



Mary Taylor, CPA
Auditor of State

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

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Mary Taylor, CPA

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 the Columbus and Franklin County Metropolitan Park District, Franklin County, Ohio, (the District) as of and for the year ended December 31, 2004, 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 the Columbus and Franklin County Metropolitan Park District, Franklin County, Ohio, as of December 31, 2004, and the respective changes in financial position thereof and the 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.

As described in Note 3, for the year ended December 31, 2004, the District implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2007, 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.

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Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The federal awards expenditure schedule is required by 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 basic financial statements. We subjected the federal awards expenditure schedule to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Mary Taylor, CPA
Auditor of State

January 19, 2007

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004**

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2004. 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.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" issued June, 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. However, because this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not prepared. Considering the financial resources necessary to prepare this information for the prior year, and that GASB Statement No. 34 permits the omission of the comparative information in the first year of adoption of the new reporting model, the District has elected to exclude the information from this report. Subsequent reports will include the comparative information.

FINANCIAL HIGHLIGHTS

- The District's total net assets increased \$14,908,237.
- General revenues of Governmental Activities accounted for \$28,145,654 or 94.01 percent of all governmental revenues. Program specific revenues in the form of charges for services, grants, contribution, and interest accounted for \$1,792,681 or 5.99 percent of total governmental revenues of \$29,938,335.
- The District had \$15,030,098 in expenses related to Governmental Activities. \$1,792,681 of these expenses were offset by program specific charges for services, grants, contribution, and interest. General revenues (primarily property taxes and grants and entitlements not restricted) of \$28,145,654 were adequate to provide for these programs.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the Columbus and Franklin County Metropolitan Park District as a financial whole, an entire operating entity.

The Statement Of Net Assets and the Statement Of Activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. 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 what remains for future spending. The fund financial statements also look at the District's major funds with all other non-major funds presented in total in one column. The major funds for the Columbus and Franklin County Metropolitan Park District are the General Fund, Golf Course Special Revenue Fund and the Capital Improvement Capital Projects Fund.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

REPORTING THE DISTRICT AS A WHOLE

One of the most important questions asked about the District is "How did we do financially during 2004?"

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 government-wide financial statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net assets and changes in those assets. This change informs the reader whether the District's financial position, as a whole, 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 education, park maintenance, park promotion, natural resource management, park safety, golf course operations, and administrative services.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the District's major funds begins on page 8. Fund financial reports provide detailed information about the District's major funds. 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.

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 in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps 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 difference) 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, 2004
(Continued)**

THE DISTRICT AS A WHOLE

As stated previously, the Statement of Net Assets looks at the District as a whole. Table 1 provides a summary of the District's net assets for 2004 compared to 2003.

Table 1
Net Assets

	Governmental Activities	
	2004	2003
Assets		
Current and Other Assets	\$26,869,291	\$31,563,092
Nondepreciable Capital Assets	92,869,756	90,076,956
Depreciable Capital Assets, Net	17,393,814	13,107,986
Total Assets	137,132,861	134,748,034
Liabilities		
Current and Other Liabilities	13,048,538	25,390,486
Long-Term Liabilities:		
Due Within One Year	50,806	51,746
Due in More Than One Year	610,789	1,079,863
Total Liabilities	13,710,133	26,522,095
Net Assets		
Invested in Capital Assets	110,263,570	102,584,942
Restricted for:		
Capital Outlay	9,714,105	2,339,364
Other Purposes	415,412	333,833
Educational Programs:		
Expendable	64,668	64,668
Nonexpendable	252,966	244,914
Gardens At Innswood (Nonexpendable)	466,675	470,148
Unrestricted	2,245,332	2,476,622
Total Net Assets	\$123,422,728	\$108,514,491

Total net assets increased \$14,908,237. This increase is mainly due to a decrease in liabilities. The District had a \$12,000,000 short-term note to finance land acquisition which was paid off during 2004 with property tax monies and a grant from the Ohio EPA – Water Resources Restoration Sponsorship Program grant. Current assets decreased due to using cash balances to retire debt.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

Table 2 shows the changes in net assets for the year ended December 31, 2004.

Table 2
Changes In Net Assets

	2004
Revenues	
Program Revenues:	
Charges For Services	\$1,471,184
Operating Grants, Contributions And Interest	321,497
Total Program Revenues	1,792,681
General Revenues:	
Property Taxes	11,854,488
Unrestricted Investment Earnings	103,425
Gain On Sale Of Capital Assets	9,407
Grants And Entitlements Not Restricted:	
Operating	4,922,299
Capital	11,200,961
Other	55,074
Total General Revenues	28,145,654
Total Revenues	29,938,335
 Program Expenses	
Administration	4,236,200
Education	1,611,096
Park Maintenance	4,967,666
Park Expansion	581,905
Park Promotion	619,741
Rental Property	153,341
Natural Resource Management	255,767
Golf Course	382,215
Park Safety	2,141,667
Interest and Fiscal Charges	80,500
Total Expenses	15,030,098
Increase In Net Assets	14,908,237
Net Assets At Beginning Of Year	108,514,491
Net Assets At End Of Year	\$123,422,728

GOVERNMENTAL ACTIVITIES

The .65 mill property tax levy is the largest source of revenue for the Columbus and Franklin County Metropolitan Park District. The local government funds provided by the State of Ohio and administered by Franklin County is the next largest source of revenue for the District. This was an exceptional year for grant revenue, but this source of revenue cannot be relied upon for continual operational type expenditures.

