



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

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2010



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, 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, each major fund, and the aggregate remaining fund information of Columbus and Franklin County Metropolitan Park District, Franklin County, Ohio, as of December 31, 2010, 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 October 18, 2013 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.

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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 "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

October 18, 2013

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(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, 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 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 \$15,880,312 during 2010.
- General revenues of governmental activities accounted for \$33,595,042 of all governmental revenues. Program specific revenues in the form of charges for services, grants, contributions, and interest accounted for \$1,593,156 of total governmental revenues of \$35,188,198.
- The District had \$19,307,886 in expenses related to governmental activities. \$1,593,156 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 \$33,595,042 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 2010?" The Statement Of Net Assets and the Statement Of Activities, which appear first in the District's financial statements, report information on the District as a whole and its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)**

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

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

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

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)**

THE DISTRICT AS A WHOLE

As stated previously, the Statement Of Net Assets provides the perspective of the District as a whole. Table 1 provides a summary of the District's net assets for 2010 compared to 2009.

Table 1 Net Assets			
	Governmental Activities		Increase
	2010	2009	(Decrease)
Assets			
Current And Other Assets	\$34,798,499	\$37,415,578	(\$2,617,079)
Land, Wetlands, Land Restoration And Construction In Progress	141,115,520	123,034,157	18,081,363
Depreciable Capital Assets, Net	35,952,281	35,102,865	849,416
Total Assets	211,866,300	195,552,600	16,313,700
Liabilities			
Current And Other Liabilities	20,139,082	19,732,471	406,611
Long-Term Liabilities:			
Due Within One Year	347,011	352,432	(5,421)
Due In More Than One Year	452,927	420,729	32,198
Total Liabilities	20,939,020	20,505,632	433,388
Net Assets			
Invested In Capital Assets	177,067,801	158,137,022	18,930,779
Restricted For:			
Capital Outlay	6,060,225	11,281,290	(5,221,065)
Other Purposes	40,563	310,888	(270,325)
Educational Programs:			
Expendable	155,150	142,745	12,405
Nonexpendable	267,054	267,054	0
Gardens At Inniswood - Nonexpendable	452,558	452,558	0
Unrestricted	6,883,929	4,455,411	2,428,518
Total Net Assets	\$190,927,280	\$175,046,968	\$15,880,312

Total assets increased \$16,313,700. Current and other assets decreased \$2,617,079 due to a decrease in cash and cash equivalents due to expenditures exceeding revenues which resulted from the purchase of non-depreciable capital assets and construction in progress. Land, wetlands, land restoration and construction in progress increased \$18,081,363 due to land purchases and construction in progress relating to the completion of, and continuing construction of, various Greenway Phase projects. Depreciable capital assets increased \$849,416 due to infrastructure development, including roads and trails within the District.

Current and other liabilities increased \$406,611 primarily due to an increase in contracts and retainage payable relating to the ongoing greenway construction projects.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)**

Invested in capital assets increased \$18,930,779. 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 \$5,221,065. This is primarily the result of the District spending the unrestricted monies received during the year and carried over from the prior year on land purchases and the ongoing construction projects.

Unrestricted net assets increased \$2,428,518. This is primarily due to the District utilizing restricted monies for capital needs during the year and not transferring total budgeted amounts for the various construction projects.

Table 2 shows the changes in net assets for the years ended December 31, 2010 and 2009.

Table 2
Changes In Net Assets

	2010	2009	Increase/ (Decrease)
Revenues			
Program Revenues:			
Charges For Services	\$1,538,528	\$1,645,768	(\$107,240)
Operating Grants, Contributions, And Interest	54,628	192,348	(137,720)
Capital Grants And Contributions	0	46,530	(46,530)
Total Program Revenues	<u>1,593,156</u>	<u>1,884,646</u>	<u>(291,490)</u>
General Revenues:			
Property Taxes	18,924,044	11,205,099	7,718,945
Unrestricted Investment Earnings	56,429	99,654	(43,225)
Grants And Entitlements Not Restricted			
To Specific Programs:			
Operating	7,881,239	6,913,285	967,954
Capital	6,352,574	3,836,940	2,515,634
Contributions And Donations	76,490	58,322	18,168
Miscellaneous	304,266	117,780	186,486
Total General Revenues	<u>33,595,042</u>	<u>22,231,080</u>	<u>11,363,962</u>
Total Revenues	<u>\$35,188,198</u>	<u>\$24,115,726</u>	<u>\$11,072,472</u>

