



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

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2007



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 Columbus and Franklin County Metropolitan Park District, Franklin County, Ohio (the District), as of and for the year ended December 31, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Columbus and Franklin County Metropolitan Park District, Franklin County, Ohio, as of December 31, 2007, and the respective changes in financial position thereof and the respective budgetary comparisons for the General and Golf Course Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 2, 2009, 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.

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.

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

July 2, 2009

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)**

The discussion and analysis of the Columbus And Franklin County Metropolitan Park District's financial performance provides an overall review of the District's financial activities for the year ended December 31, 2007. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

- The District's total net assets increased \$7,188,174.
- General revenues of governmental activities accounted for \$20,650,723 or 91.54 percent of all governmental revenues. Program specific revenues in the form of charges for services, grants, contributions, and interest accounted for \$1,908,299 or 8.46 percent of total governmental revenues of \$22,559,022.
- The District had \$15,370,848 in expenses related to governmental activities. \$1,908,299 of these expenses were offset by program specific charges for services, grants, contributions, and interest. General revenues (primarily property taxes and grants and entitlements not restricted) of \$20,650,723 were adequate to provide for these programs.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements. These statements are organized so that the reader can understand the Columbus and Franklin County Metropolitan Park District's financial situation as a whole and also give a detailed view of the District's financial condition.

The Statement Of Net Assets and the Statement Of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. The fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term, as well as the amount of funds available for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column.

REPORTING THE DISTRICT AS A WHOLE

One of the most important questions asked about the District is "How did we do financially during 2007?" The Statement Of Net Assets and the Statement Of Activities, which appear first in the District's financial statements, report information on the District as a whole and its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)**

REPORTING THE DISTRICT AS A WHOLE (continued)

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

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

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the District's major funds begins on page 8. Fund financial reports provide detailed information about the District's major funds – not the District as a whole. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's major funds. The District's major funds are the General Fund, the Golf Course Special Revenue Fund, and the Capital Improvement Capital Projects Fund.

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

THE DISTRICT AS A WHOLE

As stated previously, the Statement Of Net Assets provides the perspective of the District as a whole. Table 1 provides a summary of the District's net assets for 2007 compared to 2006.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)**

Table 1
Net Assets

	<u>Governmental Activities</u>		Increase
	2007	2006	(Decrease)
Assets			
Current And Other Assets	\$28,807,362	\$30,256,083	(\$1,448,721)
Land, Wetlands, Land Restoration And Construction in Progress	108,495,875	101,830,021	6,665,854
Depreciable Capital Assets, Net	<u>27,698,469</u>	<u>25,152,382</u>	<u>2,546,087</u>
Total Assets	<u>165,001,706</u>	<u>157,238,486</u>	<u>7,763,220</u>
Liabilities			
Current And Other Liabilities	13,133,475	12,613,067	520,408
Long-Term Liabilities:			
Due Within One Year	48,585	51,071	(2,486)
Due In More Than One Year	<u>637,409</u>	<u>580,285</u>	<u>57,124</u>
Total Liabilities	<u>13,819,469</u>	<u>13,244,423</u>	<u>575,046</u>
Net Assets			
Invested In Capital Assets	136,194,344	126,982,403	9,211,941
Restricted For:			
Capital Outlay	1,265,646	11,429,364	(10,163,718)
Other Purposes	460,663	364,165	96,498
Educational Programs:			
Expendable	105,775	85,924	19,851
Nonexpendable	267,054	267,054	0
Gardens At Inniswood - Nonexpendable	452,558	452,558	0
Unrestricted	<u>12,436,197</u>	<u>4,412,595</u>	<u>8,023,602</u>
Total Net Assets	<u>\$151,182,237</u>	<u>\$143,994,063</u>	<u>\$7,188,174</u>

Total assets increased \$7,763,220. A decrease of 4.79 percent occurred within current and other assets of governmental activities when compared to the prior year. Land, wetlands, land restoration and construction in progress increased 6.55 percent due to an increase in land purchases and construction in progress primarily relating to the continuing development of Whittier Park and Alum Creek Greenway Phase 1. Depreciable capital assets increased 10.12 percent due to infrastructure development, including roads and trails within the District.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)**

THE DISTRICT AS A WHOLE (continued)

The current and other liabilities increased 4.13 percent primarily due to an increase in deferred revenue. The District has a legal claim to property taxes at year end that were levied to finance 2008 operations and will be collected within the available period.

Invested in capital assets increased \$9,211,941. This is primarily due to current year capital assets additions exceeding current year depreciation. Land, construction in progress, and infrastructure, which includes roads and trails, experienced the largest increases.

Unrestricted net assets increased \$8,023,602. This is primarily due to the recording of Property Tax Revenues into the General Fund instead of the Capital Improvement Capital Projects Fund.

Table 2 shows the changes in net assets for the years ended December 31, 2007 and 2006.

Table 2
Changes In Net Assets

	2007	2006	Increase/ (Decrease)
Revenues			
Program Revenues:			
Charges For Services	\$1,588,233	\$1,475,853	\$112,380
Operating Grants, Contributions, And Interest	120,680	577,855	(457,175)
Capital Grants And Contributions	199,386	3,119	196,267
Total Program Revenues	\$1,908,299	\$2,056,827	(\$148,528)
General Revenues:			
Property Taxes	12,335,414	12,296,765	38,649
Unrestricted Investment Earnings	770,790	641,665	129,125
Grants And Entitlements Not Restricted			
To Specific Programs:			
Operating	6,798,481	4,998,852	1,799,629
Capital	668,509	3,182,960	(2,514,451)
Contributions And Donations	474	3,298	(2,824)
Miscellaneous	77,055	268,330	(191,275)
Total General Revenues	20,650,723	21,391,870	(741,147)
Total Revenues	\$22,559,022	\$23,448,697	(\$889,675)

(continued)

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)**

Table 2
Changes In Net Assets
Governmental Activities
(Continued)

