because generally these revenues are not measurable until received.

Property taxes measurable as of December 31, 2010 but which are not intended to finance 2010 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue as further described in Note 5.

The accrual basis of accounting is utilized for reporting purposes by the government-wide financial statements and the proprietary fund. Revenues are recognized when they are earned and expenses are recognized when incurred.

Pursuant to GASB Statement No. 20, “*Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*,” the District follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

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.

Nonexchange 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 fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal 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 a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. 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 certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year.

All funds, other than the agency fund, are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The legal level of budgetary control is at the object level within each fund. Budgetary modifications may only be made by resolution of the District Board.

1. Tax Budget

The District Treasurer submits an annual tax budget for the following fiscal year to the District Board of Commissioners by July 15 for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the District by September 1 of each year. As part of the certification process, the District receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2010.

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Appropriations

A temporary appropriation resolution to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation resolution must be passed by April 1 of each year for the period January 1 through December 31. The appropriation resolution establishes spending controls at object level within each fund, and may be modified during the year by resolution of the District Board of Commissioners. Total fund appropriations may not exceed the current estimated resources as certified by the County Budget Commission. Expenditures may not legally exceed budgeted appropriations at the object level within each fund. The allocation of appropriations within a fund may be modified with the approval of the District Board Commissioners. During 2010, several supplemental appropriations measures were necessary to budget the use of contingency funds. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) for the General Fund and major special revenue funds are presented on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications of.

4. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

5. Budgetary Basis of Accounting

The District's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

6. Budgetary Basis of Accounting (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund and major special revenue funds:

	Net Change in Fund Balance	
	General Fund	Land Acquisition Levy Fund
GAAP Basis (as reported)	\$2,352,762	\$1,258,988
Increase (Decrease):		
Accrued Revenues at December 31, 2010 received during 2011	(64,269)	0
Accrued Revenues at December 31, 2009 received during 2010	127,071	209,336
Accrued Expenditures at December 31, 2010 paid during 2011	497,133	25,341
Accrued Expenditures at December 31, 2009 paid during 2010	(489,886)	(191,312)
2010 Advance Activity	232,000	(400,000)
Outstanding Encumbrances	(497,535)	(122,103)
Budget Basis	\$2,157,276	\$780,250

F. Cash and Investments

Cash and cash equivalents include amounts in demand deposits and investments with original maturities of less than three months.

The District pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 2, "Cash, Cash Equivalents and Investments."

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the District records all its investments at fair value. See Note 2, "Cash, Cash Equivalents and Investments."

Following Ohio statutes and Board Policy, interest is credited initially to the general fund and reallocated to all eligible funds on a quarterly basis. Interest receipts credited in 2010 was \$103,587.

H. Capital Assets and Depreciation

Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000.

1. Property, Plant and Equipment - Governmental Activities

Governmental activities capital assets are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Assets, but they are not reported in the Fund Financial Statements.

Contributed capital assets are recorded at fair market value at the date received. Infrastructure capital assets (e.g., driveways, fencing, retaining walls and other assets that are immovable and of value only to the District) are capitalized if the cost or estimated historical cost to purchase or construct equals or exceeds \$5,000. Governmental activities capital asset values were initially determined by identifying historical costs where such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets and Depreciation (Continued)

2. Depreciation

All capital assets, other than land, antiques and art, and construction in progress, are depreciated. Depreciation has been provided using the straight-line method over the following estimated useful lives:

Description	Governmental and Business-Type Activities Estimated Lives (in Years)
Buildings	50
Land Improvements	20
Machinery and Equipment	8 - 20
Infrastructure	50

I. Long-Term Obligations

Long-term liabilities are being repaid from the following fund:

Obligation	Fund
Compensated Absences	General Fund, Land Acquisition Levy Fund, Education Fund

J. Compensated Absences

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," vacation and compensatory time are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences (Continued)

For governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not recorded. For proprietary funds, the entire compensated absences amount is reported as a fund liability.

K. Pensions

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred.

L. Net Assets

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

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

M. Interfund Activity

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 and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

N. Interfund Assets/Liabilities

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. Long-term interfund loans are classified as "advances to/from other funds."

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Reservations of Fund Balance

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for encumbered amounts not accrued at year end and for property replacement. The reserve for property replacement accounts for funds set aside to rebuild, restore, repair, or improve property in case of total or partial destruction of the property of the District.

P. 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 those estimates.

Q. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are sales charges generated through the sale of goods at one of the two District gift shops. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments.

