



Dave Yost • Auditor of State

**THE OLANDER PARK SYSTEM
LUCAS COUNTY**

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Dave Yost • Auditor of State

The Olander Park System
Lucas County
6930 Sylvania Avenue
Sylvania, Ohio 43560-3524

To the Board of Commissioners:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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Dave Yost
Auditor of State

September 29, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

The Olander Park System
Lucas County
6930 Sylvania Avenue
Sylvania, Ohio 43560-3524

To the Board of Commissioners:

We have audited the accompanying financial statements of The Olander Park System, Lucas County, Ohio (TOPS) as of and for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of TOPS' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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 opinion.

As described more fully in Note 1, TOPS has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the fund the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting TOPS' larger (i.e. major) funds separately. While TOPS does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. TOPS has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of TOPS as of December 31, 2010 and 2009, or its changes in financial position for the years then ended.

Olander Park System
Lucas County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
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Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balance and reserves for encumbrances of the Olander Park System, Lucas County, Ohio as of December 31, 2010 and 2009, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

TOPS has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2011, on our consideration of TOPS' 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.

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

Dave Yost
Auditor of State

September 29, 2011

**OLANDER PARK SYSTEM
LUCAS COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2010**

Cash Receipts:

General Property Tax - Real Estate	\$857,649
Tangible Personal Property Tax	967
Intergovernmental Revenue	825,425
Investment Income	51
Gifts and Donations	2,740
Fees	42,451
Sales	4,049
Rentals	46,065
Refunds	66,045
Other Receipts	3,869
Total Cash Receipts	1,849,311

Cash Disbursements:

Current:	
Salaries - Employees	414,991
Supplies	22,539
Materials	73,468
Equipment	56,901
Motor Vehicle	20,959
Contract - Repair	4,915
Contract - Services	130,996
Contract - Utilities	23,882
Capital Projects - Park Development	208,940
Capital Projects - Programs	7,746
Rentals	431
Advertising and Printing	30,898
Conference and Travel	4,406
Professional Services	96,548
FICA	5,997
Public Employees Retirement	58,045
Workers' Compensation	2,768
Liability Insurance	23,701
Insurance Group	34,656
Debt:	
Payment of Principal	560,520
Payment of Interest	18,929
Other	22,294
Total Cash Disbursements	1,824,530

Total Cash Receipts Over Cash Disbursements 24,781

Other Financing Receipts/(Disbursements):

Proceeds from Sale of Public Debt:	
Sale of Notes	700,000
Purchase of Land	(700,000)
Total Other Financing Receipts/(Disbursements)	

Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements 24,781

Fund Cash Balance, January 1 107,079

Fund Cash Balance, December 31 \$131,860

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

**OLANDER PARK SYSTEM
LUCAS COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2009**

Cash Receipts:

General Property Tax - Real Estate	\$878,719
Tangible Personal Property Tax	2,362
Intergovernmental Revenue	319,467
Investment Income	1,015
Gifts and Donations	2,175
Fees	36,498
Sales	4,449
Rentals	49,190
Refunds	7,595
Other Receipts	<u>7,966</u>
 Total Cash Receipts	 <u>1,309,436</u>

Cash Disbursements:

Current:	
Salaries - Employees	390,399
Supplies	24,806
Materials	76,838
Equipment	11,670
Motor Vehicle	27,538
Contract - Repair	1,227
Contract - Services	123,647
Contract - Utilities	24,718
Capital Projects - Park Development	416,910
Rentals	202
Advertising and Printing	34,334
Conference and Travel	8,641
Professional Services	39,511
FICA	5,645
Public Employees Retirement	54,346
Workers' Compensation	3,904
Liability Insurance	24,831
Insurance Group	23,925
Debt:	
Payment of Principal	150,000
Payment of Interest	15,070
Other	<u>12,702</u>
 Total Cash Disbursements	 <u>1,470,864</u>

Total Cash Disbursements Over Cash Receipts (161,428)

Fund Cash Balance, January 1 268,507

Fund Cash Balance, December 31 **\$107,079**

Reserves for Encumbrances, December 31 \$22,289

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

**THE OLANDER PARK SYSTEM
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the The Olander Park System, Lucas County, Ohio (TOPS), as a body corporate and politic. The probate judge of Lucas County appoints a three-member Board of Commissioners to govern TOPS. The Commissioners are authorized to acquire, develop, protect, maintain, and improve park lands and facilities. The Commissioners may convert acquired land into forest reserves. The Commissioners are also responsible for activities related to conserving natural resources, including streams, lakes, submerged lands, and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of these assets conducive to the general welfare.

