



**Auditor of State  
Betty Montgomery**



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

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# Auditor of State Betty Montgomery

## 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 Columbus and Franklin County Metropolitan Park District, Franklin County, Ohio, (the District) as of and for the years ended December 31, 2003, and December 31, 2002. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the District as of December 31, 2003, and December 31, 2002, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2004, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. We subjected this information to the auditing procedures applied in the audit of the financial statements. In our opinion, it is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

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

**Betty Montgomery**  
Auditor of State

June 18, 2004

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>			
General Property Tax - Real Estate	\$ -	\$ 11,576,448	\$ 11,576,448
Tangible Personal Property Tax	-	1,645,728	1,645,728
Intergovernmental	4,865,433	-	4,865,433
Grants	-	6,415,664	6,415,664
Investment Income	12,895	168,452	181,347
Gifts and Donations	10,783	311,296	322,079
Fees	237,584	-	237,584
Other Receipts	<u>180,914</u>	<u>787,230</u>	<u>968,144</u>
Total Cash Receipts	<u>5,307,609</u>	<u>20,904,818</u>	<u>26,212,427</u>
<b>Cash Disbursements:</b>			
Current:			
Salaries - Employees	5,682,541	-	5,682,541
Fringe Benefits and Payroll Taxes	991,283	-	991,283
Public Employees Retirement	808,575	-	808,575
Workers' Compensation	25,575	-	25,575
Unemployment Compensation	3,914	-	3,914
Materials & Supplies	659,354	-	659,354
Equipment	422,159	-	422,159
Contracts - Repair	78,221	-	78,221
Contracts - Services	1,443,356	57,817	1,501,173
Contracts - Projects	-	1,174,426	1,174,426
Rentals	22,905	-	22,905
Advertising and Printing	153,420	819	154,239
Travel	15,379	-	15,379
Land Purchase and Improvements	-	27,776,058	27,776,058
Other	<u>6,644</u>	<u>-</u>	<u>6,644</u>
Total Cash Disbursements	<u>10,313,326</u>	<u>29,009,120</u>	<u>39,322,446</u>
Total Receipts (Under) Disbursements	<u>(5,005,717)</u>	<u>(8,104,302)</u>	<u>(13,110,019)</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Proceeds from Sale of Public Debt:			
Sale of Notes	-	12,000,000	12,000,000
Sale of Fixed Assets	18,141	-	18,141
Sale of Park Land	-	242,680	242,680
Refunds	6,322	-	6,322
Reimbursements	17,107	-	17,107
Transfers-In	5,000,000	-	5,000,000
Transfers-Out	(200,000)	(4,000,000)	(4,200,000)
Other Sources	<u>418</u>	<u>395,150</u>	<u>395,568</u>
Total Other Financing Receipts/(Disbursements)	<u>4,841,988</u>	<u>8,637,830</u>	<u>13,479,818</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(163,729)	533,528	369,799
Fund Cash Balances, January 1	<u>705,883</u>	<u>12,547,420</u>	<u>13,253,303</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$542,154</u></b>	<b><u>\$13,080,948</u></b>	<b><u>\$13,623,102</u></b>
Reserves for Encumbrances, December 31	<u>\$ 289,095</u>	<u>\$ 3,922,200</u>	<u>\$ 4,211,295</u>

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

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Nonexpendable Trust</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$ 999,553	\$ -	\$ 999,553
Investment Income	-	21,982	21,982
Miscellaneous	54,159	-	54,159
	<u>1,053,712</u>	<u>21,982</u>	<u>1,075,694</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	647,113	-	647,113
Merchandise for Resale	25,212	-	25,212
Contractual Services	77,373	-	77,373
Supplies and Materials	116,195	-	116,195
Equipment	95,440	-	95,440
Other	1,336	18,427	19,763
	<u>962,669</u>	<u>18,427</u>	<u>981,096</u>
Excess of Operating Receipts Over Operating Disbursements	<u>91,043</u>	<u>3,555</u>	<u>94,598</u>
<b>Non-Operating Cash Receipts:</b>			
Sales Taxes	16,877	-	16,877
Other Non-Operating Revenues	67	-	67
	<u>16,944</u>	<u>-</u>	<u>16,944</u>
<b>Non-Operating Cash Disbursements:</b>			
Sales Taxes	16,865	-	16,865
	<u>16,865</u>	<u>-</u>	<u>16,865</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers	<u>91,122</u>	<u>3,555</u>	<u>94,677</u>
Transfers-In	200,000	-	200,000
Transfers-Out	<u>(1,000,000)</u>	<u>-</u>	<u>(1,000,000)</u>
Net Receipts Over/(Under) Disbursements	(708,878)	3,555	(705,323)
Fund Cash Balances, January 1	<u>1,205,481</u>	<u>781,750</u>	<u>1,987,231</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$496,603</u></b>	<b><u>\$785,305</u></b>	<b><u>\$1,281,908</u></b>
Reserves for Encumbrances, December 31	<u>\$ 70,551</u>	<u>\$ -</u>	<u>\$ 70,551</u>