Statutes require the classification of funds held by the District into three categories. Category 1 consists of “active” funds - those funds required to be kept in a “cash” or “near cash” status for immediate use by the District. Such funds must be maintained either as cash in the District Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of “interim” funds - those funds which are not needed for immediate use but, which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- 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;
- 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 thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets 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, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2010**

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned. Protection of District cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the District places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year end the carrying amount of the District's deposits was \$16,031,492 and the bank balance was \$16,203,364. The Federal Deposit Insurance Corporation (FDIC) covered \$5,499,000 of the bank balance and \$10,704,364 was uninsured. Of the remaining uninsured bank balance, the District was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the District's name	\$10,704,364
Total Balance	\$10,704,364

B. Investments

The District's investments at December 31, 2010 were as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years)</u>
			1-3 years
FNMA Note	\$450,464	Aaa ¹ , AAA ²	\$450,464
FHLB Notes	997,120	Aaa ¹ , AAA ²	997,120
Total Investments	\$1,447,584		\$1,447,584

¹ Moody's Investor Service

² Standard & Poor's

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments (Continued)

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date. The District has no policy that limits investment purchases beyond the requirements of the Ohio Revised Code.

Investment Credit Risk – The District has no investment policy that limits its investment choices other than the limitation of State statute for “interim” funds described previously.

Concentration of Credit Risk – The District places no limit on the amount the District may invest in one issuer. Of the District’s total investments, 31.1% are FNMA and 68.9% are FHLB.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District has no policy on custodial credit risk and is governed by Ohio Revised Code as described under Deposits.

NOTE 3- PROPERTY TAXES

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the County. Real property taxes (other than public utility) collected during 2010 were levied after October 1, 2009 on assessed values as of January 1, 2009, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2006. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 31; if paid semiannually, the first payment is due February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 3- PROPERTY TAXES (Continued)

Tangible personal property tax (other than public utility property) attaches as a lien and were levied, on the true value as of January 1, 2010. Tangible personal property of telephone and telecommunication companies (except for public utilities) is currently assessed for ad valorem taxation purposes at 10 percent of its true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No.66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated in 2009, and the tax on telephone and telecommunications property will be eliminated by 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the District due to the phasing out of the tax. In 2010, the District was fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100% of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the Metropolitan Park District. The County Auditor periodically remits to the District its portion of the taxes collected.

The full tax rate for the District's operations for the year ended December 31, 2010 was \$1.70 per \$1,000 of assessed value. The assessed value upon which the 2010 property tax receipts were based was \$8,006,405,774. This amount constitutes \$7,784,913,254 in real property assessed and \$221,492,520 in public utility property.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the District's share is .17% (1.70 mills) of assessed value.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 4 - RECEIVABLES

Receivables at December 31, 2010 consisted of taxes, accounts, intergovernmental and advance receivables. All receivables other than those offset by deferred revenues are considered collectable in full.

NOTE 5 - INTERFUND BALANCES

Following is a summary of advances to/from other funds at December 31, 2010:

Fund	Advances to Other Funds	Advances From Other Funds
General Fund	\$168,000	\$0
Other Governmental Funds	0	168,000
Totals	\$168,000	\$168,000

The advance was required due to the Wildland Fire EAB project costs being authorized in advance of the revenue proceeds schedule. Funds are scheduled to be returned to the General Fund next year.

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2010**

NOTE 6 - CAPITAL ASSETS

Summary by category of changes in governmental activities capital assets at December 31, 2010:

<i>Historical Cost:</i>	December 31,			December 31,
Class	2009	Additions	Deletions	2010
<i>Capital assets not being depreciated:</i>				
Land	\$48,350,402	\$2,393,408	\$0	\$50,743,810
Antiques and Art	553,061	0	0	553,061
<i>Capital assets being depreciated:</i>				
Buildings	14,529,057	473,558	0	15,002,615
Land Improvements	7,590,180	573,869	0	8,164,049
Infrastructure	3,658,545	94,466	0	3,753,011
Machinery and Equipment	3,081,533	397,367	(106,700)	3,372,200
Total Cost	<u>\$77,762,778</u>	<u>\$3,932,668</u>	<u>(\$106,700)</u>	<u>\$81,588,746</u>
<i>Accumulated Depreciation:</i>	December 31,			December 31,
Class	2009	Additions	Deletions	2010
Buildings	(\$7,219,000)	(\$243,326)	\$0	(\$7,462,326)
Land Improvements	(7,550,990)	(46,845)	0	(7,597,835)
Infrastructure	(881,259)	(77,288)	0	(958,547)
Machinery and Equipment	(1,632,605)	(221,021)	95,709	(1,757,917)
Total Depreciation	<u>(\$17,283,854)</u>	<u>(\$588,480)</u>	<u>\$95,709</u>	<u>(\$17,776,625)</u>
<i>Net Value:</i>	<u>\$60,478,924</u>			<u>\$63,812,121</u>

NOTE 7 – DEFINED BENEFIT PENSION PLAN

All of the District’s full-time employees participate in a cost-sharing multiple employer defined benefit pension plan.