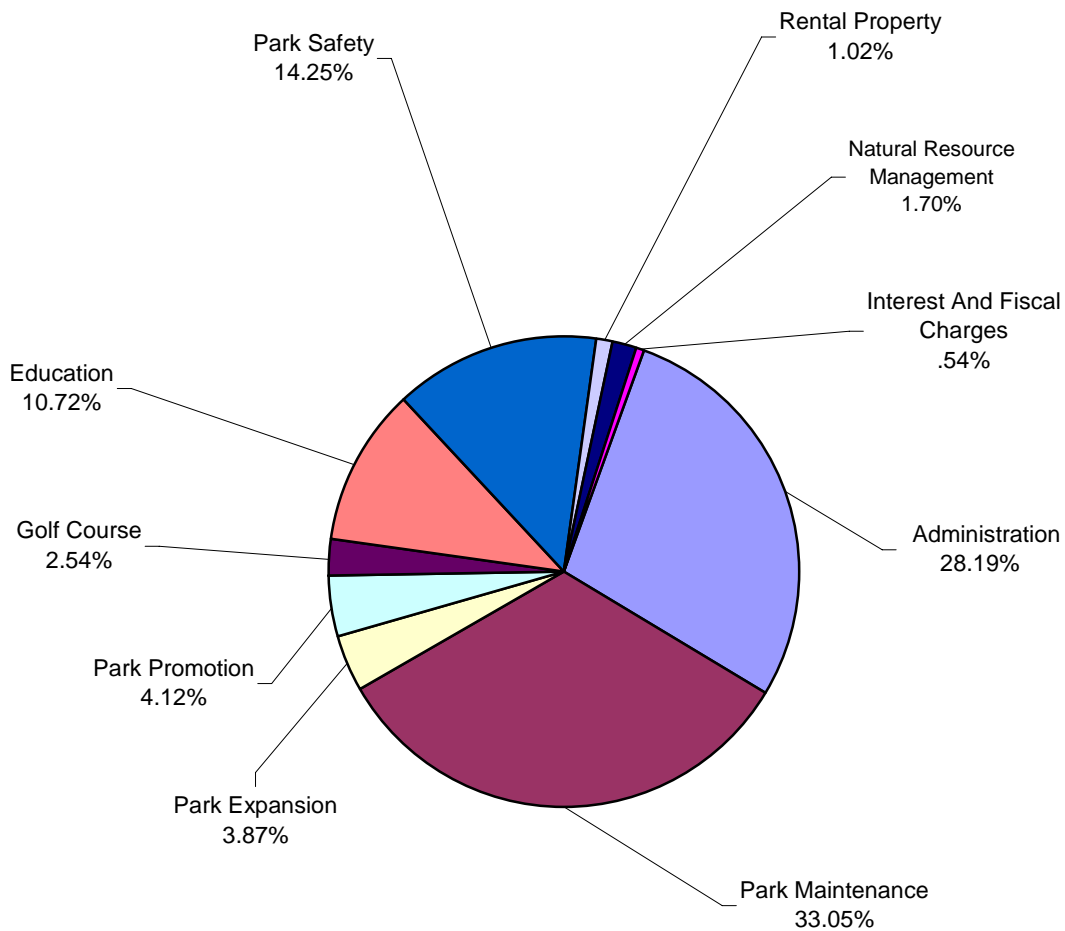
**COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT
FRANKLIN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

The property tax levy is a ten-year levy that started in 1999 and will run through 2008. The levy generates about \$12,000,000 annually, which is approximately 42.12 percent of the total revenue for the District, excluding program revenues. Local government and local government revenue assistance provided approximately \$5,000,000 annually, or 17.49 percent of the District's total revenues, excluding program revenues. The remaining revenue is generated from three capital grants, program fees, donations, interest income and other miscellaneous sources.

Governmental program expenses for 2004 were as follows:

Governmental Program Expenses



- Administration
- Park Maintenance
- Park Expansion
- Park Promotion
- Golf Course
- Education
- Park Safety
- Rental Property
- Natural Resource Management
- Interest And Fiscal Charges

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

THE DISTRICT'S FUNDS

Information about the District's major Governmental Funds begins on page 13. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$29,910,187 and expenditures of \$22,605,903. The net change in fund balance for the year was most significant in the Capital Improvement Capital Projects Fund, with an increase of \$7,366,809, due to the timing of projects and land acquisitions. The District has the authority to acquire land through eminent domain, but prefers to make land acquisitions from willing sellers, and that can sometimes be a very slow process.

The net change in fund balance for the General Fund decreased by \$167,592, primarily due to increases in salaries and benefits and a short-fall in the projected revenue.

The Golf Course Special Revenue Fund had an increase in fund balance of \$93,850 due to good fiscal management of expenses.

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 cash 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 function within the General Fund and then adopts the budget on a fund basis.

During 2004 there was one revision to the General Fund budget. Original General Fund budgeted revenues were \$5,277,600. The final budgeted amount was \$5,377,600. This increase of \$100,000 was due primarily to an over-sight when the original budget was prepared.

The Finance Director has the authority to make line item adjustments within each fund, as long as the total does not exceed the original budget appropriations.

The District's ending unobligated cash balance was \$261,069.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

CAPITAL ASSETS

Table 3
Capital Assets (Net of Depreciation)

	Governmental Activities	
	2004	2003
Land	\$90,205,600	\$85,951,134
Construction in Progress	2,664,156	4,125,822
Land Improvements	1,173,069	1,105,404
Buildings	14,586,403	10,963,336
Equipment	568,326	672,643
Furnishings	9,488	15,393
Radios	23,092	38,267
Vehicles	284,567	265,805
Computer Equipment	35,015	47,138
Infrastructure	713,854	0
Totals	\$110,263,570	\$103,184,942

The majority of the increase in governmental capital assets resulted from the addition of \$4,254,466 in land, \$3,623,067 of newly constructed buildings, and \$713,854 of infrastructure (includes greenway paths, streets, and related structures).

See Note 9 of the notes to the basic financial statements for more detailed capital asset information.

DEBT

On October 1, 2004 the District retired the Land Acquisition Tax Anticipation Bonds. On March 25, 2004 the District retired the Land Acquisition Note.

The District's legal debt margin was \$253,326,797 as of December 31, 2004. See Note 13 of the notes to the basic financial statements for more detailed information.

CURRENT FINANCIAL ISSUES AND CONCERNS

The District's key objectives set forth in the 2004 budget was to maintain clean, safe parks, and provide a quality outdoor experience for its five million visitors. Visitors have come to expect an enjoyable experience when visiting a metro park and exceeding our visitor's expectations is a goal we try very hard to meet.

As a part of meeting visitors' expectations, we started an educational initiative to provide programming which targets school children. In 2004 we expanded the educational initiative to assist school children in learning science concepts and to provide knowledge of the Earth's environment in cooperation with local school districts, as well as providing quality interpretive programming at all parks.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

Another segment of the population that the District sought out were seniors. We continue to provide opportunities for senior citizens and others to enjoy and learn in the parks through interpretive programming on the trail. Educational and trail signage was also improved to educate and orient visitors to the parks.

Several major projects were initiated and or scheduled for completion in 2004. The wetland education area at Glacier Ridge, the greenway trails along Alum Creek, Blacklick Creek and Big Darby, and the extension of the multi-purpose trail to connect the wetland education area to the northern part of Glacier Ridge Metro Park were several of the capital projects worked on in 2004.

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 43801.