(Continued)

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)**

Table 2
Changes In Net Assets
Governmental Activities
(Continued)

	2010	2009	Increase/ (Decrease)
Program Expenses			
Administration	\$2,766,905	\$1,959,287	\$807,618
Education	3,018,428	2,446,074	572,354
Park Operations	6,858,297	6,874,999	(16,702)
Park Planning	338,545	358,405	(19,860)
Park Promotion	722,284	748,839	(26,555)
Rental Property	1,463,017	463,265	999,752
Natural Resource Management	360,017	382,661	(22,644)
Golf Course	1,318,208	1,261,348	56,860
Park Safety	2,462,185	2,322,582	139,603
Total Expenses	<u>19,307,886</u>	<u>16,817,460</u>	<u>2,490,426</u>
Increase In Net Assets	15,880,312	7,298,266	8,582,046
Net Assets At Beginning Of Year	<u>175,046,968</u>	<u>167,748,702</u>	<u>7,298,266</u>
Net Assets At End Of Year	<u><u>\$190,927,280</u></u>	<u><u>\$175,046,968</u></u>	<u><u>\$15,880,312</u></u>

GOVERNMENTAL ACTIVITIES

Program revenues, which are primarily represented by charges for District services, fines and charges generated by the golf course, as well as restricted intergovernmental revenues, restricted interest earnings and restricted donations, were \$1,593,156 of total revenues for 2010 and were lower than 2009. The decrease is primarily related to an estate donation for the operation of the Inniswood Park and charges for services relating to rounds of golf played at Blacklick Woods Golf Course.

As previously mentioned, general revenues were \$33,595,042 of total revenues for 2010. This is an \$11,363,962 increase from the prior year. This increase is related to an increase in property tax revenues due to the first year of collection on the new levy.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)**

Governmental program expenses as a percentage of total governmental expenses for 2010 are expressed as follows:

Administration	14.33%
Education	15.63
Park Operations	35.52
Park Planning	1.75
Park Promotion	3.74
Rental Property	7.58
Natural Resource Management	1.87
Golf Course	6.83
Park Safety	12.75
	<u>100.00%</u>

The above chart clearly indicates that the District's major source of expenses, 35.52 percent, is related to park operations. All other forms of governmental operations represent 64.48 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 \$33,962,218 and expenditures of \$38,220,648.

The General Fund balance increased \$1,982,869, due to property tax revenue resulting from the first year of collection on the new levy.

The Golf Course Special Revenue Fund balance decreased \$279,949 from the prior year. Revenues decreased \$152,134 due to fewer rounds being played, while expenditures continue to increase.

The Capital Improvement Capital Projects Fund balance decreased \$5,994,839, as a result of the District appropriating and spending unreserved, undesignated fund balance on land acquisitions and 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.

Original and final General Fund budgeted revenues were \$27,202,686. Actual revenues and other financing sources were less than final budgeted revenues and other financing sources by \$214,008, which is mostly due to actual property tax revenues being less than the budgeted amounts due to an increase in delinquent taxes. Rent revenue also decreased due to the District demolishing several rental properties so the property could be used for other purposes.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)**

During 2010, 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 \$1,044,353 due to the District reducing administrative costs and not transferring the total budgeted amount to the Capital Improvement Fund.

The General Fund's ending fund balance was \$830,345 above the final budgeted amount.

CAPITAL ASSETS

At the end of 2010, the District had \$177,067,801 invested in capital assets (net of accumulated depreciation) for governmental activities, an increase of \$18,930,779 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. Over 6,800,000 visitors enjoyed free outdoor recreational and educational activities in the Metro Parks. The parks and facilities continue to be clean, safe and well maintained.

This was the first year of funding from the park levy that was passed in 2009. A primary focus for the year has been fulfilling the commitments that we made to the voters prior to the levy.

Progress was made at Scioto Audubon Metro Park. The Grange Insurance Audubon Center celebrated its first anniversary and is attracting new audiences. The climbing wall is a big hit with rock climbing enthusiasts. Sand volleyball courts and a dog park opened in keeping with our intent to add facilities that are attractive to young professionals and nearby residents. The impound lot was moved to its new location on November 1 and plans are already underway to address the impacted soils. We signed an agreement with the City of Columbus to enlarge the park to include the entire impound lot area.

In July, the Metro Parks assumed management of the Greenway Trails in Columbus in keeping with our levy commitments. Considerable progress has been made in improving the conditions and safety of the trails.