	2007	2006	Increase/ (Decrease)
Program Expenses			
Administration	\$2,063,927	\$2,380,613	(\$316,686)
Education	2,210,735	1,954,427	256,308
Park Operations	5,507,206	5,112,236	394,970
Park Planning	351,644	691,809	(340,165)
Park Promotion	785,258	670,375	114,883
Rental Property	131,579	153,537	(21,958)
Natural Resource Management	384,911	420,093	(35,182)
Golf Course	1,246,693	1,039,037	207,656
Park Safety	2,688,895	2,260,490	428,405
Total Expenses	<u>15,370,848</u>	<u>14,682,617</u>	<u>688,231</u>
Increase In Net Assets	7,188,174	8,766,080	(1,577,906)
Net Assets At Beginning Of Year (Restated)	143,994,063	135,227,983	8,766,080
Net Assets At End Of Year	<u>\$151,182,237</u>	<u>\$143,994,063</u>	<u>\$7,188,174</u>

GOVERNMENTAL ACTIVITIES

Program revenues, which are primarily represented by charges for District services, fines and charges generated by the golf course, as well as restricted intergovernmental revenues, restricted interest earnings and restricted donations, were 8.46 percent of total revenues for 2007 and were lower than 2006. The decrease is related to less grant money being received this year.

As previously mentioned, general revenues were 91.54 percent of total revenues for 2007. The .65 mill property tax levy is the largest source of revenue for the District, making up 54.68 percent of revenues for governmental activities for the year ended 2007. This levy is a ten-year levy that started in 1999 and will continue through 2008. The next largest source of revenue for the District is provided through unrestricted grants and entitlements being received.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)**

GOVERNMENTAL ACTIVITIES (continued)

Governmental program expenses as a percentage of total governmental expenses for 2007 are expressed as follows:

Administration	13.43%
Education	14.38
Park Operations	35.83
Park Planning	2.29
Park Promotion	5.11
Rental Property	0.86
Natural Resource Management	2.50
Golf Course	8.11
Park Safety	17.49
	100.00%

The above chart clearly indicates that the District's major source of expenses, 35.83 percent, is related to park operations. All other forms of governmental operations represent 64.17 percent of expenses.

THE DISTRICT'S FUNDS

Information about the District's major governmental funds begins on page 16. All governmental funds had total revenues of \$23,022,532 and expenditures of \$24,345,576. The General Fund balance increased \$6,844,462 as a result of the District recording Property Tax Revenues into the General Fund.

The Golf Course Special Revenue Fund balance decreased \$15,989 from the prior year. This was the result of an increase in utilities and capital expenditures related to the replacement of golf carts.

The Capital Improvement Capital Projects Fund balance decreased \$8,207,075, as a result of the District is no longer recording the Property Tax Revenues in this fund.

GENERAL FUND BUDGETING HIGHLIGHTS

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of receipts, disbursements, and encumbrances. The District's budget is adopted on a fund basis. Before the budget is adopted, the Board reviews detailed budget worksheets of each program within the General Fund and then adopts the budget on a fund basis.

Original General Fund budgeted revenues and other financing sources were \$12,528,000. The final budgeted revenues and other financing sources were \$20,545,015 resulting in a \$8,017,015 increase. The increase is largely related to the District recording Property Tax Revenues in this fund. As more accurate information was received, the District revised its revenues to reflect the more accurate estimates. Actual revenues and other financing sources were less than final budgeted revenues and other financing sources by \$853,566, which is due to a decrease in State shared taxes.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)**

GENERAL FUND BUDGETING HIGHLIGHTS (continued)

During 2007, the General Fund operated on one appropriation measure. Actual expenditures and other financing uses were less than the final budgeted expenditures and other financing uses by \$7,645,917 due to a budgeted transfer of \$7,000,000 was not made during the year.

The General Fund's ending fund balance was \$6,792,351 above the final budgeted amount.

CAPITAL ASSETS

At the end of 2007, the District had \$136,194,344 invested in capital assets (net of accumulated depreciation) for governmental activities, an increase of \$9,211,941, or 7.25 percent from the prior year. The increase in capital assets is primarily related to an increase in land, construction in progress relating to the Alum Creek Greenway Phase 1 and the continuing development of Whittier Park projects and infrastructure additions including roads and trails.

See Note 9 of the Notes To The Basic Financial Statements for more detailed capital assets information.

CURRENT FINANCIAL ISSUES AND CONCERNS

The District had a very successful 2007 with a seven percent growth in park visitation in 2007. The community continued to show great interest in spending time in the District. More than 6.5 million visitors enjoyed free outdoor recreational and educational activities. The parks and facilities continue to be clean, safe and well maintained even as new facilities are opened for public enjoyment.

Scioto Audubon Metro Park on the Whittier Peninsula remained a planning and construction focus for the District's team. Progress was made in addressing impacted soils and the area surrounding the boat ramps was greatly improved. Audubon Ohio anticipates beginning construction of the Grange Insurance Audubon Center in May 2008. The City of Columbus has delayed development of the adjoining lands on the Whittier Peninsula but is making progress on relocating facilities as required for completion of the park.

The District initiated the Metro Parks Urban Conservation Corps to provide jobs, training and conservation education for at-risk youth. The Urban Conservation Corps members were selected from area high schools and helped to complete projects in the District while learning skills and gaining exposure to conservation careers.

Good progress was realized in constructing the regional Greenway Trail system. Trails north of Three Creeks along Alum Creek were paved all the way to Livingston Avenue, with only a small gap in the trail at Petzinger Road. Additional trail mileage was completed along Blacklick Creek. Construction of the Darby Creek Greenway Trail in Battelle Darby Creek Metro Park was initiated. Additional trail improvements were made throughout the park system.

The District hosted more special events in 2007 than ever before. The Big Bugs exhibit was a tremendous success with 600,000 visitors to Inniswood to see the sculpture exhibit. Programs and activities for seniors continue to be popular and well received. The Students Exploring Ecosystems school initiative was expanded to include more schools. The District hosted the Special Park District Forum, which showcased our facilities and operations to park leaders from across the nation.

The park system grew by 325 acres, with an additional 152 acres under contract. These new park properties bring the District's total conserved acreage to over 23,500 acres. Conservation of land and restoration of wildlife habitat remains a strong focus of the District's system.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(UNAUDITED)**

Five habitat restoration projects are underway that will be completed in 2008 in our parks along Big Darby Creek. These conservation projects will help to improve water quality, provide homes for wildlife including many rare species, and add to the beauty and serenity of the District.