TOPS' management believes these financial statements present all activities for which TOPS is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. TOPS recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash and Investments

As the Ohio Revised Code permits, the Lucas County Treasurer holds TOPS' cash as TOPS' custodian. The County holds TOPS' assets in its investment pool, valued at the Treasurer's reported carrying amount.

D. Fund Accounting

TOPS uses fund accounting to segregate cash and investments that are restricted as to use. TOPS classifies its fund into the following type:

General Fund

The General Fund accounts for all financial resources.

E. Budgetary Process

The Ohio Revised Code requires the Board of Commissioners to budget each fund annually.

**THE OLANDER PARK SYSTEM
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the function level of control and appropriations may not exceed estimated resources. TOPS Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2010 and 2009 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

TOPS records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. CASH

The carrying amount of cash at December 31 was as follows:

	2010	2009
Demand deposits	\$17,923	\$20,272
Amounts on deposit with fiscal agent	113,937	86,807
Total deposits	\$131,860	\$107,079

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation. Amounts on deposit with the fiscal agent are pooled with Lucas County's deposits, and it is not feasible to determine the manner in which TOPS' deposits are insured. The extent of Lucas County's collateralization is disclosed in their audit reports for fiscal years ended December 31, 2010 and 2009.

**THE OLANDER PARK SYSTEM
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2010 and 2009 follows:

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,711,000	\$2,549,311	\$838,311

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,848,000	\$2,524,530	(\$676,530)

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,368,000	\$1,309,436	(\$58,564)

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,599,500	\$1,493,153	\$106,347

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General fund by \$676,530 for the year ended December 31, 2010.

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board of Park Commissioners adopts rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Property owners assess tangible personal property tax. They must file a list of this property to the County by each April 30.

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

**THE OLANDER PARK SYSTEM
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

5. DEBT

Debt outstanding at December 31, 2010:

	Principal	Interest Rate
Land Purchase Note	\$289,480	4.75%

TOPS entered into a debt agreement with Huntington National Bank on March 4, 2010 in the amount of \$700,000 at a 4.75 rate of interest and a maturity date of June 1, 2012. The purpose of this debt issue was to finance the purchase of additional land to expand Sylvan Prairie Park. TOPS repaid \$410,520 of this loan in 2010 with grant funds obtained for this purchase.

The

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

Year ending December 31:	Land Purchase Note
2009	\$165,070
2010	154,875
Total	\$319,945

6. RETIREMENT SYSTEM

TOPS' full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes retirement benefits, including postretirement healthcare, and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2010 and 2009, OPERS members contributed 10 percent of their gross salaries. TOPS contributed an amount equal to 14 percent of participants' gross salaries. TOPS has paid all contributions required through December 31, 2010.

7. RISK MANAGEMENT

Commercial Insurance

TOPS has obtained commercial insurance for the following risks:

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



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INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

The Olander Park System
Lucas County
6930 Sylvania Avenue
Sylvania, Ohio 43560-3524

To the Board of Commissioners:

We have audited the financial statements of The Olander Park System, Lucas County, Ohio (TOPS), as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated September 29, 2011, wherein we noted TOPS follows accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 TOPS' internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of TOPS' internal control over financial reporting. Accordingly, we have not opined on the effectiveness of TOPS' internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of TOPS' financial statements will not be prevented, or detected and timely corrected.

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

Compliance and Other Matters

As part of reasonably assuring whether TOPS' 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 an instance of noncompliance we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2010-001.

We also noted certain matters not requiring inclusion in this report that we reported to TOPS' management in a separate letter dated September 29, 2011.

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

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Dave Yost
Auditor of State

September 29, 2011

**THE OLANDER PARK SYSTEM
LUCAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009**

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

FINDING NUMBER 2010-001

Noncompliance Citation

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

In 2010, The Olander Park System (TOPS) purchased land in the amount of \$700,000 causing expenditures to exceed appropriations by \$676,530. TOPS did not amend their annual appropriations measure to account for the additional expenditure.

We recommend TOPS assure all expenditures are appropriated.

Officials' Response:

We did not receive a response from Officials to this finding.

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THE OLANDER PARK SYSTEM
LUCAS COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2010 AND 2009

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	Reconciliation of Financial Records	Yes	

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OLANDER PARK SYSTEM

LUCAS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 25, 2011**