Progress was also achieved constructing new Greenway trails. The Blacklick Creek Greenway Trail bridge over US 33 is nearing completion. The section of the trail near Winchester Pike was completed. Portions of the Camp Chase Trail are under construction. Additional trail improvements were made throughout the park system.

The school initiative was expanded to include more schools. One hundred percent of the fifth graders in Columbus City Schools now participate in the Students Exploring Ecosystem Dynamics (SEED) program. Over 350,000 people participated in Metro Parks' educational activities this year.

The park system grew by 1,166 acres this year. These additional acres bring Metro Parks' total conserved acreage to over 25,800 acres. Grants and income from governmental partners for land acquisition exceeded \$5 million in 2010.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)**

The Metro Parks completed more major habitat restoration projects in 2010 than in any prior year. A 500 acre wet prairie restoration project was completed at Battelle Darby Creek. Nearby, bison are being introduced as a major new attraction in support of our restoration and educational efforts. Two hundred acres of wetlands and 7,000 feet of stream were restored at Walnut Woods. Additional restoration was completed along Little Darby Creek and along Blacklick Creek. Grants and funds from partners assisted with most of these habitat improvement projects. These projects should provide water quality benefits, help attract and retain wildlife in the Metro Parks and be an attraction for park visitors.

The Metro Parks will continue fulfilling commitments made during the park levy campaign. Maintaining the outstanding quality of the existing Metro Parks is always a top priority.

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.

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

**STATEMENT OF NET ASSETS
DECEMBER 31, 2010**

	Governmental Activities
<u>Assets:</u>	
Equity In Pooled Cash, Cash Equivalents And Investments	\$ 8,680,087
Accrued Interest Receivable	17,032
Accounts Receivable	10,000
Due From Other Governments (See Note 6)	4,699,906
Prepaid Items	56,294
Property Taxes Receivable	20,851,321
Cash, Cash Equivalents And Investments With Fiscal Agents	483,859
Land, Wetlands, Land Restoration And Construction In Progress (See Note 7)	141,115,520
Depreciable Capital Assets, Net (See Note 7)	35,952,281
<i>Total Assets</i>	211,866,300
<u>Liabilities:</u>	
Accounts Payable	39,558
Accrued Wages And Benefits Payable	293,342
Contracts Payable	455,991
Retainage Payable	212,396
Due To Other Governments	122,847
Deferred Revenue	19,014,948
Long-Term Liabilities:	
Due Within One Year (See Note 11)	347,011
Due In More Than One Year (See Note 11)	452,927
<i>Total Liabilities</i>	20,939,020
<u>Net Assets:</u>	
Invested In Capital Assets	177,067,801
Restricted For:	
Capital Outlay	6,060,225
Other Purposes	40,563
Educational Programs:	
Expendable	155,150
Nonexpendable	267,054
Gardens At Inniswood - Nonexpendable	452,558
Unrestricted	6,883,929
<i>Total Net Assets</i>	\$ 190,927,280

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, 2010**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges For Services</u>	<u>Operating Grants, Contributions, And Interest</u>	<u>Revenue And Changes In Net Assets</u>
				<u>Governmental Activities</u>
<u>Governmental Activities:</u>				
Administration:				
Salaries And Benefits	\$ 1,116,656	\$ -	\$ -	\$ (1,116,656)
All Other	1,650,249	3,835	37,252	(1,609,162)
Education	3,018,428	98,164	11,931	(2,908,333)
Park Operations	6,858,297	-	-	(6,858,297)
Park Planning	338,545	-	-	(338,545)
Park Promotion	722,284	-	-	(722,284)
Rental Property	1,463,017	512,051	-	(950,966)
Natural Resource Management	360,017	-	-	(360,017)
Golf Course	1,318,208	923,187	600	(394,421)
Park Safety	2,462,185	1,291	4,845	(2,456,049)
<i>Total Governmental Activities</i>	<u>\$ 19,307,886</u>	<u>\$ 1,538,528</u>	<u>\$ 54,628</u>	<u>(17,714,730)</u>
<u>General Revenues:</u>				
				18,924,044
				56,429
				.
				7,881,239
				6,352,574
				76,490
				304,266
				<u>33,595,042</u>
				15,880,312
				<u>175,046,968</u>
				<u>\$ 190,927,280</u>