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

**STATEMENT OF NET ASSETS
DECEMBER 31, 2004**

	Governmental Activities
<u>Assets:</u>	
Equity In Pooled Cash And Cash Equivalents	\$9,799,427
Accrued Interest Receivable	7,928
Accounts Receivable	4,441
Due From Other Governments (See Note 8)	3,489,701
Prepaid Items	37,266
Property Taxes Receivable	13,058,557
Cash And Cash Equivalents With Fiscal Agent	471,971
Land And Construction In Progress (See Note 9)	92,869,756
Depreciable Capital Assets, Net (See Note 9)	17,393,814
Total Assets	137,132,861
<u>Liabilities:</u>	
Accounts Payable	111,512
Accrued Wages And Benefits	323,321
Contracts Payable	218,792
Retainage Payable	76,899
Due To Other Governments	197,817
Deferred Revenue	12,120,197
Long-Term Liabilities: (See Note 13)	
Due Within One Year	50,806
Due In More Than One Year	610,789
Total Liabilities	13,710,133
<u>Net Assets:</u>	
Invested In Capital Assets	110,263,570
Restricted For:	
Capital Outlay	9,714,105
Other Purposes	415,412
Educational Programs:	
Expendable	64,668
Nonexpendable	252,966
Gardens At Inniswood (Nonexpendable)	466,675
Unrestricted	2,245,332
Total Net Assets	\$123,422,728

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, 2004**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue And Changes In Net Assets</u>
		<u>Charges For Services</u>	<u>Operating Grants, Contributions, And Interest</u>	
<u>Governmental Activities:</u>				
Administration	\$4,236,200	\$808,833	\$30,641	(\$3,396,726)
Education	1,611,096	47,664	8,619	(1,554,813)
Park Maintenance	4,967,666	54,778	280,482	(4,632,406)
Park Expansion	581,905	0	0	(581,905)
Park Promotion	619,741	0	0	(619,741)
Rental Property	153,341	332,605	0	179,264
Natural Resource Management	255,767	0	0	(255,767)
Golf Course	382,215	224,079	0	(158,136)
Park Safety	2,141,667	3,225	1,755	(2,136,687)
Interest And Fiscal Charges	80,500	0	0	(80,500)
<i>Total Governmental Activites</i>	<u>\$15,030,098</u>	<u>\$1,471,184</u>	<u>\$321,497</u>	<u>(13,237,417)</u>
<u>General Revenues:</u>				
Property Taxes				11,854,488
Unrestricted Investment Earnings				103,425
Gain On Sale Of Capital Assets				9,407
Grants And Entitlements Not Restricted To Specific Programs:				
Operating				4,922,299
Capital				11,200,961
Other				55,074
Total General Revenues				<u>28,145,654</u>
Change In Net Assets				14,908,237
Net Assets Beginning of the Year as Restated (See Note 3)				<u>108,514,491</u>
Net Assets End Of Year				<u>\$123,422,728</u>

See accompanying notes to the basic financial statements

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

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2004**

	<u>General</u>	<u>Golf Course</u>	<u>Capital Improvement</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<u>Assets:</u>					
Equity In Pooled Cash And Cash Equivalents	\$444,543	\$561,917	\$8,425,919	\$367,048	\$9,799,427
Cash And Cash Equivalents With Fiscal Agents	5,296	0	0	466,675	471,971
Receivables:					
Property Taxes	0	0	13,058,557	0	13,058,557
Accounts	3,966	475	0	0	4,441
Accrued Interest	0	0	7,928	0	7,928
Due From Other Governments (See Note 8)	2,823,777	0	665,924	0	3,489,701
Prepaid Items	37,266	0	0	0	37,266
<i>Total Assets</i>	<u>\$3,314,848</u>	<u>\$562,392</u>	<u>\$22,158,328</u>	<u>\$833,723</u>	<u>\$26,869,291</u>
<u>Liabilities and Fund Balances:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$93,463	\$1,302	\$16,747	\$0	\$111,512
Accrued Wages And Benefits	300,794	22,527	0	0	323,321
Contracts Payable	0	0	218,792	0	218,792
Retainage Payable	0	0	76,899	0	76,899
Due To Other Governments	128,897	7,918	61,002	0	197,817
Deferred Revenue	2,464,322	0	13,721,916	0	16,186,238
<i>Total Liabilities</i>	<u>2,987,476</u>	<u>31,747</u>	<u>14,095,356</u>	<u>0</u>	<u>17,114,579</u>
<u>Fund Balances:</u>					
Reserved For Encumbrances	101,551	36,463	2,410,971	0	2,548,985
Reserved for Prepaid Items	37,266	0	0	0	37,266
Reserved for Education	0	0	0	64,668	64,668
Unreserved:					
Undesignated, Reported In:					
General Fund	188,555	0	0	0	188,555
Special Revenue Funds	0	494,182	0	0	494,182
Capital Projects Funds	0	0	5,652,001	49,414	5,701,415
Permanent Funds	0	0	0	719,641	719,641
<i>Total Fund Balances</i>	<u>327,372</u>	<u>530,645</u>	<u>8,062,972</u>	<u>833,723</u>	<u>9,754,712</u>
<i>Total Liabilities And Fund Balances</i>	<u>\$3,314,848</u>	<u>\$562,392</u>	<u>\$22,158,328</u>	<u>\$833,723</u>	<u>\$26,869,291</u>

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, 2004**

Total Governmental Fund Balances	\$9,754,712
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Amounts reported for governmental activities in the Statement Of Net Assets are different because:

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

Land	90,205,600
Construction In Progress	2,664,156
Other Capital Assets	27,407,346
Accumulated Depreciation	<u>(10,013,532)</u>

Total	110,263,570
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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 and Other Local Taxes	938,360
Due From Other Governments	3,127,336
Accrued Interest	<u>345</u>

Total	4,066,041
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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>(661,595)</u>
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Net Assets Of Governmental Activities	<u><u>\$123,422,728</u></u>
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See accompanying notes to the basic financial statements