The following information was provided by OPERS to assist the District in complying with GASB Statement No. 27, “Accounting for Pensions by State and Local Government Employers.”

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in one of the three pension plans administered by OPERS: the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple employer defined benefit pension plan. The MD Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)

benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits, including postemployment health care benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for OPERS. Interested parties may obtain a copy by making a written request to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The ORC provides statutory authority for employee and employer contributions. For 2010, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2010 employer contribution rate for local government employer units was 14.00%, of covered payroll which is the maximum contribution rate set by State statutes. Employer contribution rates are actuarially determined. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. The portion of employer contributions allocated to pension obligations for members in the Traditional Plan was 8.5% from January 1 through February 28, 2010 and 9.0% from March 1 through December 31, 2010. The portion of employer contributions allocated to pension obligations for members in the Combined Plan was 9.27% from January 1 through February 28, 2010, and 9.77% from March 1 through December 31, 2010. The contribution requirements of plan members and the District are established and may be amended by the OPERS Board. The District's required contributions for pension obligations to OPERS for the years ending December 31, 2010, 2009, and 2008 were \$519,979, \$471,058 and \$427,589, respectively, which were equal to the required contributions for each year. Contributions to the member-directed plan for 2010 were \$19,657 made by the District and \$14,041 made by the plan members.

NOTE 8 - POSTEMPLOYMENT BENEFITS

Plan Description – OPERS administers three separate pension plans: the Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 8 - POSTEMPLOYMENT BENEFITS (Continued)

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B Premium reimbursement, to qualifying member 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.

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 health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

The ORC permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the ORC.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

The OPERS Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73% from January 1 through February 28, 2010, and 4.23% from March 1 through December 31, 2010. 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.

The District's contributions for health care to the OPERS for the years ending December 31, 2010, 2009, and 2008 were \$296,437, \$340,611 and \$427,589, respectively, which were equal to the required contributions for each year.

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2010**

NOTE 8 - POSTEMPLOYMENT BENEFITS (Continued)

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 as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

NOTE 9 - LONG-TERM DEBT AND OTHER OBLIGATIONS

Detail of the changes in long-term debt and other long-term obligations of the District for the year ended December 31, 2010 are as follows:

	Balance at December 31, 2009	Additions	Deductions	Balance at December 31, 2010	Amount Due Within One Year
Governmental Activities:					
Compensated Absences	\$874,074	\$898,162	(\$874,074)	\$898,162	\$537,029

NOTE 10 -RISK MANAGEMENT

A. General Insurance

The District is exposed to various risks of property and casualty losses, and injuries to employees. The District insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2010, PEP retained \$350,000 for casualty claims and \$150,000 for property claims.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2010***

NOTE 10 -RISK MANAGEMENT (Continued)

A. General Insurance (Continued)

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2010 and 2009:

	2010	2009
Assets	\$34,952,010	\$36,374,898
Liabilities	(14,320,812)	(15,256,862)
Retained Earnings	\$20,631,198	\$21,118,036

At December 31, 2010 and 2009, respectively, the liabilities above include approximately \$12.4 and \$13.7 million of estimated incurred claims payable. The assets above also include approximately \$13.7 million and \$12.9 million of unpaid claims to be billed to approximately 454 member governments in the future, as of December 31, 2010 and 2009, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2010, the District's share of these unpaid claims collectible in future years is approximately \$97,000.

Based upon discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

Contributions to PEP

2010	2009
\$97,300	\$112,500

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 10 -RISK MANAGEMENT (Continued)

A. General Insurance (Continued)

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

B. Health Insurance

The Lucas County Commissioners manage a self-funded insurance program for dental, prescription drug, and health benefits. The programs are administered by a third-party, which provides claims review and processing services. The Metroparks is charged for its proportionate share of the costs of covered employees.

C. Workers Compensation

The Lucas County Commissioners also maintains a Self-Funded Workers' Compensation fund. The Metroparks is charged for its proportionate share of the costs of covered employees.

NOTE 11 -CONTINGENT LIABILITIES

The District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at December 31, 2010.



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*

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

To the Board of Park Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Metropolitan Park District of the Toledo Area, Lucas County, Ohio (the District), as of and for the year ended December 31, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 25, 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Metropolitan Park District of Toledo Area
Lucas County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We did note certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated October 25, 2011.

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.

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

Dave Yost
Auditor of State

October 25, 2011

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

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2009-001	Failure to comply with ORC § 117.38 regarding the filing of the annual financial report.	Yes	

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Dave Yost • Auditor of State

METROPOLITAN PARK DISTRICT OF TOLEDO AREA

LUCAS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 10, 2011**