See Accompanying Notes To The Basic Financial Statements

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

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010**

	<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, Cash Equivalents And Investments	\$ 2,922,348	\$ 108,576	\$ 5,014,255	\$ 634,908	\$ 8,680,087
Cash, Cash Equivalents And Investments With Fiscal Agents	5,000	-	-	478,859	483,859
Receivables:					
Property Taxes	20,851,321	-	-	-	20,851,321
Accounts	-	10,000	-	-	10,000
Accrued Interest	-	-	9,366	7,666	17,032
Due From Other Governments (See Note 6)	3,233,740	-	1,466,166	-	4,699,906
Prepaid Items	56,294	-	-	-	56,294
Total Assets	\$ 27,068,703	\$ 118,576	\$ 6,489,787	\$ 1,121,433	\$ 34,798,499
<u>Liabilities And Fund Balances:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$ 28,472	\$ 3,240	\$ 7,846	\$ -	\$ 39,558
Accrued Wages And Benefits Payable	274,691	18,651	-	-	293,342
Contracts Payable	-	-	455,991	-	455,991
Retainage Payable	-	-	212,396	-	212,396
Due To Other Governments	114,799	8,048	-	-	122,847
Deferred Revenue	23,716,992	5,000	754,939	7,666	24,484,597
Total Liabilities	24,134,954	34,939	1,431,172	7,666	25,608,731
<u>Fund Balances:</u>					
Reserved For Encumbrances	378,862	5,986	4,125,889	-	4,510,737
Reserved For Permanent Endowments	-	-	-	576,431	576,431
Unreserved,					
Undesignated, Reported In:					
General Fund	2,554,887	-	-	-	2,554,887
Special Revenue Funds	-	77,651	-	-	77,651
Capital Projects Funds	-	-	932,726	243,981	1,176,707
Permanent Funds	-	-	-	293,355	293,355
Total Fund Balances	2,933,749	83,637	5,058,615	1,113,767	9,189,768
Total Liabilities And Fund Balances	\$ 27,068,703	\$ 118,576	\$ 6,489,787	\$ 1,121,433	\$ 34,798,499

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, 2010**

Total Governmental Fund Balances	\$	9,189,768
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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	121,780,258	
Wetlands	2,065,140	
Land Restoration	10,094,955	
Construction In Progress	7,175,167	
Other Capital Assets	65,371,685	
Accumulated Depreciation	<u>(29,419,404)</u>	

Total		177,067,801
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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	1,836,373	
Due From Other Governments	3,612,847	
Accounts	5,000	
Accrued Interest	<u>15,429</u>	

Total		5,469,649
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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>(799,938)</u>
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Net Assets Of Governmental Activities	\$	<u><u>190,927,280</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 December 31, 2010**

	<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	\$ 18,556,997	\$ -	\$ -	\$ -	\$ 18,556,997
Intergovernmental	7,776,081	-	5,624,073	-	13,400,154
Charges For Services	98,164	35,000	3,835	-	136,999
Golf Course	-	655,475	-	-	655,475
Fines And Forfeitures	1,291	-	-	-	1,291
Investment Earnings	7,691	-	19,818	20,115	47,624
Increase (Decrease) In Fair Value Of Investments	-	-	(2,622)	3,474	852
Rent	512,051	227,712	-	-	739,763
Contributions And Donations	17,131	600	62,359	38,707	118,797
Miscellaneous	33,799	2,649	267,818	-	304,266
Total Revenues	27,003,205	921,436	5,975,281	62,296	33,962,218
<u>Expenditures:</u>					
Current Operations And Maintenance:					
Administration:					
Salaries And Benefits	1,118,877	-	-	-	1,118,877
All Other	1,550,021	567	-	-	1,550,588
Education	2,644,183	-	-	-	2,644,183
Park Operations	5,538,098	45,750	-	20,047	5,603,895
Park Planning	211,015	-	119,537	-	330,552
Park Promotion	721,636	-	-	-	721,636
Rental Property	422,221	-	-	-	422,221
Natural Resource Management	363,141	-	-	-	363,141
Golf Course	37,915	1,085,824	-	-	1,123,739
Park Safety	2,345,150	-	-	-	2,345,150
Capital Outlay	472,339	69,244	21,455,083	-	21,996,666
Total Expenditures	15,424,596	1,201,385	21,574,620	20,047	38,220,648
Excess Of Revenues Over (Under) Expenditures	11,578,609	(279,949)	(15,599,339)	42,249	(4,258,430)
<u>Other Financing Sources (Uses):</u>					
Proceeds From Sale Of Capital Assets	4,260	-	4,500	-	8,760
Transfers - In (See Note 14)	-	-	9,600,000	-	9,600,000
Transfers - Out (See Note 14)	(9,600,000)	-	-	-	(9,600,000)
Total Other Financing Sources (Uses)	(9,595,740)	-	9,604,500	-	8,760
Net Change In Fund Balances	1,982,869	(279,949)	(5,994,839)	42,249	(4,249,670)
Fund Balances At Beginning Of Year	950,880	363,586	11,053,454	1,071,518	13,439,438
Fund Balances At End Of Year	\$ 2,933,749	\$ 83,637	\$ 5,058,615	\$ 1,113,767	\$ 9,189,768