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

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>			
General Property Tax - Real Estate	\$ -	\$ 11,078,303	\$ 11,078,303
Tangible Personal Property Tax	-	1,833,028	1,833,028
Intergovernmental	4,931,106	-	4,931,106
Grants	49,297	306,725	356,022
Investment Income	44,488	134,204	178,692
Gifts and Donations	11,694	497,238	508,932
Fees	240,120	-	240,120
Other Receipts	199,463	110,274	309,737
	<u>5,476,168</u>	<u>13,959,772</u>	<u>19,435,940</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current:			
Salaries - Employees	5,195,890	-	5,195,890
Fringe Benefits and Payroll Taxes	897,637	-	897,637
Public Employees Retirement	760,192	-	760,192
Workers' Compensation	23,171	-	23,171
Unemployment Compensation	2,318	-	2,318
Materials	608,541	-	608,541
Equipment	361,803	2,454	364,257
Contracts - Repair	83,764	-	83,764
Contracts - Services	1,280,808	275,845	1,556,653
Contracts - Projects	-	1,047,457	1,047,457
Rentals	21,498	-	21,498
Advertising and Printing	76,816	988	77,804
Travel	13,183	-	13,183
Land Purchase and Improvements	-	6,058,899	6,058,899
Other	9,186	5,528	14,714
	<u>9,334,807</u>	<u>7,391,171</u>	<u>16,725,978</u>
<b>Total Cash Disbursements</b>			
Total Receipts Over/(Under) Disbursements	<u>(3,858,639)</u>	<u>6,568,601</u>	<u>2,709,962</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Sale of Fixed Assets	15,135	-	15,135
Sale of Park Land	-	443,760	443,760
Refunds	13,943	732,000	745,943
Reimbursements	54,704	-	54,704
Transfers-In	3,404,000	346,000	3,750,000
Transfers-Out	-	(3,400,000)	(3,400,000)
Other Sources	609	65,350	65,959
	<u>3,488,391</u>	<u>(1,812,890)</u>	<u>1,675,501</u>
<b>Total Other Financing Receipts/(Disbursements)</b>			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(370,248)	4,755,711	4,385,463
Fund Cash Balances, January 1	<u>1,076,131</u>	<u>7,791,709</u>	<u>8,867,840</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$705,883</b></u>	<u><b>\$12,547,420</b></u>	<u><b>\$13,253,303</b></u>
Reserves for Encumbrances, December 31	<u>\$ 268,879</u>	<u>\$ 5,177,362</u>	<u>\$ 5,446,241</u>

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

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Nonexpendable Trust</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$ 1,020,822	\$ -	\$ 1,020,822
Investment Income	-	32,076	32,076
Miscellaneous	58,412	-	58,412
	<u>1,079,234</u>	<u>32,076</u>	<u>1,111,310</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	594,156	-	594,156
Merchandise for Resale	30,074	-	30,074
Contractual Services	75,723	-	75,723
Supplies and Materials	110,068	-	110,068
Equipment	72,135	-	72,135
Other	-	24,635	24,635
	<u>882,156</u>	<u>24,635</u>	<u>906,791</u>
Excess of Operating Receipts Over Operating Disbursements	<u>197,078</u>	<u>7,441</u>	<u>204,519</u>
<b>Non-Operating Cash Receipts:</b>			
Sales Taxes	16,226	-	16,226
Other Non-Operating Revenues	820	-	820
	<u>17,046</u>	<u>-</u>	<u>17,046</u>
<b>Non-Operating Cash Disbursements:</b>			
Sales Taxes	16,412	-	16,412
Other Non-Operating Cash Disbursements	1,926	-	1,926
	<u>18,338</u>	<u>-</u>	<u>18,338</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers	<u>195,786</u>	<u>7,441</u>	<u>203,227</u>
Transfers-Out	<u>-</u>	<u>(350,000)</u>	<u>(350,000)</u>
Net Receipts Over/(Under) Disbursements	195,786	(342,559)	(146,773)
Fund Cash Balances, January 1	<u>1,009,695</u>	<u>1,124,309</u>	<u>2,134,004</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$1,205,481</u></b>	<b><u>\$781,750</u></b>	<b><u>\$1,987,231</u></b>
Reserves for Encumbrances, December 31	<u>\$ 35,262</u>	<u>\$ -</u>	<u>\$ 35,262</u>