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>General</u>	<u>Golf Course</u>	<u>Capital Improvement</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property Taxes	\$0	\$0	\$11,907,915	\$0	\$11,907,915
Intergovernmental	4,870,037	0	11,183,155	0	16,053,192
Charges For Services	74,536	38,357	3,230	0	116,123
Golf Course	0	764,626	0	0	764,626
Fines And Forfeitures	3,225	0	0	0	3,225
Interest	9,482	0	118,229	21,715	149,426
Decrease In Fair Value Of Investments	0	0	(21,158)	(3,473)	(24,631)
Rent	332,605	254,605	0	0	587,210
Contributions And Donations	4,492	0	258,788	34,747	298,027
Miscellaneous	23,271	20,801	11,002	0	55,074
<i>Total Revenues</i>	<u>5,317,648</u>	<u>1,078,389</u>	<u>23,461,161</u>	<u>52,989</u>	<u>29,910,187</u>
Expenditures:					
Current Operations And Maintenance:					
Administration:					
Salaries And Benefits	2,712,521	713,328	0	0	3,425,849
All Other	621,828	1,806	37,829	0	661,463
Education	1,473,041	0	0	0	1,473,041
Park Maintenance	2,958,020	24,666	80,500	17,202	3,080,388
Park Promotion	598,520	0	0	0	598,520
Rental Property	102,493	0	0	0	102,493
Natural Resource Management	247,168	0	0	0	247,168
Golf Course	23,969	188,717	0	0	212,686
Park Safety	2,031,158	0	0	0	2,031,158
Capital Outlay	385,092	56,022	9,639,523	0	10,080,637
Debt Service:					
Principal Retirement	0	0	600,000	0	600,000
Interest And Fiscal Charges	0	0	92,500	0	92,500
<i>Total Expenditures</i>	<u>11,153,810</u>	<u>984,539</u>	<u>10,450,352</u>	<u>17,202</u>	<u>22,605,903</u>
Excess Of Revenues Over (Under) Expenditures	<u>(5,836,162)</u>	<u>93,850</u>	<u>13,010,809</u>	<u>35,787</u>	<u>7,304,284</u>
Other Financing Sources (Uses):					
Proceeds From Sale Of Capital Assets	24,570	0	0	0	24,570
Transfers - In (See Note 16)	5,644,000	0	0	0	5,644,000
Transfers - Out (See Note 16)	0	0	(5,644,000)	0	(5,644,000)
<i>Total Other Financing Sources (Uses)</i>	<u>5,668,570</u>	<u>0</u>	<u>(5,644,000)</u>	<u>0</u>	<u>24,570</u>
Net Change In Fund Balance	(167,592)	93,850	7,366,809	35,787	7,328,854
Fund Balances At Beginning Of Year - Restated (See Note 3)	<u>494,964</u>	<u>436,795</u>	<u>696,163</u>	<u>797,936</u>	<u>2,425,858</u>
<i>Fund Balances At End Of Year</i>	<u>\$327,372</u>	<u>\$530,645</u>	<u>\$8,062,972</u>	<u>\$833,723</u>	<u>\$9,754,712</u>

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, 2004**

Net Change in Fund Balance - Total Governmental Funds	\$7,328,854
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Amounts reported for governmental activities in the Statement Of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement Of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Asset Additions/Deletions	8,061,355	
Depreciation	(967,564)	
Excess Of Capital Outlay Over Depreciation Expense		7,093,791

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the Statement Of Activities, a gain or loss is reported for each sale.

Proceeds From Sale Of Capital Assets	(24,570)	
Gain On Sale Of Capital Assets	9,407	
		(15,163)

Repayment of long-term obligations is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement Of Net Assets. In the current year, these amounts consist of:

Land Acquisition Tax Anticipation Bonds		600,000
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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.

Property Taxes	(53,427)	
Intergovernmental	71,823	
Accrued Interest	345	
		18,741

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/Decrease In Compensated Absences	(129,986)	
Decrease In Accrued Interest	12,000	
		(117,986)

Change in Net Assets of Governmental Activities	<u><u>\$14,908,237</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 BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:				
Intergovernmental	\$4,765,699	\$4,856,000	\$4,870,037	\$14,037
Charges For Services	82,193	83,750	70,778	(12,972)
Fines And Forfeitures	0	0	3,225	3,225
Interest	48,678	49,600	9,482	(40,118)
Rent	335,886	342,250	332,397	(9,853)
Contributions And Donations	20,609	21,000	21,694	694
Miscellaneous	24,535	25,000	12,576	(12,424)
Total Revenues	<u>5,277,600</u>	<u>5,377,600</u>	<u>5,320,189</u>	<u>(57,411)</u>
Expenditures:				
Current Operations And Maintenance:				
Administration:				
Salaries And Benefits	2,628,307	2,628,307	2,698,080	(69,773)
All Other	936,622	936,622	683,420	253,202
Education	1,460,129	1,460,129	1,466,457	(6,328)
Park Maintenance	3,005,453	3,005,453	3,002,061	3,392
Park Promotion	765,133	765,133	606,938	158,195
Rental Property	113,083	113,083	97,904	15,179
Natural Resource Management	256,817	256,817	254,553	2,264
Golf Course	32,000	32,000	23,472	8,528
Park Safety	1,972,519	1,972,519	2,032,891	(60,372)
Capital Outlay	410,933	410,933	406,375	4,558
Total Expenditures	<u>11,580,996</u>	<u>11,580,996</u>	<u>11,272,151</u>	<u>308,845</u>
Excess Of Revenues Over (Under) Expenditures	<u>(6,303,396)</u>	<u>(6,203,396)</u>	<u>(5,951,962)</u>	<u>251,434</u>
Other Financing Sources (Uses):				
Proceeds From Sale Of Capital Assets	26,000	26,000	24,570	(1,430)
Refund Of Prior Year Receipts	(3,600)	(3,600)	(8,388)	(4,788)
Refund Of Prior Year Expenditures	10,000	10,000	10,695	695
Transfers - In	5,644,000	5,644,000	5,644,000	0
Total Other Financing Sources	<u>5,676,400</u>	<u>5,676,400</u>	<u>5,670,877</u>	<u>(5,523)</u>
Net Change In Fund Balance	(626,996)	(526,996)	(281,085)	245,911
Fund Balance At Beginning Of Year	253,059	253,059	253,059	0
Prior Year Encumbrances Appropriated	<u>289,095</u>	<u>289,095</u>	<u>289,095</u>	<u>0</u>
Fund Balance (Deficit) At End Of Year	<u>(\$84,842)</u>	<u>\$15,158</u>	<u>\$261,069</u>	<u>\$245,911</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, 2004**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Charges For Services	\$38,658	\$38,658	\$37,882	(\$776)
Golf Course	780,293	780,293	764,626	(15,667)
Rent	259,822	259,822	254,605	(5,217)
Miscellaneous	21,277	21,227	20,801	(426)
Total Revenues	<u>1,100,050</u>	<u>1,100,000</u>	<u>1,077,914</u>	<u>(22,086)</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Administration:				
Salaries And Benefits	705,500	705,500	712,581	(7,081)
All Other	8,588	8,588	2,100	6,488
Park Maintenance	25,000	25,000	24,666	334
Golf Course	227,948	227,948	206,513	21,435
Capital Outlay	154,575	154,575	103,723	50,852
Total Expenditures	<u>1,121,611</u>	<u>1,121,611</u>	<u>1,049,583</u>	<u>72,028</u>
Excess Of Revenues Over (Under) Expenditures	(21,561)	(21,611)	28,331	49,942
<u>Other Financing Uses:</u>				
Refund of Prior Year Receipts	<u>0</u>	<u>0</u>	<u>(928)</u>	<u>(928)</u>
Net Change In Fund Balance	(21,561)	(21,611)	27,403	49,014
Fund Balance At Beginning Of Year	426,052	426,052	426,052	0
Prior Year Encumbrances Appropriated	<u>70,551</u>	<u>70,551</u>	<u>70,551</u>	<u>0</u>
Fund Balance At End Of Year	<u><u>\$475,042</u></u>	<u><u>\$474,992</u></u>	<u><u>\$524,006</u></u>	<u><u>\$49,014</u></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, 2004**