The District records levy monies into the General Fund instead of the Capital Improvements Capital Projects Fund. By implementing the Auditor of State's recommendation, the District has elected not to transfer money during 2007, from the General Fund to the Capital Improvements Fund in order to eliminate the fund balance that had accumulated. By doing this, Net Assets restricted for Capital Outlay decreased \$10,163,718. In future years, transfers will be made to the Capital Improvements Fund to fund projects when they get started or as money is needed.

CONTACTING THE DISTRICT'S FINANCE DEPARTMENT

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact William Ruff, Finance Director, Columbus and Franklin County Metropolitan Park District, 1069 West Main Street, Westerville, Ohio 43081.

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

**Statement Of Net Assets
December 31, 2007**

	Governmental Activities
<u>Assets:</u>	
Equity In Pooled Cash And Investments	\$11,595,785
Accounts Receivable	3,450
Due From Other Governments (See Note 8)	3,233,631
Prepaid Items	44,931
Property Taxes Receivable	13,465,556
Cash And Cash Equivalents With Fiscal Agents	464,009
Land, Wetlands, Land Restoration And Construction In Progress (See Note 9)	108,495,875
Depreciable Capital Assets, Net (See Note 9)	27,698,469
<i>Total Assets</i>	165,001,706
<u>Liabilities:</u>	
Accounts Payable	52,367
Accrued Wages And Benefits Payable	382,586
Contracts Payable	124,990
Matured Compensated Absences Payable	1,678
Retainage Payable	67,928
Due To Other Governments	138,689
Deferred Revenue	12,365,237
Long-Term Liabilities:	
Due Within One Year (See Note 13)	48,585
Due In More Than One Year (See Note 13)	637,409
<i>Total Liabilities</i>	13,819,469
<u>Net Assets:</u>	
Invested In Capital Assets	136,194,344
Restricted For:	
Capital Outlay	1,265,646
Other Purposes	460,663
Educational Programs:	
Expendable	105,775
Nonexpendable	267,054
Gardens At Inniswood - Nonexpendable	452,558
Unrestricted	12,436,197
<i>Total Net Assets</i>	\$151,182,237

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, 2007**

	Program Revenues			Net (Expense) Revenue And Changes In Net Assets	
	Expenses	Charges For Services	Operating Grants, Contributions, And Interest	Capital Grants And Contributions	Governmental Activities
<u>Governmental Activities:</u>					
Administration	\$2,063,927	\$65,622	\$35,613	\$0	(\$1,962,692)
Education	2,210,735	85,101	77,137	6,886	(2,041,611)
Park Operations	5,507,206	0	7,530	192,500	(5,307,176)
Park Planning	351,644	0	0	0	(351,644)
Park Promotion	785,258	7,087	0	0	(778,171)
Rental Property	131,579	325,083	0	0	193,504
Natural Resource Management	384,911	0	400	0	(384,511)
Golf Course	1,246,693	1,102,984	0	0	(143,709)
Park Safety	2,688,895	2,356	0	0	(2,686,539)
Total Governmental Activities	\$15,370,848	\$1,588,233	\$120,680	\$199,386	(13,462,549)
<u>General Revenues:</u>					
					12,335,414
Property Taxes - General Purpose					770,790
Unrestricted Investment Earnings					
Grants And Entitlements Not Restricted					
To Specific Programs:					
Operating					6,798,481
Capital					668,509
Contributions And Donations					474
Miscellaneous					77,055
Total General Revenues					20,650,723
Change In Net Assets					7,188,174
Net Assets At Beginning Of Year (Restated - Note 3)					143,994,063
Net Assets At End Of Year					\$151,182,237

See Accompanying Notes To The Basic Financial Statements

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

**Balance Sheet
Governmental Funds
December 31, 2007**

	General	Golf Course	Capital Improvement	Nonmajor Funds	Total Governmental Funds
<u>Assets:</u>					
Equity In Pooled Cash And Investments:	\$9,301,259	\$474,333	\$1,235,076	\$585,117	\$11,595,785
Cash And Cash Equivalents With Fiscal Agents	5,000	0	0	459,009	464,009
Receivables:					
Property Taxes	13,465,556	0	0	0	13,465,556
Accounts	250	3,200	0	0	3,450
Due From Other Governments (See Note 8)	3,117,258	0	116,373	0	3,233,631
Prepaid Items	44,931	0	0	0	44,931
Total Assets	\$25,934,254	\$477,533	\$1,351,449	\$1,044,126	\$28,807,362
<u>Liabilities And Fund Balances:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$6,546	\$607	\$45,214	\$0	\$52,367
Contracts Payable	0	0	124,990	0	124,990
Accrued Wages And Benefits Payable	356,587	25,999	0	0	382,586
Matured Compensated Absences Payable	1,678	0	0	0	1,678
Retainage Payable	0	0	67,928	0	67,928
Due To Other Governments	128,762	9,927	0	0	138,689
Deferred Revenue	16,189,522	3,200	116,373	0	16,309,095
Total Liabilities	16,683,095	39,733	354,505	0	17,077,333
<u>Fund Balances:</u>					
Reserved For Encumbrances	381,092	14,585	2,454,667	0	2,850,344
Reserved For Prepaid	44,931	0	0	0	44,931
Reserved For Permanent Endowments	0	0	0	558,333	558,333
Unreserved:					
Undesignated, (Deficit) Reported In:					
General Fund	8,825,136	0	0	0	8,825,136
Special Revenue Funds	0	423,215	0	59,959	483,174
Capital Projects Funds	0	0	(1,457,723)	152,329	(1,305,394)
Permanent Funds	0	0	0	273,505	273,505
Total Fund Balances	9,251,159	437,800	996,944	1,044,126	11,730,029
Total Liabilities And Fund Balances	\$25,934,254	\$477,533	\$1,351,449	\$1,044,126	\$28,807,362

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, 2007**

Total Governmental Fund Balances	\$11,730,029
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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	99,415,662
Wetlands	844,401
Land Restoration	971,854
Construction In Progress	7,263,958
Other Capital Assets	52,530,124
Accumulated Depreciation	<u>(24,831,655)</u>

