



OHIO AUDITOR OF STATE  
**KEITH FABER**





**THE OLANDER PARK SYSTEM  
LUCAS COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

The Olander Park System  
Lucas County  
6930 Sylvania Avenue  
Sylvania, Ohio 43560-3534

To the Board of Park Commissioners:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements, and related notes of The Olander Park System, Lucas County, Ohio (TOPS) as of and for the years ended December 31, 2018 and 2017.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to TOPS' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of TOPS' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, TOPS prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though TOPS does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of TOPS as of December 31, 2018 and 2017, and the respective changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements, and related notes of The Olander Park System, Lucas County, Ohio, as of December 31, 2018 and 2017, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2019, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TOPS' internal control over financial reporting and compliance.



Keith Faber  
Auditor of State

Columbus, Ohio

May 13, 2019

**The Olander Park System**  
*Lucas County*  
*Statement of Receipts, Disbursements*  
*and Change in Fund Balance (Regulatory Cash Basis)*  
*General Fund*  
*For the Year Ended December 31, 2018*

	<u>General</u>
<b>Cash Receipts</b>	
Property Taxes	\$1,363,872
Charges for Services	112,319
Intergovernmental	74,352
Earnings on Investments	12,824
Miscellaneous	21,215
	<u>21,215</u>
<i>Total Cash Receipts</i>	<u>1,584,582</u>
<b>Cash Disbursements</b>	
Current:	
Conservation/Recreation:	
Personal Services	479,981
Charges and Services	262,174
Materials and Supplies	50,399
Operating Expenses	99,406
Utilities	35,054
Miscellaneous	27,274
Capital Outlay	49,297
Debt Service:	
Principal Retirement	34,500
	<u>34,500</u>
<i>Total Cash Disbursements</i>	<u>1,038,085</u>
<i>Net Change in Fund Cash Balance</i>	546,497
<i>Fund Cash Balance, January 1</i>	<u>182,811</u>
<b>Fund Cash Balance, December 31</b>	
Assigned	92,403
Unassigned	636,905
	<u>636,905</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$729,308</u></u>

*See accompanying notes to the basic financial statement*

**The Olander Park System**  
*Lucas County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2018*

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**Note 1 – Reporting Entity**

The Olander Park System (TOPS), Lucas County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. 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 this financial statement presents all activities for which TOPS is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

TOPS' financial statement consists of a statement of receipts, disbursements and change in fund balance (regulatory cash basis).

***Fund Accounting***

TOPS' uses a fund to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The fund of TOPS' is presented below:

***General Fund*** The General Fund accounts for and reports all financial resources. The general fund balance is available to TOPS for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Basis of Accounting***

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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).

This statement includes adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

***Budgetary Process***

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



**The Olander Park System**  
*Lucas County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2018*

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**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. Appropriations lapse at year end.

**Estimated Resources** Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must approve estimated resources.

**Encumbrances** The Ohio Revised Code requires TOPS to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2018 budgetary activity appears in Note 3.

***Deposit and Investments***

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

***Capital Assets***

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

***Accumulated Leave***

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

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which TOPS must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** TOPS classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

***Restricted*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** Commissioners can *commit* amounts via formal action (resolution). TOPS must adhere to these commitments unless the Commissioners amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**The Olander Park System**  
*Lucas County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2018*

**Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Park Commissioners or a Park official delegated that authority by resolution, or by State Statute.

**Unassigned** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

TOPS applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,470,400	\$1,584,582	\$114,182

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,416,529	\$1,038,085	\$378,444

**Note 4 – Deposits**

The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was as follows:

Demand deposits	2018 \$42,762
Amounts on deposit with fiscal agent	686,546
Total deposits	\$729,308

**The Olander Park System**  
*Lucas County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2018*

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***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation; collateralized by securities specifically pledged by the financial institution to TOPS; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. 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 report for fiscal year 2018.

**Note 5 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board of Park Commissioners adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

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

**Note 6 – Risk Management**

***Commercial Insurance***

TOPS has obtained commercial insurance for the following risks:

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

**Note 7 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries and TOPS contributed an amount equaling 14 percent of participants' gross salaries. TOPS has paid all contributions required through December 31, 2018.

**The Olander Park System**  
*Lucas County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2018*

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**Note 8 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2018.

**The Olander Park System**  
*Lucas County*  
*Statement of Receipts, Disbursements*  
*and Change in Fund Balance (Regulatory Cash Basis)*  
*General Fund*  
*For the Year Ended December 31, 2017*

	General
<b>Cash Receipts</b>	
Property Taxes	\$244,716
Charges for Services	84,725
Intergovernmental	79,930
Earnings on Investments	2,685
Miscellaneous	34,565
<i>Total Cash Receipts</i>	446,621
<b>Cash Disbursements</b>	
Current:	
Conservation/Recreation:	
Personal Services	341,269
Charges and Services	56,022
Materials and Supplies	16,864
Operating Expenses	34,640
Utilities	33,966
Miscellaneous	21,731
Capital Outlay	32,501
Debt Service:	
Principal Retirement	34,500
Interest and Fiscal Charges	3,139
<i>Total Cash Disbursements</i>	574,632
<i>Net Change in Fund Cash Balance</i>	(128,011)
<i>Fund Cash Balance, January 1</i>	310,822
<b>Fund Cash Balance, December 31</b>	
Unassigned	182,811
<i>Fund Cash Balance, December 31</i>	\$182,811

*See accompanying notes to the basic financial statement*

**The Olander Park System**  
*Lucas County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2017*

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**Note 1 – Reporting Entity**

The Olander Park System (TOPS), Lucas County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. 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 this financial statement presents all activities for which TOPS is financially accountable.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

TOPS' financial statement consists of a statement of receipts, disbursements and change in fund balance (regulatory cash basis).