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 Columbus and Franklin County Metropolitan Park 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.

A. 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 ordinarily distinguish between those activities that are governmental in nature and those that are considered business-type activities, however, the District has no activities that are classified as business-type.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Statement Of Net Assets presents the financial condition of the governmental activities of the District at year-end. The Statement Of Activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

FUND FINANCIAL STATEMENTS

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. 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.

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

Golf Course - This fund accounts for the operation of the Blacklick Woods golf course.

Capital Improvement - This fund accounts for various acquisition, construction and improvement projects. These projects are financed from tax dollars, local resources and federal and State grants.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. 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

The 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.

D. 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 the amount of the transaction can be determined, and "available" means that the resources are collectible 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 thirty-one 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 7). 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: state-levied locally shared taxes, charges for services, fines and forfeitures, interest, grants and rentals.

DEFERRED REVENUE

Deferred revenue arises 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, 2004, but which were levied to finance year 2005 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

EXPENSES/EXPENDITURES

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

E. 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 appropriations 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 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 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.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budgeted amounts in the budgetary statements 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 revised budgeted amounts represent the final appropriation amounts passed by the Board during the year, including all supplemental appropriations.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. CASH AND CASH EQUIVALENTS

To improve cash management, cash received by the District is pooled. Monies for all funds 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 and 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 Agent."

During 2004, the District's investments were limited to a non-negotiable Certificate of Deposit, Mutual Funds, a Money Market account, Federal Home Loan Bank Consolidation Bonds, and STAROhio. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as certificates of deposit, are reported at cost.

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, 2004.

Interest income is distributed to the funds according to Ohio constitutional and statutory requirements. Interest revenue credited to the General Fund during 2004 amounted to \$9,482, which includes \$8,760 assigned from other funds.

Investments with an original maturity of three months or less at the time of purchase by the District are presented on the financial statements as cash equivalents.

G. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond December 31, 2004, 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.

H. CAPITAL ASSETS

All capital assets of the District are general capital assets that are associated with governmental activities. General capital assets generally result from expenditures in the 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 received. The District maintains a capitalization threshold of one thousand dollars. 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 not capitalized.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

All capital assets, except for land and construction in progress, are depreciated. 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>Years</u>
Land Improvements	10 - 25
Wetlands	50
Buildings	40
Equipment	7
Furnishings	5
Radios	5
Vehicles	5
Computer Equipment	6
Infrastructure	50

I. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as liabilities in the fund financial statements only to the extent that they are due for payment during the current year. Long-term loans that will be paid from governmental funds are recognized as an expenditure and liability in the governmental fund financial statements when due.

J. 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. FUND BALANCE RESERVES

The District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Fund equity reserves have been established for encumbrances, prepaid items, and education.

L. NET ASSETS

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

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

The government-wide Statement Of Net Assets reports \$10,913,826 of restricted net assets, of which \$564,471 is restricted by enabling legislation.

M. INTERFUND TRANSACTIONS

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures 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 to the funds that initially paid for them are not presented on the financial statements.

N. 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.

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES

For the year ended December 31, 2004, the District has presented, for the first time, financial statements that conform to generally accepted accounting principles.

The implementation of this change had the following effect on fund balance of the major and non-major funds of the District as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES (Continued)

	General Fund	Golf Course Fund	Capital Improvement Fund	Nonmajor Funds	Total
Cash Balances December 31, 2003	\$542,154	\$496,603	\$13,080,948	\$785,306	\$14,905,011
GAAP Adjustments	(47,190)	(59,808)	(12,384,785)	12,630	(12,479,153)
Fund Balances December 31, 2003	<u>\$494,964</u>	<u>\$436,795</u>	<u>\$696,163</u>	<u>\$797,936</u>	2,425,858

GASB Statement No. 34 Adjustments:

Deferred Assets:					
Delinquent Property Taxes					991,787
Intergovernmental Receivable					3,055,513
Capital Assets, Net					103,184,942
Accrued Interest Payable					(12,000)
Long-Term Liabilities					<u>(1,131,609)</u>
Governmental Activities, Net Assets December 31, 2003					<u>\$108,514,491</u>

NOTE 4 – COMPLIANCE

The District expended six hundred forty five thousand six hundred ninety seven dollars (\$645,697) in federal monies. There was no initial audit completed or data collection form submitted as required. The District will monitor its federal expenditures accordingly.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

While the District is reporting financial position, results of operations, and changes in fund balances 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) Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

**COLUMBUS AND FRANKLIN COUNTY
METROPOLITAN PARK DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund and the Golf Course Special Revenue Fund is as follows:

	<i>Net Change In Fund Balance</i>	
	<u>General</u>	<u>Golf Course</u>
GAAP Basis	(\$167,592)	\$93,850
Increases (Decreases) Due To:		
Revenue Accruals	(3,966)	(475)
Expenditure Accruals	79,243	(28,061)
Encumbrances Outstanding		
At Year-End (Budget Basis)	<u>(188,770)</u>	<u>(37,911)</u>
Budget Basis	<u><u>(\$281,085)</u></u>	<u><u>\$27,403</u></u>

NOTE 6 - DEPOSIT AND INVESTMENTS

Monies held by the District are classified by State Statute into three categories.