Total	136,194,344
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Property Taxes	1,100,319
Due From Other Governments	2,840,339
Accounts	<u>3,200</u>

Total	3,943,858
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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>(685,994)</u>
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Net Assets of Governmental Activities	<u><u>\$151,182,237</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 Balances
Governmental Funds
For The Year Ended December 31, 2007**

	General	Golf Course	Capital Improvement	Nonmajor Funds	Total Governmental Funds
<u>Revenues:</u>					
Property Taxes	\$12,288,598	\$0	\$0	\$0	\$12,288,598
Intergovernmental	6,570,791	0	1,608,211	0	8,179,002
Charges For Services	85,101	35,900	1,660	71,049	193,710
Golf Course	0	798,646	0	0	798,646
Fines And Forfeitures	2,356	0	0	0	2,356
Investment Earnings	344,090	0	419,300	25,126	788,516
Increase In Fair Value Of Investments	0	0	0	6,451	6,451
Rent	325,083	266,138	0	0	591,221
Contributions And Donations	59,327	0	6,363	31,287	96,977
Miscellaneous	39,394	1,060	36,601	0	77,055
Total Revenues	19,714,740	1,101,744	2,072,135	133,913	23,022,532
<u>Expenditures:</u>					
Current Operations And Maintenance:					
Administration:					
Salaries And Benefits	1,005,995	0	0	0	1,005,995
All Other	794,217	1,976	0	61,604	857,797
Education	2,075,192	0	0	0	2,075,192
Park Operations	4,621,695	5,338	0	0	4,627,033
Park Planning	307,223	0	45,214	0	352,437
Park Promotion	778,701	0	0	6,826	785,527
Rental Property	76,281	0	0	0	76,281
Natural Resource Management	384,596	0	0	0	384,596
Golf Course	30,119	1,003,381	0	0	1,033,500
Park Safety	2,297,188	0	0	0	2,297,188
Capital Outlay	508,996	107,038	10,233,996	0	10,850,030
Total Expenditures	12,880,203	1,117,733	10,279,210	68,430	24,345,576
Excess Of Revenues Over (Under) Expenditures	6,834,537	(15,989)	(8,207,075)	65,483	(1,323,044)
<u>Other Financing Sources:</u>					
Proceeds From Sale Of Capital Assets	9,925	0	0	0	9,925
Net Change In Fund Balance	6,844,462	(15,989)	(8,207,075)	65,483	(1,313,119)
Fund Balances At Beginning Of Year	2,406,697	453,789	9,204,019	978,643	13,043,148
Fund Balances At End Of Year	\$9,251,159	\$437,800	\$996,944	\$1,044,126	\$11,730,029

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, 2007**

Net Change in Fund Balances - Total Governmental Funds (\$1,313,119)

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	10,499,542
Donated Capital Assets	192,500
Depreciation	<u>(1,218,731)</u>

Excess Of Capital Outlay Over Depreciation Expense	9,473,311
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The proceeds from the sale of capital assets are reported as revenue in the governmental funds. However, the cost of capital assets is removed from the capital assets account in the Statement Of Net Assets and offset against the proceeds from the sale of capital assets resulting in a loss on the sale of capital assets in the Statement Of Activities.

Proceeds From Sale Of Capital Assets	(9,925)
Loss On Disposal Of Capital Assets	<u>(251,445)</u>

(261,370)

Some revenues that will not be collected for several months after the District's year-end are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues changed by these amounts this year:

Property Taxes	46,816
Intergovernmental	(705,126)
Charges For Services	<u>2,300</u>

(656,010)

Some items reported as expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:

Increase In Compensated Absences	<u>(54,638)</u>
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Change in Net Assets of Governmental Activities \$7,188,174

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, 2007**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Property Taxes	\$0	\$12,365,237	\$12,288,598	(\$76,639)
Intergovernmental	4,719,930	7,086,461	6,537,199	(549,262)
Charges For Services	82,072	181,830	85,727	(96,103)
Fines And Forfeitures	0	0	2,356	2,356
Investment Earnings	329,420	542,676	344,090	(198,586)
Rent	310,984	313,873	324,833	10,960
Contributions And Donations	56,798	32,875	59,327	26,452
Miscellaneous	28,796	22,063	30,646	8,583
Total Revenues	5,528,000	20,545,015	19,672,776	(872,239)
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Administration:				
Salaries And Benefits	1,053,402	1,053,402	1,033,572	19,830
All Other	1,035,325	1,035,325	947,103	88,222
Education	2,115,393	2,115,393	2,057,785	57,608
Park Operations	4,847,697	4,847,697	4,690,114	157,583
Park Planning	320,942	320,942	308,672	12,270
Park Promotion	924,084	924,084	882,815	41,269
Rental Property	141,150	141,150	75,001	66,149
Natural Resource Management	415,838	415,838	398,234	17,604
Golf Course	35,025	35,025	29,180	5,845
Park Safety	2,406,203	2,406,203	2,299,263	106,940
Capital Outlay	632,768	632,768	556,255	76,513
Total Expenditures	13,927,827	13,927,827	13,277,994	649,833
Excess Of Revenues Over (Under) Expenditures	(8,399,827)	6,617,188	6,394,782	(222,406)
<u>Other Financing Sources (Uses):</u>				
Proceeds From Sale Of Capital Assets	0	0	9,925	9,925
Refund Of Prior Year Receipts	0	0	(3,916)	(3,916)
Refund Of Prior Year Expenditures	0	0	8,748	8,748
Transfers - In	7,000,000	0	0	0
Transfers - Out	(7,000,000)	(7,000,000)	0	7,000,000
Total Other Financing Sources (Uses)	0	(7,000,000)	14,757	7,014,757
Net Change In Fund Balance	(8,399,827)	(382,812)	6,409,539	6,792,351
Fund Balance At Beginning Of Year	2,128,962	2,128,962	2,128,962	0
Prior Year Encumbrances Appropriated	380,823	380,823	380,823	0
Fund Balance At End Of Year	(\$5,890,042)	\$2,126,973	\$8,919,324	\$6,792,351