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, 2010**

Net Change In Fund Balances - Total Governmental Funds		\$ (4,249,670)
<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. In the current period, these amounts are:		
Capital Assets Additions	21,960,221	
Depreciation	<u>(2,000,023)</u>	
Excess Of Capital Outlay Over Depreciation Expense		19,960,198
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	(8,760)	
Loss On Disposal Of Capital Assets	<u>(1,020,659)</u>	
		(1,029,419)
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	367,047	
Intergovernmental	838,504	
Accounts	5,000	
Accrued Interest	<u>15,429</u>	
		1,225,980
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>(26,777)</u>
Change In Net Assets Of Governmental Activities		<u>\$ 15,880,312</u>

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, 2010**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Property Taxes	\$ 19,091,533	\$ 19,091,533	\$ 18,556,997	\$ (534,536)
Intergovernmental	7,254,024	7,254,024	7,757,294	503,270
Charges For Services	126,805	126,805	98,164	(28,641)
Fines And Forfeitures	-	-	1,291	1,291
Investment Earnings	12,635	12,635	7,691	(4,944)
Rent	652,326	652,326	512,051	(140,275)
Contributions And Donations	26,145	26,145	17,131	(9,014)
Miscellaneous	39,218	39,218	8,503	(30,715)
<i>Total Revenues</i>	<u>27,202,686</u>	<u>27,202,686</u>	<u>26,959,122</u>	<u>(243,564)</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Administration:				
Salaries And Benefits	1,171,148	1,171,148	1,131,792	39,356
All Other	1,810,759	1,810,759	1,687,582	123,177
Education	2,814,409	2,814,409	2,651,439	162,970
Park Operations	5,762,610	5,762,610	5,583,973	178,637
Park Planning	219,909	219,909	210,795	9,114
Park Promotion	853,950	853,950	843,893	10,057
Rental Property	359,709	359,709	417,144	(57,435)
Natural Resource Management	418,372	418,372	386,086	32,286
Golf Course	35,467	35,467	36,517	(1,050)
Park Safety	2,476,520	2,476,520	2,356,466	120,054
Capital Outlay	498,603	498,603	472,339	26,264
<i>Total Expenditures</i>	<u>16,421,456</u>	<u>16,421,456</u>	<u>15,778,026</u>	<u>643,430</u>
Excess Of Revenues Over Expenditures	<u>10,781,230</u>	<u>10,781,230</u>	<u>11,181,096</u>	<u>399,866</u>
<u>Other Financing Sources (Uses):</u>				
Proceeds From Sale Of Capital Assets	-	-	4,260	4,260
Refund Of Prior Year Receipts	(6,000)	(6,000)	(5,077)	923
Refund Of Prior Year Expenditures	-	-	25,296	25,296
Transfers - Out	(10,000,000)	(10,000,000)	(9,600,000)	400,000
<i>Total Other Financing Sources (Uses)</i>	<u>(10,006,000)</u>	<u>(10,006,000)</u>	<u>(9,575,521)</u>	<u>430,479</u>
<i>Net Change In Fund Balance</i>	775,230	775,230	1,605,575	830,345
<i>Fund Balance At Beginning Of Year</i>	496,667	496,667	496,667	-
<i>Prior Year Encumbrances Appropriated</i>	414,002	414,002	414,002	-
<i>Fund Balance At End Of Year</i>	<u>\$ 1,685,899</u>	<u>\$ 1,685,899</u>	<u>\$ 2,516,244</u>	<u>\$ 830,345</u>