Active deposits are public deposits determined to be necessary to meet current demands upon the District treasury. Such monies must be maintained either as cash in the District 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. Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality;
3. Written repurchase agreements for a period not to exceed thirty days in securities listed above that mature within five years from the date of purchase;

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Continued)**

NOTE 6 - DEPOSIT AND INVESTMENTS (continued)

4. Bonds and other obligations of the State of Ohio;
5. No load 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, and;
6. The State Treasurer's investment pool (STAROhio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Finance Director or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year-end, the carrying amount of the District's deposits was (\$6,505), and the bank balance was \$830,883. The bank balance had \$120,093 covered by federal depository insurance. The remaining amounts were uninsured and uncollateralized. Although the balance was collateralized by securities held by the financial institutions' trust departments in the financial institution's name and all State statutory requirements for the deposit of money had been followed, non compliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

GASB Statement No. 3 "Deposits with Financial Institutions, Investments (Including Repurchase Agreements) and Reverse Repurchase Agreements" requires that local governments disclose the carrying amounts and fair value of investments, classified by risk. The District's investments are categorized as either (1) insured or registered or for which the securities are held by the District or its agent in the District's name, (2) uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the District's name or (3) uninsured and unregistered for which the securities are held by the counterparty, or by its trust department or agent, but not in the District's name. The mutual fund and STAROhio investments are unclassified since they are not evidenced by securities that exist in physical or book entry form.

	Category 2	Category 3	Unclassified	Fair Value
Repurchase Agreements	\$0	\$2,850,000		\$2,850,000
Mutual Funds	0	\$0	\$464,487	\$464,487
Federal Home Loan Bank				
Consolidation Bonds	\$980,000	980,000	0	980,000
StarOhio	0	0	5,983,416	5,983,416
Total Investments	\$980,000	\$3,830,000	\$6,447,903	\$10,277,903

**COLUMBUS AND FRANKLIN COUNTY
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

NOTE 6 - DEPOSIT AND INVESTMENTS (continued)

The classification of cash and cash equivalents, and investments on the financial statements is based on criteria set forth in *GASB Statement No. 9 "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting"*. A reconciliation between classifications of cash and cash equivalents and investments on the basic financial statements and the classifications of deposits and investments presented above per *GASB Statement No. 3* is as follows:

	Cash and Cash Equivalents/Deposits	Investment
<i>GASB Statement No. 9</i>	\$10,271,398	\$0
Investments:		
Mutual Funds	(464,487)	464,487
Federal Home Loan Bank Consolidation Bonds	(980,000)	980,000
StarOhio	(5,983,416)	5,983,416
Repurchase Agreements	(2,850,000)	2,850,000
<i>GASB Statement No. 3</i>	(\$6,505)	\$10,277,903

NOTE 7 - PROPERTY TAX

Property taxes include amounts levied against all real, public utility and tangible personal property located in Franklin County. Property tax revenue received during 2004 for real and public utility property taxes represents collections of 2003 taxes. Property tax payments received during 2004 for tangible personal property (other than public utility property) are for 2004 taxes.

2004 real property taxes are levied after October 1, 2004 on the assessed value as of January 1, 2004 the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2004 real property taxes are collected in and intended to finance 2005.

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. 2004 public utility property taxes became a lien December 31, 2003, are levied after October 1, 2004, and are collected in 2005 with real property taxes.

2004 tangible personal property taxes are levied after October 1, 2003, on the value as of December 31, 2003. Collections are made in 2004. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent of true value for inventory.

The full tax rate for all District operations for the year ended December 31, 2004 was \$.65 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2004 property tax receipts were based are as follows:

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METROPOLITAN PARK DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

NOTE 7 - PROPERTY TAX (continued)

Category	Assessed Value
Real Estate	\$15,175,539,290
Public Utility Property	825,555,600
Tangible Personal Property	9,231,584,778
Total	\$25,232,679,668

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due by September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

The County Treasurer collects property taxes on behalf of all districts in the county, including the Columbus and Franklin County Metropolitan Park District. The County Auditor periodically remits to the District its portion of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2004 and for which there is an enforceable legal claim. In the Capital Improvement Capital Projects Fund, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2004 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

The District has a .65 mill property tax levy that started in 1999 and will run through 2008, for the purpose of conserving natural resources; developing, improving, maintaining, and operating the various parks and other properties of the District; and for acquiring, developing, improving, maintaining and operating additional lands. The District records all of the levy monies into the Capital Improvement Capital Projects Fund and when necessary, makes a transfer to the General fund to cover operating expenditures.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2004 primarily consisted of property taxes, accrued interest, accounts (billings for user charged services) and intergovernmental receivables. All receivables are considered fully collectible. The principal items of intergovernmental receivables are entitlements and shared revenues.

	<i>Amount</i>
Governmental Activities	
Local Government	\$2,561,587
Local Government Revenue Assistance	262,190
Personal Property Exemption	2,910
Homestead and Rollback	663,014
Total Intergovernmental Receivable	\$3,489,701

**COLUMBUS AND FRANKLIN COUNTY
METROPOLITAN PARK DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

NOTE 9 - CAPITAL ASSETS

A summary of changes in capital assets during 2004 follows:

	Restated Balance At 12/31/2003	Additions	Deletions	Balance At 12/31/2004
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$85,951,134	\$4,254,466	\$0	\$90,205,600
Construction in Progress	4,125,822	2,077,973	(3,539,639)	2,664,156
Total Capital Assets Not Being Depreciated	<u>90,076,956</u>	<u>6,332,439</u>	<u>(3,539,639)</u>	<u>92,869,756</u>
Depreciable Capital Assets:				
Land Improvements	1,535,284	143,418	0	1,678,702
Buildings	16,086,163	4,122,035	0	20,208,198
Equipment	3,022,997	99,495	(16,518)	3,105,974
Furnishings	128,566	0	(1,200)	127,366
Radios	196,733	0	0	196,733
Vehicles	1,130,195	163,295	(102,583)	1,190,907
Computer Equipment	159,154	11,889	0	171,043
Infrastructure	0	728,423	0	728,423
Total Depreciable Capital Assets	<u>22,259,092</u>	<u>5,268,555</u>	<u>(120,301)</u>	<u>27,407,346</u>
Total Capital Assets At Historical Cost	<u>\$112,336,048</u>	<u>\$11,600,994</u>	<u>(\$3,659,940)</u>	<u>\$120,277,102</u>
Less Accumulated Depreciation:				
Land Improvements	(429,880)	(75,753)	0	(505,633)
Buildings	(5,122,827)	(498,968)	0	(5,621,795)
Equipment	(2,350,354)	(202,804)	15,510	(2,537,648)
Furnishings	(113,173)	(5,905)	1,200	(117,878)
Radios	(158,466)	(15,175)	0	(173,641)
Vehicles	(864,390)	(130,378)	88,428	(906,340)
Computer Equipment	(112,016)	(24,012)	0	(136,028)
Infrastructure	0	(14,569)	0	(14,569)
Total Accumulated Depreciation	<u>(9,151,106)</u>	<u>(967,564)</u>	<u>105,138</u>	<u>(10,013,532)</u>
Depreciable Capital Assets, Net	<u>13,107,986</u>	<u>4,300,991</u>	<u>(15,163)</u>	<u>17,393,814</u>
Governmental Activities Capital Assets, Net	<u>\$103,184,942</u>	<u>\$10,633,430</u>	<u>(\$3,554,802)</u>	<u>\$110,263,570</u>