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, 2007**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Charges For Services	\$30,000	\$30,000	\$35,900	\$5,900
Golf Course	844,000	844,000	798,646	(45,354)
Rent	251,000	251,000	266,138	15,138
Miscellaneous	0	0	1,020	1,020
<i>Total Revenues</i>	<u>1,125,000</u>	<u>1,125,000</u>	<u>1,101,704</u>	<u>(23,296)</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Administration	14,801	14,801	3,481	11,320
Park Operations	29,500	29,500	5,338	24,162
Golf Course	1,015,146	1,015,146	1,017,915	(2,769)
Capital Outlay	105,925	105,925	107,038	(1,113)
<i>Total Expenditures</i>	<u>1,165,372</u>	<u>1,165,372</u>	<u>1,133,772</u>	<u>31,600</u>
Excess Of Revenues Under Expenditures	(40,372)	(40,372)	(32,068)	8,304
<u>Other Financing Sources:</u>				
Refund Of Prior Year Expenditures	0	0	40	40
<i>Net Change In Fund Balance</i>	(40,372)	(40,372)	(32,028)	8,344
<i>Fund Balance At Beginning Of Year</i>	435,408	435,408	435,408	0
<i>Prior Year Encumbrances Appropriated</i>	56,368	56,368	56,368	0
<i>Fund Balance At End Of Year</i>	<u>\$451,404</u>	<u>\$451,404</u>	<u>\$459,748</u>	<u>\$8,344</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, 2007**

NOTE 1 - DESCRIPTION OF THE DISTRICT AND REPORTING ENTITY

The Columbus and Franklin County Metropolitan Park District (the "District") is a body politic established to exercise the rights and privileges conveyed to it under the authority of Section 1545.01, Ohio Revised Code.

The District's governing body is a three member Board of Commissioners appointed by the probate judge of Franklin County. The District is classified as a related organization of Franklin County.

The District acquires land for conversion into forest reserves and for the conservation of natural resources, including streams, lakes, submerged lands and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve, protect and promote the use of same as the Board deems conducive to the general welfare. These activities are directly controlled by the Board through the budgetary process and are included within this report.

In evaluating how to define the District for financial reporting purposes, management has considered all agencies, departments and organizations making up the Columbus and Franklin County Metropolitan Park District and its potential component units consistent with *Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity."*

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District, in that the District approves the organization's budget, the issuance of its debt, or the levying of its taxes. The District has no component units.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. BASIS OF PRESENTATION (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. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. All funds of the District are governmental funds.

Governmental funds are those through which most governmental functions are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

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

Golf Course – This fund accounts for the operation of the Blacklick Woods Golf Course.

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(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

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the Balance Sheet. The Statement Of Revenues, Expenditures And Changes In Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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 that the amount of the transaction can be determined and "available" means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the District, available means expected to be received within 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.

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 (including program fees and merchandise sales), fines and forfeitures, grants and rentals.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. BASIS OF ACCOUNTING (continued)

DEFERRED REVENUE

Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2007, but were levied to finance 2008 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. CASH AND INVESTMENTS

To improve cash management, cash received by the District is pooled. Monies for all funds, except for money held by Franklin County and the Inniswood Permanent Fund, are maintained in this pool. Individual fund integrity is maintained through the District's records. Interest in the pool is presented as "Equity In Pooled Cash And Cash Equivalents" on the financial statements. The District also has an amount with Franklin County, who processes the District's payroll, to cover any payroll adjustments. The cash in the Inniswood Permanent Fund is held by the Columbus Foundation. The balances in these accounts are presented on the financial statements as "Cash And Cash Equivalents With Fiscal Agents."

During 2007, the District's investments were limited to the Allegiant Government Mortgage Fund Class I #406 Mutual Fund, repurchase agreement and the State Treasury Asset Reserve of Ohio (STAROhio). Non-participating investment contract such as repurchase agreement is reported at cost. The remaining investments are reported at fair value which is based on the fund's share price.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during 2007. 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, 2007.

Interest income is distributed to the funds according to Ohio constitutional and statutory requirements. Interest revenue credited to the General Fund during 2007 amounted to \$344,090 which includes \$179,722 assigned from other funds.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are reported as cash equivalents on the financial statements.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond December 31, 2007, 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.

G. CAPITAL ASSETS

General capital assets are capital assets that are associated with and generally rise from governmental activities. These assets generally result from expenditures in governmental funds. These assets are reported in the governmental activities column of the government-wide Statement Of Net Assets but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values on the date donated. The District maintains a capitalization threshold of 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 expensed.

All reported capital assets, except land, wetlands, land restoration, and construction in progress, are depreciated. The District has elected to report Wetlands and Land Restoration as separate non-depreciable capital assets. The value of wetland is the cost the District incurred to restore or create wetlands on District property. Land Restoration is the cost incurred to restore acquired land back to its natural habitat by removing levees and planting trees and grasses. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the District's historical records of necessary improvements and replacements.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Descriptions</u>	<u>Estimated Life</u>
Land Improvements	10 - 25 years
Buildings	40 years
Equipment	7 years
Furnishings	5 years
Radios	5 years
Vehicles	5 years
Computer Equipment	6 years
Infrastructure:	
Roads	10-50 years
All Purpose Trails	50 years
Other paved Areas	5-30 years

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. 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.

I. COMPENSATED ABSENCES

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based upon the District's past experience of making termination payments.

The entire compensated absences liability is reported on the government-wide financial statements. On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent that payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees will be paid.

J. FUND BALANCE RESERVES

Reserves of fund equity in governmental funds indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund equity reserves have been established for encumbrances, prepaid items, and permanent endowments. The reserve for permanent endowments recognizes contributions and interest earnings received that are to be used to support the educational activities of the District and contributions used to support capital related improvements and maintenance at the Inniswood Park gardens.

K. INTERNAL ACTIVITY

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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 \$2,551,696 of restricted net assets, none of which is restricted by enabling legislation.

M. BUDGETARY PROCESS

All funds of the District are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board at the fund level. The Finance Director has been authorized to allocate appropriations to the function and object level within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts reflect the amounts in the amended certificate in effect at the time final appropriations were passed by the Board.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year, including all supplemental appropriations.