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, 2010**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Charges For Services	\$ 57,000	\$ 57,000	\$ 40,000	\$ (17,000)
Golf Course	740,000	740,000	655,475	(84,525)
Rent	253,000	253,000	227,712	(25,288)
Contributions and Donations	-	-	600	600
Miscellaneous	-	-	2,649	2,649
<i>Total Revenues</i>	<u>1,050,000</u>	<u>1,050,000</u>	<u>926,436</u>	<u>(123,564)</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Administration	5,055	5,055	2,071	2,984
Park Operations	32,213	32,213	45,750	(13,537)
Golf Course	1,036,920	1,036,920	1,093,566	(56,646)
Capital Outlay	<u>101,000</u>	<u>101,000</u>	<u>69,244</u>	<u>31,756</u>
<i>Total Expenditures</i>	<u>1,175,188</u>	<u>1,175,188</u>	<u>1,210,631</u>	<u>(35,443)</u>
<i>Net Change In Fund Balance</i>	(125,188)	(125,188)	(284,195)	(159,007)
<i>Fund Balance At Beginning Of Year</i>	370,843	370,843	370,843	-
<i>Prior Year Encumbrances Appropriated</i>	<u>12,738</u>	<u>12,738</u>	<u>12,738</u>	<u>-</u>
<i>Fund Balance At End Of Year</i>	<u>\$ 258,393</u>	<u>\$ 258,393</u>	<u>\$ 99,386</u>	<u>\$ (159,007)</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, 2010**

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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. 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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: interest on investments, state-levied locally shared taxes and grants.

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, 2010, but were levied to finance 2011 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2010, the District's investments were limited to the State Treasury Asset Reserve of Ohio (STAROhio), PNC Government Mortgage Fund-Class I and negotiable 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 2010. 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, 2010.

Interest income is distributed to the funds according to Ohio constitutional and statutory requirements. Interest revenue credited to the General Fund during 2010 amounted to \$7,691, which includes \$5,694 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.

PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond December 31, 2010, 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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:	50 years
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.

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 and permanent endowments. There are three endowment funds, one is for capital improvements and two are for educational programs. The reserve for capital improvements recognizes contributions used to support capital related improvements and maintenance at the Inniswood Park gardens. The reserves 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, 2010
(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.

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, 2010
(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).

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	\$1,982,869	(\$279,949)
Increases (Decreases) Due To:		
Revenue Accruals	(18,787)	5,000
Expenditure Accruals	52,597	(56)
Encumbrances	(411,104)	(9,190)
Budget Basis	\$1,605,575	(\$284,195)

**COLUMBUS AND FRANKLIN COUNTY
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

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.

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,

**COLUMBUS AND FRANKLIN COUNTY
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

NOTE 4 - DEPOSIT AND INVESTMENTS (continued)

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.

DEPOSITS: 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 the possession of an outside party. At year-end, \$1,151,350 of the District's \$6,557,638 bank balance was FDIC insured and not exposed to custodial credit risk. The remaining \$5,406,288 was not insured but collateralized with securities held by the pledging financial institution. This \$5,807,638 is exposed to custodial credit risk because the collateralized securities are not held by a third party administrator.

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or 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 pledge to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of the deposits being secured.

Investments: As of December 31, 2010, the District had the following investments. All investments, except the PNC Government Mortgage Fund-Class I, are in an internal investment pool.

	Fair Value	Investment Maturities (in Years)	
		Less than 1	1 - 2
STAROhio	\$901,099	\$901,099	\$0
PNC Government Mortgage Fund - Class I	476,893	0	476,893
Negotiable Certificates of Deposits	1,991,111	1,991,111	0
Totals	<u>\$3,369,103</u>	<u>\$2,892,210</u>	<u>\$476,893</u>

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 PNC Government Mortgage Fund-Class I Mutual Fund also 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.

**COLUMBUS AND FRANKLIN COUNTY
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

NOTE 5 - PROPERTY TAX

Property taxes include amounts levied against all real, public utility, and tangible personal property (used in business) located in the City. Property tax revenue received during 2010 for real and public utility property taxes represents collections of 2009 taxes. Property tax payments received during 2010 for tangible personal property (other than public utility property) are for 2010 taxes.

2010 real property taxes are levied after October 1, 2010 on the assessed value as of January 1, 2010, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2010 real property taxes are collected in and intended to finance 2011.

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 alternate 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. 2010 public utility property taxes became a lien December 31, 2009, are levied after October 1, 2010, and are collected in 2011 with real property taxes.