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

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

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

**B. Basis of Accounting**

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

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

**C. Cash and Investments**

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposit, repurchase agreements, government agency notes and the investments held by the Columbus Foundation (Inniswood Fund) are valued at cost. Money market mutual funds (including STAR Ohio) are recorded at share values reported by the mutual fund.

**D. Fund Accounting**

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

**1. General Fund**

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

**2. Capital Projects Fund**

This fund is used to account for receipts for general operating, acquisition or construction of major capital projects and acquisition of land (except those financed through enterprise or trust funds). The Capital Projects Fund is funded through a property tax levy.

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting**

**3. Enterprise Fund**

This fund accounts for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. This fund is used to account for charges for services occurring from the operation of the Blacklick Woods Golf.

**4. Fiduciary Funds (Trust Funds)**

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the District to maintain the corpus of the trust, the fund is classified as nonexpendable trust fund.

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. Appropriation Authority includes current year appropriations plus encumbrances carried over from the prior year (if any). The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year-end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

**3. Encumbrances**

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

A summary of 2003 and 2002 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the basis of accounting the District uses.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The District maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	2003	2002
Demand Deposits	\$417,010	\$1,671,587
Certificates of Deposit	5,010,000	1,010,000
Total Deposits	5,427,010	2,681,587
Columbus Foundation (Inniswood Fund)	457,518	457,518
Government Agency Notes	1,000,058	0
STAR Ohio	5,850,424	6,207,429
Repurchase Agreement	2,170,000	5,894,000
Total Investments	9,478,000	12,558,947
Total Deposits and Investments	\$14,905,010	\$15,240,534

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (3) collateralized by the financial institution's public entity deposit pool.

**Investments:** U.S. Agency Notes are held in book-entry form by the Fifth Third Securities, Inc. (Metro Parks Brokerage Account), in the name of the District's financial institution. The financial institution maintains records identifying the District as owner of these securities. The investment in STAR Ohio is not evidenced by securities that exist in physical or book-entry form.

The District's financial institution holds security collateralizing repurchase agreements. The securities are not in the District's name.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2003, December 31, 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$10,738,000	\$10,349,597	(\$388,403)
Capital Projects	28,033,000	33,542,648	5,509,648
Enterprise	84,000	1,270,656	1,186,656
Non-Expendable Trust	30,000	21,982	(8,018)
Total	\$38,885,000	\$45,184,883	\$6,299,883

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$10,938,679	\$10,802,421	\$136,258
Capital Projects	40,237,362	36,931,320	3,306,042
Enterprise	1,096,262	2,050,085	(953,823)
Non-Expendable Trust	0	18,427	(18,427)
Total	<u>\$52,272,303</u>	<u>\$49,802,253</u>	<u>\$2,470,050</u>

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$9,837,000	\$8,964,559	(\$872,441)
Capital Projects	13,024,819	15,546,882	2,522,063
Enterprise	1,300,000	1,096,280	(203,720)
Non-Expendable Trust	11,731	32,076	20,345
Total	<u>\$24,173,550</u>	<u>\$25,639,797</u>	<u>\$1,466,247</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$10,274,497	\$9,603,686	\$670,811
Capital Projects	16,347,418	15,968,533	378,885
Enterprise	1,194,531	935,756	258,775
Non-Expendable Trust	0	24,635	(24,635)
Total	<u>\$27,816,446</u>	<u>\$26,532,610</u>	<u>\$1,283,836</u>

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Enterprise and Non-Expendable Trust Funds by \$953,823 and \$18,427, respectively, for the year ended December 31, 2003. In addition, budgetary expenditures exceeded appropriation authority in the Non-Expendable Trust Fund by \$24,635 for the year ended December 31, 2002.