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

NOTE 3 - RESTATEMENT OF NET ASSETS

In 2007, the District retroactively capitalized all infrastructure assets acquired prior to 2004 in accordance with GASB 34. Net assets were restated at December 31, 2007, as follows:

	<i>Governmental Activities</i>
Net Assets, December 31, 2006	<u>\$140,288,868</u>
Restatement of Capital Assets, Net of Depreciation	<u>3,705,195</u>
Net Assets, December 31, 2006 as Restated	<u><u>\$143,994,063</u></u>

NOTE 4 - COMPLIANCE

The General Fund had original appropriations for 2007 that exceeded original estimated resources and available fund balance by \$5,890,042 contrary to Ohio Revised Code Section 5705.39.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position and results of operations on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement Of Revenues, Expenditures And Changes In Fund Balance – Budget And Actual (Budget Basis) is presented for the General Fund and the Golf Course special revenue fund on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- (c) Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
- (d) Investments are recorded at fair value (GAAP basis) rather than cost (budget basis).
- (e) Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statements.

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis for the General Fund and the Golf Course Special Revenue Fund are as follows:

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (continued)

Net Change in Fund Balance		
	General Fund	Golf Course Fund
GAAP Basis	\$6,844,462	(\$15,989)
Increases (Decreases) Due To:		
Revenue Accruals	(33,216)	0
Expenditure Accruals	(14,772)	(1,454)
Encumbrances	(386,935)	(14,585)
Budget Basis	\$6,409,539	(\$32,028)

NOTE 6 - DEPOSIT AND INVESTMENTS

State statutes classify monies held by the District into three categories.

Active monies are public monies necessary to meet current demands on the treasury. Active monies must be maintained either as cash in the District's Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies may be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or other obligations or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

NOTE 6 - DEPOSIT AND INVESTMENTS (continued)

4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio); and,
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in possession of an outside party. At December 31, 2007, \$992,846 of the District's bank balance of \$1,092,846 was collateralized and uninsured. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim to the FDIC.

The District does not have a deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments: As of December 31, 2007, the District had the following investments. All investments, except the Allegiant Government Mortgage Fund Class I #406 Mutual Fund, are in an internal investment pool.

	Fair Value	Investment Maturities (in Years)	
		Less than 1	1 - 2
STAROhio	\$9,708,070	\$9,708,070	\$0
Allegiant Government Mortgage Fund Class I #406 Mutual Fund	455,330	0	455,330
Repurchase Agreement	1,104,000	1,104,000	0
Totals	\$11,267,400	\$10,812,070	\$455,330

Interest Rate Risk: As a means of limiting its exposure to fair value losses caused by rising interest rates, the District's investment policy requires that, to the extent possible, investments will match anticipated cash flow requirements. No investment shall be made unless the Finance Director, at the time of making the investment, reasonably expects it can be held to its maturity. Unless matched to a specific obligation or debt of the District, the District will not directly invest in securities maturing more than five years from the date of investment.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

NOTE 6 - DEPOSIT AND INVESTMENTS (continued)

Credit Risk: STAROhio including the repurchase agreements carries a rating of AAAM by Standard and Poor's. The Allegiant Government Mortgage Fund Class I #406 Mutual Fund carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service and that the Mutual Fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The District has no policy regarding credit risk.

Concentration of Credit Risk: The District places no limit on the amount it may invest in any one issuer. The District's investment in Allegiant Government Mortgage Fund Class I #406 Mutual Fund represents 4 percent of the District's total investments. The Allegiant Government Mortgage Fund Class I #406 represents 44 percent of the investments reported in the District's Nonmajor Funds.

Custodial credit risk for investments is the risk that in the event of bank failure, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. As of December 31, 2007, \$1,104,000 of the District's bank balance of \$12,058,959 was uninsured and collateralized. Although the securities held by the pledging financial institution's trust department or agent and all statutory requirements for the deposit of money may had been followed, noncompliance with federal requirements could potentially subject the District to a successful claim to the FDIC.

NOTE 7 - PROPERTY TAX

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in Franklin County. Property tax revenue received during 2007 for real and public utility property taxes represents collections of 2006 taxes. Property tax payments received during 2007 for tangible personal property (other than public utility property) are for 2007 taxes.

2007 real property taxes are levied after October 1, 2007, on the assessed value as of January 1, 2007, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2007 real property taxes are collected in and intended to finance 2008.

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. 2007 public utility property taxes became a lien December 31, 2006, are levied after October 1, 2007, and are collected in 2008 with real property taxes.

2007 tangible personal property taxes are levied after October 1, 2006, on the value as of December 31, 2006. Collections are made in 2007. In prior years, tangible personal property was assessed at 25 percent of true value for capital assets and 23 percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2007 is 12.5 percent. This will be reduced to 6.25 percent for 2008 and zero for 2009.

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

NOTE 7 - PROPERTY TAX (continued)

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Columbus And Franklin County Metropolitan Park District. The County Auditor periodically remits to the District its portion of the taxes. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2007, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2007 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

The full tax rate for all District operations for the year ended December 31, 2007, was \$0.65 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2007 property tax receipts were based are as follows:

Category	Assessed Value
Real Property:	
Agricultural/Residential	\$19,036,047,390
Commercial/Industrial/Mineral	7,795,862,850
Public Utility Real	11,034,340
Tangible Personal Property:	
General Business	633,871,972
Public Utility	553,976,680
Total	\$28,030,793,232

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 General Fund. The District transfers levy monies to the Capital Improvement Capital Projects fund when funds are needed to complete projects.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2007, consisted of property taxes, accounts (billings for user charged services), and due from other governments. All receivables are considered fully collectible and will be collected within one year with the exception of property taxes. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

A summary of the principal items due from other governments follows:

	Amount
<u>Governmental Activities</u>	
Local Government	\$2,545,946
Homestead And Rollback	550,823
Personal Property Reimbursement	20,489
Pleasant Valley Quarry Habitat Restoration	108,510
WRRSP - Darby Creek Watershed Restoration	7,863
Total Due From Other Governments	\$3,233,631

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

NOTE 9 - CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2007, was as follows:

	Restated Balance At 12/31/2006	Additions	Deletions	Balance At 12/31/2007
<u>Governmental Activities</u>				
Capital Assets, Not Being Depreciated:				
Land	\$93,961,349	\$5,454,313 #	\$0	\$99,415,662
Wetlands	844,401	0	0	844,401
Land Restoration	437,013	534,841	0	971,854
Construction in Progress	6,587,258	3,937,515	(3,260,815)	7,263,958
Total Capital Assets Not Being Depreciated	<u>101,830,021</u>	<u>9,926,669</u>	<u>(3,260,815)</u>	<u>108,495,875</u>
Depreciable Capital Assets:				
Land Improvements	2,388,727	441,222	0	2,829,949
Buildings	20,623,506	476,275	(308,217)	20,791,564
Equipment	3,343,628	275,552	(98,683)	3,520,497
Furnishings	120,069	8,081	(20,382)	107,768
Radios	243,943	20,487	(9,150)	255,280
Vehicles	1,310,863	210,936	(95,805)	1,425,994
Computer Equipment	195,118	27,231	0	222,349
Infrastructure	20,810,319	2,566,404	0	23,376,723
Total Depreciable Capital Assets	<u>49,036,173</u>	<u>4,026,188</u>	<u>(532,237)</u>	<u>52,530,124</u>
Total Capital Assets At Historical Cost	<u>\$150,866,194</u>	<u>\$13,952,857</u>	<u>(\$3,793,052)</u>	<u>\$161,025,999</u>
<u>Governmental Activities</u>				
Less Accumulated Depreciation:				
Land Improvements	(\$799,755)	(\$148,610)	\$0	(\$948,365)
Buildings	(6,679,113)	(504,221)	61,643	(7,121,691)
Equipment	(2,741,690)	(217,477)	90,076	(2,869,091)
Furnishings	(120,069)	(1,616)	20,382	(101,303)
Radios	(204,109)	(19,436)	9,150	(214,395)
Vehicles	(1,042,660)	(149,084)	89,616	(1,102,128)
Computer Equipment	(156,394)	(17,543)	0	(173,937)
Infrastructure	(12,140,001)	(160,744)	0	(12,300,745)
Total Accumulated Depreciation	<u>(23,883,791)</u>	<u>(1,218,731) *</u>	<u>270,867</u>	<u>(24,831,655)</u>
Depreciable Capital Assets, Net	<u>25,152,382</u>	<u>2,807,457</u>	<u>(261,370)</u>	<u>27,698,469</u>
Governmental Activities Capital Assets, Net	<u>\$126,982,403</u>	<u>\$12,734,126</u>	<u>(\$3,522,185)</u>	<u>\$136,194,344</u>

\$192,500 of the additions consisted of assets donated by private individuals.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

NOTE 9 - CAPITAL ASSETS (continued)

* Depreciation expense was charged to governmental programs as follows:

Administration	\$66,927
Education	113,050
Park Operations	667,539
Rental Property	55,298
Natural Resource Management	1,171
Golf Course	194,988
Park Safety	119,758
Total Depreciation Expense	<u>\$1,218,731</u>

NOTE 10 - DEFINED BENEFIT PENSION PLAN

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description - The District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional 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. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the traditional pension 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 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2007, members in state and local classifications contributed 9.5 percent of covered payroll, public safety members contributed 9.75 percent, and law enforcement members contributed 10.1 percent.

The District's contribution rate for 2007 was 13.85 percent, except for those plan members in law enforcement or public safety, for whom the District's contribution was 17.17 percent of covered payroll. For the period January 1 through June 30, a portion of the District's contribution equal to 5.0 percent of covered payroll was allocated to fund the post-employment health care plan; for the period July 1 through December 31, 2007 this amount was increased to 6 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the District of 14.0 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

NOTE 10 - DEFINED BENEFIT PENSION PLAN (continued)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (continued)

The District's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$561,933, \$629,497 and \$645,140 respectively; 94.4 percent has been contributed for 2007 and 100 percent for 2006 and 2005. No contributions to the member-directed plan were made by the District or plan members in 2007.

NOTE 11 - POSTEMPLOYMENT BENEFITS

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description - OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

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

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2007, local government employers contributed 13.85 percent of covered payroll (17.17 percent for public safety and law enforcement). Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The amount of the employer contributions which was allocated to fund post-employment health care was 5.0 percent of covered payroll from January 1 through June 30, 2007, and 6.0 percent from July 1 to December 31, 2007.

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

The District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2007, 2006, and 2005 were \$429,503, \$307,906 and \$270,216 respectively; 76.43 percent has been contributed for 2007 and 100 percent for 2006 and 2005.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

NOTE 11 - POSTEMPLOYMENT BENEFITS (continued)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (continued)

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan which was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

NOTE 12 - EMPLOYEE BENEFITS

A. COMPENSATED ABSENCES

Vacation leave accumulates at the completion of each two week payroll cycle, reflecting hours worked and longevity, beginning with the full-time employee's first payroll period. Part-time employees are eligible to earn vacation at a rate of .025 for each hour worked. Vacation can be accumulated up to a maximum of two years for full-time employees and up to 40 hours for part-time employees. Employees are paid for earned, unused vacation leave at the time of termination of employment.

Sick leave is earned bi-weekly at the rate of 2.3077 hours for each week worked, beginning with the date of appointment to a full-time position and can be accumulated without limit. Upon retirement or termination, employees with 10 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 30 days. In the event that an employee dies as a result of injuries sustained on the job, his or her estate will be paid the total allowable amount of all earned unused sick leave.

Full-time employees working in excess of designated work hours are entitled to compensatory time, while part-time and seasonal employees working in excess of designated work hours will be paid for overtime. Compensatory time may be accumulated up to 240 hours. Employees who accumulate in excess of 240 hours will be paid for the excess hours at the next pay date. Employees are paid for earned, unused compensatory time at the time of termination of employment.