Tangible personal property tax revenue received during 2010 (other than public utility property tax) represents the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Payments by multi-county taxpayers are due 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 full tax rate for all District operations for the year ended December 31, 2010, was \$0.75 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2010 property tax receipts were based are as follows:

Category	Assessed Value
Real Property:	
Agricultural/Residential	\$19,257,307,400
Commercial/Industrial/Mineral	8,194,200,540
Public Utility Real	11,897,130
Tangible Personal Property:	
General Business	38,814,756
Public Utility Personal	594,285,870
Total	\$28,096,505,696

**COLUMBUS AND FRANKLIN COUNTY
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

NOTE 5 - PROPERTY TAX (continued)

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Columbus and Franklin County Metropolitan Park District. The County Auditor periodically remits to the Park 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, 2010, 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 2010 operations, and the collections 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 District has a .75 mill property tax levy that started in 2009 and runs through 2018, 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.

NOTE 6 - RECEIVABLES

Receivables at December 31, 2010, 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>Governmental Activities</u>	
Local Government	\$2,201,629
Homestead And Rollback	1,027,266
Bullet Proof Vest Grant	4,845
OWDA Eastside Nursery Stream & Habitat Restoration Grant	718,990
OPWC Clean Ohio Roach Property Acquisition Grant	376,500
OPWC Clean Ohio Plain Township Property Acquisition Grant	370,676
Total Due From Other Governments	<u><u>\$4,699,906</u></u>

**COLUMBUS AND FRANKLIN COUNTY
METROPOLITAN PARK DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

NOTE 7 - CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2010, was as follows:

	Balance At 12/31/2009	Additions	Deletions	Balance At 12/31/2010
<u>Governmental Activities</u>				
Capital Assets, Not Being Depreciated:				
Land	\$111,565,176	\$10,215,082	\$0	\$121,780,258
Wetlands	907,232	1,157,908	0	2,065,140
Land Restoration	7,635,353	2,459,602	0	10,094,955
Construction In Progress	2,926,396	9,449,704	(5,200,933)	7,175,167
Total Capital Assets, Not Being Depreciated	<u>123,034,157</u>	<u>23,282,296</u>	<u>(5,200,933)</u>	<u>141,115,520</u>
Depreciable Capital Assets:				
Land Improvements	6,423,666	785,975	0	7,209,641
Buildings	21,433,266	733,250	(1,190,670)	20,975,846
Equipment	3,926,323	292,441	(130,850)	4,087,914
Furnishings	148,166	0	(2,450)	145,716
Radios	273,642	21,501	(1,021)	294,122
Vehicles	1,495,681	123,815	(49,324)	1,570,172
Computer Equipment	254,804	23,610	0	278,414
Infrastructure	28,911,594	1,898,266	0	30,809,860
Total Depreciable Capital Assets	<u>62,867,142</u>	<u>3,878,858</u>	<u>(1,374,315)</u>	<u>65,371,685</u>
Less Accumulated Depreciation:				
Land Improvements	(1,802,346)	(628,847)	0	(2,431,193)
Buildings	(8,040,029)	(517,994)	165,251	(8,392,772)
Equipment	(3,212,368)	(229,697)	126,850	(3,315,215)
Furnishings	(117,079)	(9,696)	2,450	(124,325)
Radios	(250,046)	(13,598)	1,021	(262,623)
Vehicles	(1,254,976)	(129,974)	49,324	(1,335,626)
Computer Equipment	(201,766)	(22,378)	0	(224,144)
Infrastructure	(12,885,667)	(447,839)	0	(13,333,506)
Total Accumulated Depreciation	<u>(27,764,277)</u>	<u>(2,000,023) *</u>	<u>344,896</u>	<u>(29,419,404)</u>
Depreciable Capital Assets, Net	<u>35,102,865</u>	<u>1,878,835</u>	<u>(1,029,419)</u>	<u>35,952,281</u>
Governmental Activities Capital Assets, Net	<u>\$158,137,022</u>	<u>\$25,161,131</u>	<u>(\$6,230,352)</u>	<u>\$177,067,801</u>

**COLUMBUS AND FRANKLIN COUNTY
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

NOTE 7 - CAPITAL ASSETS (continued)

* Depreciation expense was charged to governmental programs as follows:

Administration	\$82,916
Education	349,297
Park Operations	1,228,304
Rental Property	20,137
Golf Course	199,093
Park Safety	120,276
Total Depreciation Expense	<u>\$2,000,023</u>

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, but less than, 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 and currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10.0 percent of covered payroll. For the year ended December 31, 2010, members in state and local classifications contributed 10.0 percent of covered payroll. Members in the state and local divisions may participate in all three plans.