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***Basis of Accounting***

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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).

This statement includes adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

***Budgetary Process***

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

**The Olander Park System**  
*Lucas County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2017*

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**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. Appropriations lapse at year end.

**Estimated Resources** Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must approve estimated resources.

**Encumbrances** The Ohio Revised Code requires TOPS to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in subsequent year.

A summary of 2017 budgetary activity appears in Note 3.

***Deposit and Investments***

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

***Capital Assets***

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

***Accumulated Leave***

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***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which TOPS must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** TOPS classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

***Restricted*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** Commissioners can *commit* amounts via formal action (resolution). TOPS must adhere to these commitments unless the Commissioners amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**The Olander Park System**  
*Lucas County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2017*

**Assigned** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Park Commissioners or a Park official delegated that authority by resolution, or by State Statute.

**Unassigned** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

TOPS applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$401,742	\$446,621	\$44,879

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$630,951	\$574,632	\$56,319

**Note 4 – Deposits**

The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was as follows:

Demand deposits	2017 \$28,467
Amounts on deposit with fiscal agent	154,344
Total deposits	\$182,811



**The Olander Park System**  
*Lucas County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2017*

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***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation; collateralized by securities specifically pledged by the financial institution to TOPS; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. 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 report for fiscal year 2017.

**Note 5 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board of Park Commissioners adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

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

**Note 6 – Risk Management**

***Commercial Insurance***

TOPS has obtained commercial insurance for the following risks:

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

**Note 7 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries and TOPS contributed an amount equaling 14 percent of participants' gross salaries. TOPS has paid all contributions required through December 31, 2017.

**The Olander Park System**  
*Lucas County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2017*

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**Note 8 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 1 percent during calendar year 2017. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2017.

**Note 9 – Debt**

Debt outstanding at December 31, 2017, was as follows:

	Principal	Interest Rate
Land Purchase Note	\$34,500	5.25%

TOPS entered into a debt agreement with Waterford Bank, NA on February 13, 2014 in the amount of \$172,500 at a 5.25 rate of interest over 4 years. The purpose of this debt issue was to finance the acquisition of property to enlarge the park system.

***Amortization***

Amortization of the above debt is scheduled as follows:

Year Ending December 31:	Land Purchase Note
2018	\$34,500



**INDEPENDENT AUDITOR'S 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 43560-3534

To the Board of Park Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements of The Olander Park System, Lucas County, Ohio (TOPS) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated May 13, 2019 wherein we noted TOPS followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered TOPS' internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of TOPS' internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2018-001 to be a material weakness.

***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, opining 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 or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of TOPS' internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering TOPS' internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State

Columbus, Ohio

May 13, 2019

**THE OLANDER PARK SYSTEM  
LUCAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2018 AND 2017**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
----------------------------------------------------------------------------------------------------------

**FINDING NUMBER 2018-001**

**Material Weakness – Financial Reporting**

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

We identified the following errors requiring adjustment to the financial statements and/or notes to the financial statements for the years ended December 31, 2018 and 2017:

- 2018 General Fund assigned fund balance in the amount of \$92,403 for subsequent year appropriations in excess of estimated receipts has been reclassified from unassigned in accordance with the provisions of Governmental Accounting Standards Board Statement No. 54 (GASB Cod 1800.165 - .179);
- For 2018, cash balance of \$42,763 for two bank accounts not held with fiscal agent was not presented on the financial statements. This amount includes the amount carried forward of \$28,468, charges for services receipts of \$19,151, and \$4,856 of disbursements not being reported to the County which acts as the fiscal agent;
- For 2017, cash balance of \$28,468 for two bank accounts not held with fiscal agent was not presented on the financial statements. This amount includes the amount carried forward of \$32,361, charges for services receipts of \$8,225, and \$12,118 of disbursements not being reported to the County which acts as the fiscal agent.

These errors were not identified and corrected prior to The Olander Park System (TOPS) preparing its financial statement due to a deficiency in TOPS' internal controls over financial statement monitoring. Failing to provide accurate financial information could lead to the Board making misinformed decisions. The accompanying financial statement, notes to the financial statement, and, where applicable, TOPS' accounting records have been adjusted to reflect these changes. Additional errors in smaller relative amounts were also noted for the years ended December 31, 2018 and 2017.

To help ensure TOPS' financial statements and notes to the financial statements are complete and accurate and to help identify and correct errors and omissions, TOPS should adopt policies and procedures, including a final review of the statements and notes to the financial statements by the Executive Director and Park Commissioners. The Executive Director can refer to Auditor of State Bulletin 2011-004 for information on Governmental Accounting Standards Board Statement No. 54.

**Officials' Response:**

We did not receive a response from Officials to the finding reported above.

**THE OLANDER PARK SYSTEM  
LUCAS COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2018 AND 2017**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2016-001	Material weakness over financial reporting due to errors in financial statements.	Partially corrected and repeated as Finding 2018-001.	Recurrence happened due to inadequate policies and procedures in reviewing the financial statements. Executive Director and Board will perform detailed reviews of financial statements to ensure proper classification of fund balance.

OHIO AUDITOR OF STATE  
**KEITH FABER**



**THE 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  
MAY 28, 2019**