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

B. INSURANCE

The District provides hospitalization and surgical insurance through United Healthcare of Ohio, Inc. The prescription drug plan is provided through CatalystRX Services. Dental insurance is provided through Aetna 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

NOTE 13 - LONG-TERM OBLIGATIONS

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

<u>Types / Issues</u>	<u>Balance 12/31/06</u>	<u>Addition</u>	<u>Deletions</u>	<u>Balance 12/31/07</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>					
Compensated Absences	\$631,356	\$107,766	\$53,128	\$685,994	\$48,585

Compensated absences will be paid from the General Fund and the Golf Course special revenue fund.

NOTE 14 - 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 2007, the District contracted with several companies for various types of insurance coverage as follows:

Westfield Group	Property (\$1,000 deductible)	\$19,023,886
	Inland Marine (\$500 deductible)	3,012,244
	Boiler and Machinery (\$1,000 deductible)	19,023,886
	Crime (\$500 deductible)	10,000
	General Liability - Occurrence	1,000,000
	Aggregate	2,000,000
Ohio Farmers	Automobile Liability	1,000,000
	Bond for Finance Director	500,000
	Public Officials (\$10,000 deductible)	1,000,000
American Alternative	Employment Practices (\$10,000 deductible)	1,000,000
	Commercial Umbrella (\$10,000 Retention)	10,000,000

The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

NOTE 15 - CONTRACTUAL COMMITMENTS

At December 31, 2007, the District's significant contractual commitments consisted of:

<u>Projects</u>	<u>Amount</u>	<u>Completed</u>	<u>12/31/2007</u>
Darby Creek Greenway Trail	\$271,462	\$155,210	\$116,252
Darby Creek Greenway Trail - Engineering	30,495	10,910	19,585
Darby Dan EPA Restoration	84,656	61,696	22,960
Blacklick Greenway At State Route 33	264,360	237,087	27,273
Blacklick Greenway At State Route 33 - Environmental Study	227,673	221,454	6,219
Engineering - Pleasant Valley Quarry Reclamation - BDC	425,929	420,900	5,029
Park Sidner Restoration	48,516	35,666	12,850
Day Camp Facility At Highbanks Metro Park	426,698	411,092	15,606
Day Camp Shelter	40,503	12,675	27,828
Blacklick Creek Greenway Trail Phase 7	21,088	9,677	11,411
Blacklick Creek Greenway Phase 9	55,268	32,806	22,462
District Office Interior Paint	7,800	2,000	5,800
Alum Creek Greenway Phase 1	1,392,365	1,257,983	134,382
Learning Center At Glacier Ridge Metro Park	377,844	332,519	45,325
Whittier Metro Park	4,517,206	4,278,560	238,646
Whittier Peninsula	1,048,168	1,020,775	27,393
District-Wide Signage	46,381	34,065	12,316
District-Wide Picnic Area Trees	45,441	20,912	24,529
Sheets Stream Restoration/Reforestation	57,857	0	57,857
Angel Stream Restoration/Reforestation	19,658	0	19,658
Glacier Ridge Water Service	25,607	5,948	19,659
Totals	<u>\$9,434,975</u>	<u>\$8,561,935</u>	<u>\$873,040</u>

NOTE 16 - CONTINGENT LIABILITIES

A. FEDERAL AND STATE GRANTS

For the period January 1, 2007, to December 31, 2007, the District received federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the District believes such disallowance, if any, would be immaterial.

NOTE 17 - DONOR RESTRICTED ENDOWMENTS

The District's permanent funds include donor restricted endowments. Endowments, in the amount of \$719,612, represent the principal portion. The amount of net appreciation in donor restricted investments that is available for expenditures by the District is \$105,775 and is included as held in trust for educational programs. State law permits the District to appropriate, for purposes consistent with the endowment's intent, net appreciation, realized and unrealized, unless the endowment terms specify otherwise. The endowments indicate that the interest should be used to provide educational programs.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Continued)**

NOTE 18 – SUBSEQUENT EVENTS

May 5, 2009, the voter approved a replacement levy of .65 mill and an increase of 0.1 mill for the purpose of conserving and improving natural resources, wildlife, habitat, streams and natural areas, developing, improving, maintaining and operating various parks, land and trails at a rate not exceeding .75 mill for each dollar of valuation, which amounts to .075 for each one hundred dollars, for a period of 10 years commencing in 2009, first due in calendar 2010.

April 5, 2007, the District authorized the purchase of 169.051 acres for \$26,500 per acre plus \$10,000 in surveying costs and other miscellaneous closing costs for a total estimated cost of \$4,490,000.

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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, 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated July 2, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain internal control matters that we reported to the District's management in a separate letter dated July 2, 2009.

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 instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as item 2007-001 and 2007-002.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated July 2, 2009.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the District's responses and, accordingly, we express no opinion on them.

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



Mary Taylor, CPA
Auditor of State

July 2, 2009

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

**SCHEDULE OF AUDIT FINDINGS
DECEMBER 31, 2007**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2007-001

Appropriations Exceeding Estimated Resources – Material Noncompliance

Ohio Revised Code Section 5705.39 requires that the total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure for that fund. It also states that no appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate.

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

Fund	Fund Number	Appropriations	Estimated Resources	Variance
General Fund	27	\$20,547,000	\$14,545,815	(\$6,001,185)

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

Officials’ Response:

The District will monitor budgetary controls more closely in the future to alleviate such compliance issues.

FINDING NUMBER 2007-002

Amended Appropriations – Material Noncompliance

Ohio Revised Code Section 5705.40 states that any appropriation ordinance or measure may be amended or supplemented, provided that such amendment or supplement shall comply with all provisions of law governing the taxing authority in making an original appropriation.

The Board of Park Commissioners approves the annual appropriation measure each fiscal year. The District obtained two amended appropriation certificates during 2007. These amendments were not approved by the Park Commissioners prior to submission to the County Budget Commission. Appropriations exceeded estimated resources on the 1st certificate resulting in noncompliance with ORC Sec. 5705.39, see finding 2007-001.

We recommend the Park Commissioners approve all amended appropriations prior to submission to the County Budget Commission to ensure appropriations are within estimated resources and avoid potential deficit fund balances.

Officials’ Response:

The District will monitor budgetary controls more closely in the future to alleviate such compliance issues.



Mary Taylor, CPA
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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
AUGUST 11, 2009**