**COLUMBUS AND FRANKLIN COUNTY
METROPOLITAN PARK DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Continued)**

NOTE 8 - DEFINED BENEFIT PENSION PLAN (continued)

The District's 2010 contribution rate was 14.0 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5.0 percent 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 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010. Employer contribution rates are actuarially determined.

The District's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2010, 2009, and 2008 were \$748,937, \$672,237, and \$535,907, respectively. For 2010, 96.01 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

NOTE 9 - POSTEMPLOYMENT BENEFITS

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description – Ohio Public Employees Retirement System (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.

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 mandate, 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.

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). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement 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.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

NOTE 9 - POSTEMPLOYMENT BENEFITS (continued)

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, state and local employers contributed at a rate of 14.0 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units.

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 portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5.0 percent 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 percent from January 1 through February 28, 2010, and 4.23 percent 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. 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, 2010, 2009, and 2008 were \$416,076, \$434,977, and \$535,907, respectively. For 2010, 96.01 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

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. These 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.

**COLUMBUS AND FRANKLIN COUNTY
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(Continued)**

NOTE 10 - EMPLOYEE BENEFITS (continued)

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.

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 The Standard Life Insurance Company.

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 12/31/09</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/10</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>					
Compensated Absences	<u>\$773,161</u>	<u>\$315,404</u>	<u>\$288,627</u>	<u>\$799,938</u>	<u>\$347,011</u>

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

**COLUMBUS AND FRANKLIN COUNTY
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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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 2010, the District contracted with several companies for various types of insurance coverage as follows:

Selective Insurance	Property (\$1,000 deductible)	\$23,348,137	
	Inland Marine (\$5,000 deductible)	3,702,670	
	Electronic Data Processing - Computer Coverage (\$500 deductible)	35,791	
	Boiler and Machinery (\$1,000 deductible)	23,348,137	
	Crime (\$500 deductible)	10,000	
	General Liability - Occurrence	1,000,000	
	- Aggregate	3,000,000	
	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

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, 2010, the District's significant contractual commitments consisted of:

<u>Projects</u>	<u>Contract Amount</u>	<u>Amount Completed</u>	<u>Balance at 12/31/2010</u>
Blacklick Creek Greenway at State Route 33	\$908,502	\$900,465	\$8,037
Blacklick Creek Greenway Phase 10	1,584,325	216,125	1,368,200
Big Walnut Creek Greenways Phase 1	148,694	129,400	19,294
Camp Chase Trail Lilly Chapel to Kropp Road	3,480,797	3,288,424	192,373
Wet Prarie Restoration	639,872	638,734	1,138
Camp Chase Trail Galloway Road to Sullivant Avenue	617,083	429,084	187,999
Camp Chase Trail Kropp Road to Galloway Road	195,000	181,362	13,638
Battelle Darby Creek Nature Center	489,495	248,428	241,067
Bison Compound	201,676	176,436	25,240
Walnut Woods Wetland Mitigation	875,021	749,641	125,380
Whittier Metro Park	389,293	153,297	235,996
Totals	<u>\$9,529,758</u>	<u>\$7,111,396</u>	<u>\$2,418,362</u>

**COLUMBUS AND FRANKLIN COUNTY
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Continued)**

NOTE 14 - INTERFUND ACTIVITY

The transfer made during the year ended December 31, 2010, was as follows:

		<u>Transfer From General Fund</u>
Transfer To	Capital Improvement Fund	<u>\$9,600,000</u>

The transfer from the General Fund to the Capital Improvement Fund was made to fund capital projects of the District.

NOTE 15 - COMPLIANCE

The Golf Course Special Revenue Fund has expenditures plus encumbrances over appropriations by \$35,443 for the year ended December 31, 2010. The Finance Director will monitor Budgetary controls more closely to alleviate such compliance issues.

NOTE 16 - CONTINGENT LIABILITIES

FEDERAL AND STATE GRANTS

For the period January 1, 2010, to December 31, 2010, 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.

LITIGATION

The District is not party to any legal proceedings.

NOTE 17 - DONOR RESTRICTED ENDOWMENTS

The District's permanent funds include donor restricted endowments of \$874,762. 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 \$155,150 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.



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, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 18, 2013. 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 opinion 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*.

Columbus and Franklin County Metropolitan Park District
Franklin 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 18, 2013.

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, flowing style.

Dave Yost
Auditor of State
Columbus, Ohio

October 18, 2013

**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT
FRANKLIN 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>
2009-01	Appropriations exceeding estimated resources	No	Management Letter Comment

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COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARKS

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
DECEMBER 5, 2013