**4. PROPERTY TAX**

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**4. PROPERTY TAX (Continued)**

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

**5. DEBT**

Debt outstanding at December 31, 2003:

	Principal	Interest Rate
Land Acquisition Tax Anticipation Bonds	\$600,000	8.00%
Land Acquisition Tax Anticipation Notes	12,000,000	1.50%
Total	\$12,600,000	

The District issued Land Acquisition Tax Anticipation Bonds on October 1, 2000, in the amount of \$600,000 at 8.00% for a term of four years to acquire additional park land. Interest is due annually to the Bondholders. The principal \$600,000 is due on the maturity date, October 1, 2004. The District issued Land Acquisition Tax Anticipation Notes on March 26, 2003, in the amount of \$12,000,000 at 1.50% for a term of one year to acquire additional park land. Interest and principal payment is due March 25, 2004 to National City Bank. The Bonds are collateralized by the taxing authority of the District.

Amortization of the above debt, including interest, is scheduled as follows:

	Land Acquisition Tax Anticipation Bonds	Land Acquisition Tax Anticipation Notes
Year ending December 31:		
2004	\$648,000	\$12,180,000
Total	\$648,000	\$12,180,000

**6. RETIREMENT SYSTEM**

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002, members of PERS contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries. The District has paid all contributions required through December 31, 2003.

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**7. RISK MANAGEMENT**

**Commercial Insurance**

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

The District provides health insurance, dental and vision coverage to full-time employees through a private carrier.

**8. CONTINGENT LIABILITIES**

The District is defendant in several lawsuits. Although the outcome of these suits is not presently determinable, the District believes that the resolution of these matters will not materially adversely affect the District's financial condition.

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

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

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Disbursements
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>		
<b>Direct funding:</b>		
Community Development Block Grant / Brownfields Economic Development Initiative	14.246	\$ 450,000
Total U.S. Department of Housing and Urban Development		<b><u>450,000</u></b>
<b>Total Federal Expenditures</b>		<b><u><u>\$ 450,000</u></u></b>

*The accompanying notes to this schedule are an integral part of this schedule.*

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

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

**NOTE A--SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.



## **Auditor of State Betty Montgomery**

### **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL 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 accompanying financial statements of the Columbus and Franklin County Metropolitan Park District, Franklin County, Ohio, (the District) as of and for the years ended December 31, 2003, and December 31, 2002, and have issued our report thereon dated June 18, 2004. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### **Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grants, 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 such an opinion. The results of our tests disclosed an instance of noncompliance that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2003-001. We also noted a certain immaterial instance of noncompliance that we have reported to the District's management in a separate letter dated June 18, 2004.

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

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

35 N. Fourth St. / Second Floor / Columbus, OH 43215  
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199  
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This report is intended solely for the information and use of audit committee, management, the Board of Park Commissioners and federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

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

**Betty Montgomery**  
Auditor of State

June 18, 2004



## **Auditor of State Betty Montgomery**

### **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

To the Board of Park Commissioners:

#### **Compliance**

We have audited the compliance of the Columbus and Franklin County Metropolitan Park District, Franklin County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2003. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2003.

#### **Internal Control Over Compliance**

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

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

**Betty Montgomery**  
Auditor of State

June 18, 2004

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

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 §.505  
DECEMBER 31, 2003 AND DECEMBER 31, 2002**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Community Development Block Grants/Brownfields Economic Development Initiative CFDA # 14.246
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	No

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

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 §.505  
DECEMBER 31, 2003 and DECEMBER 31, 2002  
(Continued)**

**2. FINDING RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

<b>Finding Number</b>	2003-001
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**Expenditures Exceeding Appropriations**

Ohio Rev. Code Section 5705.41 (B) states that no subdivision or taxing unit is to expend money unless it has been appropriated.

Expenditures exceeded appropriations in the Enterprise Fund by \$954,150 and in the Nonexpendable Trust Fund by \$18,427 during the year ended December 31, 2003. For the year ending December 31, 2002, expenditures exceeded appropriations in the Nonexpendable Trust Fund by \$24,635.

We recommend that the Finance Director present proposed appropriation amendments to the Board of Park Commissioners. The Board should evaluate expenditures and determine if they are within appropriations and adhere to District budgetary controls.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None



**Auditor of State  
Betty Montgomery**

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**COLUMBUS AND FRANKLIN METROPOLITAN PARK DISTRICT**

**FRANKLIN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
OCTOBER 14, 2004**