Depreciation expense was charged to governmental functions as follows:

Administration	\$74,480
Education	119,668
Park Maintenance	449,926
Rental Property	50,848
Natural Resource Management	6,159
Golf Course	169,529
Park Safety	96,954
Total Depreciation Expense	<u>\$967,564</u>

**COLUMBUS AND FRANKLIN COUNTY
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

NOTE 10 - DEFINED BENEFIT PENSION PLAN

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

The District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional 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 that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, 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 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 that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2004, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9.0 percent. The District's contribution rate for pension benefits for 2004 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the District's pension contributions were 12.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to the traditional and combined plans for the year ended December 31, 2004 and 2003 was \$602,022 and \$554,749; 94.88 percent has been contributed for 2004.

NOTE 11 - POSTEMPLOYMENT BENEFITS

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by Ohio Revised Code Section 145. The 2004 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4.0 percent of covered payroll was the portion that was used to fund health care.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 11 - POSTEMPLOYMENT BENEFITS (continued)

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2003, include a rate of return on investments of 8.0 percent, an annual increase in active employee total payroll of 4.0 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .5 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging between 1.0 to 6.0 percent annually for the next eight years and 4.0 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 369,885. Actual employer contributions for 2004 which were used to fund postemployment benefits were \$265,770. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004, were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

In December 2001, the Board adopted the Health Care "Choices" Plan. The Choices Plan will be offered to all persons newly hired in an OPERS covered position after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices will incorporate a cafeteria approach, offering a broader range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

NOTE 12 - EMPLOYEE BENEFITS

A. COMPENSATED ABSENCES

The criteria for determining vacation and sick leave liabilities are derived from board policy. Employees earn vacation and sick leave at different rates which are also affected by length of service. Vacation can be accumulated for up to two years. Sick leave accrual is continuous, without limit.

Upon retirement, termination, or death, employees with ten or more years of service with the District will be paid for one fourth of their accumulated hours of sick leave up to a maximum of thirty days. Upon retirement, termination, or death, an employee will be paid for unused vacation up to the two year limit.

Holiday time may be accumulated for rangers but must be taken by year-end. Compensatory time earned may be accumulated up to 240 hours. Any excess hours above the 240 hours will be lost.

B. INSURANCE

The District provides hospitalization, surgical and major medical insurance through United Healthcare of Ohio Inc. The prescription drug plan is provided through Merck-Medco RX Services. Dental insurance is provided through CompDent/Security Dental. Vision insurance is provided through Spectera. Life insurance is provided through U. S. Life Insurance Company.

C. 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 13 - LONG-TERM OBLIGATIONS

Changes in the long-term obligations of the District during 2004 were as follows:

<i>Types / Issues</i>	<i>Balance 12/31/03</i>	<i>Issued</i>	<i>Retired</i>	<i>Balance 12/31/04</i>	<i>Due Within One Year</i>
<u>Governmental Activities</u>					
2000 - 8% Land Acquisition Tax					
Anticipation Bonds - \$600,000	\$600,000	\$0	\$600,000	\$0	\$0
Compensated Absences	531,609	196,124	66,138	661,595	50,806
Total Governmental Activities	\$1,131,609	\$196,124	\$666,138	\$661,595	\$50,806

On October 1, 2000, the District issued 8.00 percent Land Acquisition Tax Anticipation Bonds. The bonds matured and were retired on October 1, 2004. These bonds were used for the purpose of acquiring land to expand the Prairie Oaks Metro Park.

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

The District's overall legal debt margin was \$253,326,797 at December 31, 2004.

**COLUMBUS AND FRANKLIN COUNTY
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

NOTE 14 - SHORT-TERM OBLIGATION

A summary of the short-term note transactions for the year ended December 31, 2004 follows:

<i>Types / Issues</i>	<i>Balance 12/31/03</i>	<i>Issued</i>	<i>Retired</i>	<i>Balance 12/31/04</i>
2003 - 1.5% Land Acquisition				
Note, Series 2003 \$12,000,000	\$12,000,000	\$0	\$12,000,000	\$0

On March 26, 2003, the District issued a 1.50 percent Land Acquisition Note. The note matured and was retired on March 25, 2004. The note proceeds were used for the purpose of acquiring land.

NOTE 15 - 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 2004, the District contracted with several companies for various types of insurance coverage as follows:

Westfield Group	Property (\$1,000 deductible)	\$17,931,827
	Inland Marine (\$500 deductible)	2,431,003
	Computer Coverage	153,143
	Boiler and Machinery	3,688,653
	Crime	10,000
	General Liability - Occurrence	1,000,000
	Aggregate	2,000,000
Ohio Farmers	Automobile Liability (\$250 deductible)	1,000,000
	Bond for Finance Director	500,000
Scottsdale Indemnity Company	Law Enforcement (\$5,000 deductible)	1,000,000
	Public Officials (\$10,000 deductible)	1,000,000
	Employment Practices	1,000,000
American Alternative	Commercial Umbrella	10,000,000

There has not been a significant reduction in commercial coverage from the prior year. Settled claims have not exceeded coverage in any of the last five years.

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.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
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NOTE 16 - INTERFUND ACTIVITY

Transfers made during the fiscal year ended December 31, 2004 were as follows:

	Transfers From	
Transfers To	Capital Improvement Capital Projects Fund	
General Fund	\$5,644,000	

A transfer was made from the Capital Improvement Capital Projects Fund to the General Fund to move a portion of the .65 mill operating levy to the General Fund to cover operating costs.

NOTE 17 - CONTINGENT LIABILITIES

A. FEDERAL AND STATE GRANTS

For the period January 1, 2004, to December 31, 2004, 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.

B. LITIGATION

The District is currently not party to any legal proceedings.

**COLUMBUS AND FRANKLIN COUNTY
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
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NOTE 18 - CONTRACTUAL COMMITMENT

At December 31, 2004, the District's significant contractual commitments consisted of:

Projects	Contract Amount	Amount Paid	Balance at 12/31/2004
Fencing at Pickerington Ponds	\$19,779	\$0	\$19,779
Installation of Three Fuel Stations	53,380	49,939	3,441
Roadway/Parking Lot Repairs	312,677	283,505	29,172
Demolition Work at Glacier Ridge and Pickerington Ponds	85,000	81,890	3,110
Environmental Study at Three Creeks	92,300	91,709	591
Environmental/Property Assessment - Whittier Peninsula	405,000	291,085	113,915
Environmental Study - State Route 33 Bikeway	30,687	0	30,687
Darby Creek Greenway Trail	455,000	237,325	217,675
Engineering Services - Blacklick Creek Greenway Phase 5	36,350	32,350	4,000
Floodplain Study at Pickerington Ponds	5,800	5,260	540
Restroom Improvement at Blacklick Woods	63,867	56,902	6,965
Engineering Design - Bridge at Pickerington Ponds	16,604	12,484	4,120
Design Services - Innis Gardens	3,000	2,766	234
HVAC Replacement at Golf Course	26,900	22,865	4,035
Scioto Trail	606,352	547,448	58,904
Engineering Services - WRRSP Projects	29,750	0	29,750
Engineering for Bridge at Prairie Oaks	19,200	15,126	4,074
Glacier Ridge Wetlands Phase 1	368,778	352,140	16,638
Design Services - Restroom at Battelle Darby	12,000	6,300	5,700
Installation of Sanitary Treatment System - Pickerington Ponds	27,531	24,991	2,540
Blacklick Creek Greenway Phase 5	781,144	451,498	329,646
Wetland Restoration at Pickerington Ponds	249,237	140,232	109,005
Cedar Ridge Sewer Expansion at Battelle Darby	91,592	0	91,592
Multi-use Trail Phase 3 at Glacier Ridge	219,005	211,805	7,200
Blacklick Trail Renovation	28,442	0	28,442
Alum Creek Greenway Phase 1	469,114	0	469,114
Solar Panels at Glacier Ridge	34,405	32,617	1,788
Bridge Type Study - Greenway Trail	26,911	26,787	124
Engineering Services - Alum Creek Greenway	196,468	45,157	151,311
	<u>\$4,766,273</u>	<u>\$3,022,181</u>	<u>\$1,744,092</u>

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

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2004**

Federal Grantor/ Pass Through Grantor Program Title	Entity Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Direct funding:			
Community Development Block Grant/ Economic Development Initiative	B-03-SP-OH-0613	14.246	<u>\$ 625,905</u>
Total U.S. Department of Housing and Urban Development			<u>625,905</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Direct funding:			
Wildlife Habitat Incentive Program	72-5E34-03-158	10.914	<u>\$19,792</u>
Total U.S. Department of Agriculture			<u>19,792</u>
Total Federal Awards Expenditures			<u>\$ 645,697</u>

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 FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2004**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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



Mary Taylor, CPA

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, Ohio (the District) as of and for the year ended December 31, 2004, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 19, 2007, wherein we noted the District implemented GASB 34. 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 to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the District's management dated January 19, 2007, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

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*. In a separate letter to the District's management dated January 19, 2007, we reported other matters related to noncompliance we deemed immaterial.

35 N. Fourth St. / Second Floor / Columbus, OH 43215-3612
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
www.auditor.state.oh.us

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 intend this report solely for the information and use of the finance committee, management, Board of Park Commissioners, and federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

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

Mary Taylor, CPA
Auditor of State

January 19, 2007



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON 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 apply to its major federal program for the year ended December 31, 2004. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. 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 reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe 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 Columbus and Franklin County Metropolitan Park District, Franklin County, Ohio complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2004. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that OMB Circular A-133 requires us to report, which is described in the accompanying schedule of findings as item 2004-001. In a separate letter to the District's management dated January 19, 2007, we reported another matter related to federal noncompliance not requiring inclusion in this report.

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Internal Control Over Compliance

The District's management 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 directly and materially affect a major federal program 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 reportable 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 caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

We intend this report solely for the information and use of the finance committee, management, Board of Park Commissioners, and federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

January 19, 2007

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

**OMB CIRCULAR A -133 § .505
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2004**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

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

**OMB CIRCULAR A -133 § .505
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS

Finding Number	2004-001
CFDA Title and Number	1.) Community Development Block Grant/Brownfield's Economic Development Initiative CFDA # 14.246 2.) Wildlife Habitat Incentive Program CFDA # 10.914
Federal Award Number / Year	1.) B-03-SP-OH-0613 2.) 72-5E34-03-158
Federal Agency	1.) U.S. Department of Housing and Urban Development (HUD). 2.) U.S. Department of Agriculture
Pass-Through Agency	Direct Funding

Report Submission - Noncompliance Finding

Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Section .200(a) provides that a non-federal entity that expends \$300,000 (\$500,000 after fiscal year 2003) or more in a year in federal awards shall have a single audit conducted as discussed in the Circular. Section .105 defines such entities as "auditees". Section .300(a) states, an auditee shall "Identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity.

Section .300(e) further states, an auditee shall "Ensure that the audits required by this part are properly performed and submitted when due." Section .320 provides that single audits shall be completed and a reporting package submitted to the federal clearinghouse designated by OMB, no later than nine months after the end of the audit period.

During fiscal year 2004, the District expended six hundred forty five thousand six hundred ninety seven dollars (\$645,697) in federal monies. As of August 23, 2006, there was no fiscal year 2004 audit completed or data collection form submitted as required by this section.

We recommend that the District inform the Auditor of State when federal monies are received or expended in excess of five hundred thousand dollars to ensure a single audit is conducted. The District should also prepare a schedule to identify all Federal awards in accordance with the Section noted above.

Official's Response:

Metro Parks will monitor expenditures of federal funds and request the appropriate actions be taken when we exceed the spending levels as prescribed in Circular A-133.

COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT
FRANKLIN COUNTY

OMB CIRCULAR A -133 § .315 (B)
SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2004

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2003-001	"Revised Code 5705.41(B) Expenditures Exceeding Appropriations"	Yes	Not applicable



Mary Taylor, CPA
Auditor of State

COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 20, 2007**