



Mary Taylor, CPA
Auditor of State

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

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Park Commissioners:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbus and Franklin County Metropolitan Park District, Franklin County, Ohio, (the District) as of and for the year ended December 31, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbus and Franklin County Metropolitan Park District, Franklin County, Ohio, as of December 31, 2005, and the respective changes in financial position thereof and the budgetary comparisons for the General and Golf Course Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2007, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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.

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We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The federal awards expenditure schedule is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. We subjected the federal awards expenditure schedule to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Mary Taylor, CPA
Auditor of State

January 19, 2007

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005**

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, 2005. 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 \$8,100,060.
- General revenues of governmental activities accounted for \$20,455,936 or 92.51 percent of all governmental revenues. Program specific revenues in the form of charges for services, grants, contribution, and interest accounted for \$1,655,888 or 7.49 percent of total governmental revenues of \$22,111,824.
- The District had \$14,011,764 in expenses related to governmental activities. \$1,655,888 of these expenses were offset by program specific charges for services, grants, contribution, and interest. General revenues (primarily property taxes and grants and entitlements not restricted) of \$20,455,936 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 2005?" 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, 2005
(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 education, park operations, park planning, park promotion, natural resource management, park safety, golf course operations, and administrative services.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the District's major funds begins on page 7. 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 Fund, and the Capital Improvement 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 in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future on services provided to our residents. The relationship (or 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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

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 2005 compared to 2004.

Table 1
Net Assets

	Governmental Activities		Increase
	2005	2004	(Decrease)
Assets			
Current And Other Assets	\$28,191,877	\$26,869,291	\$1,322,586
Nondepreciable Capital Assets	95,794,428	92,869,756	2,924,672
Depreciable Capital Assets, Net	21,562,385	17,393,814	4,168,571
Total Assets	<u>145,548,690</u>	<u>137,132,861</u>	<u>8,415,829</u>
Liabilities			
Current And Other Liabilities	13,348,885	13,048,538	300,347
Long-Term Liabilities:			
Due Within One Year	49,096	50,806	(1,710)
Due In More Than One Year	627,921	610,789	17,132
Total Liabilities	<u>14,025,902</u>	<u>13,710,133</u>	<u>315,769</u>
Net Assets			
Invested In Capital Assets	117,356,813	110,263,570	7,093,243
Restricted For:			
Capital Outlay	10,219,683	9,714,105	505,578
Other Purposes	253,032	415,412	(162,380)
Educational Programs:			
Expendable	64,668	64,668	0
Nonexpendable	267,054	252,966	14,088
Gardens At Inniswood (Nonexpendable)	454,765	466,675	(11,910)
Unrestricted	2,906,773	2,245,332	661,441
Total Net Assets	<u>\$131,522,788</u>	<u>\$123,422,728</u>	<u>\$8,100,060</u>

Total assets increased \$8,415,829. An increase of 4.92 percent occurred within current and other assets of governmental activities when compared to the prior year. The only asset account which had a real affect on this increase was cash and cash equivalents showing an increase of \$1,289,574. In the prior year, the District retired all debt issues; therefore, no such type of payments were made during 2005. Nondepreciable capital assets increased 3.15 percent primarily due to the acquisition of land in 2005. Depreciable capital assets, net increased significantly. This increase of 23.97 percent is related to the normal acquisition of assets exceeding current year depreciation and disposals.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

Reviewing liabilities of governmental activities demonstrates a 2.30 percent increase in current and other liabilities. This increase is primarily due to an increase in outstanding contractual commitments within the District existing in 2005 and an increase in deferred revenue relating to property tax monies. The increase in long-term liabilities from the prior year was insignificant.

Invested in Capital Assets of governmental activities increased \$7,093,243. This is primarily due to current year capital asset additions exceeding current year depreciation.

While the District's governmental restricted net assets represent only 8.56 percent of overall net assets, when viewed alone, they did experience a substantial increase of \$345,376. The District had retired all outstanding debt in the prior year and were no longer making such payments in the current year.

The District's unrestricted net assets also represent a small percentage of overall net assets. However, when viewed alone, unrestricted net assets increased 29.46 percent from the prior year. This increase is attributable to a greater portion of property tax monies being transferred to unrestricted funds than in the prior year.

Table 2 shows the changes in net assets for the years ended December 31, 2005 and 2004.

Table 2
Changes In Net Assets

	2005	2004	Increase/ (Decrease)
Revenues			
Program Revenues:			
Charges For Services	\$1,538,867	\$1,471,184	\$67,683
Operating Grants, Contributions And Interest	117,021	321,497	(204,476)
Total Program Revenues	<u>1,655,888</u>	<u>1,792,681</u>	<u>(136,793)</u>
General Revenues:			
Property Taxes	11,952,148	11,854,488	97,660
Unrestricted Investment Earnings	310,728	103,425	207,303
Gain On Sale Of Capital Assets	0	9,407	(9,407)
Grants And Entitlements Not Restricted:			
Operating	4,939,314	4,922,299	17,015
Capital	3,247,492	11,200,961	(7,953,469)
Contributions and Donations	508	0	508
Other	5,746	55,074	(49,328)
Total General Revenues	<u>20,455,936</u>	<u>28,145,654</u>	<u>(7,689,718)</u>
Total Revenues	<u>\$22,111,824</u>	<u>\$29,938,335</u>	<u>(\$7,826,511)</u>

(continued)

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

Table 2
Changes In Net Assets
(Continued)

	2005	2004	Increase/ (Decrease)
Program Expenses			
Administration	\$1,965,431	\$2,122,225	(\$156,794)
Education	1,763,255	1,724,176	39,079
Park Operations	5,049,832	5,943,010	(893,178)
Park Planning	436,931	721,068	(284,137)
Park Promotion	730,633	666,388	64,245
Rental Property	193,901	153,341	40,560
Natural Resource Management	435,582	369,909	65,673
Golf Course	1,109,357	1,107,814	1,543
Park Safety	2,326,842	2,141,667	185,175
Interest and Fiscal Charges	0	80,500	(80,500)
Total Expenses	<u>14,011,764</u>	<u>15,030,098</u>	<u>(1,018,334)</u>
Increase In Net Assets	8,100,060	14,908,237	(6,808,177)
Net Assets At Beginning Of Year	<u>123,422,728</u>	<u>108,514,491</u>	<u>14,908,237</u>
Net Assets At End Of Year	<u><u>\$131,522,788</u></u>	<u><u>\$123,422,728</u></u>	<u><u>\$8,100,060</u></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 interest earnings and restricted donations, were 7.49 percent of total revenues for 2005 and were somewhat lower than 2004. This is the result of the District receiving fewer restricted contributions and donations in 2005 than in the prior year. However, this is a revenue source that cannot be relied on by the District for its operations.

The .65 mill property tax levy is the largest source of revenue for the District, making up 54.05 percent of revenues for governmental activities for the year ended 2005. 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 local government funding by the State of Ohio and administered by Franklin County. There was a significant decrease in capital related grants and entitlements not restricted of 71.01 percent. This was due to receiving large amounts of grant monies in 2004 for various projects. No such large amounts were awarded to the District in 2005 because monies are awarded based upon future projects and land acquisitions, and additional funds were not needed for such things in 2005.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

Governmental program expenses as a percentage of total governmental expenses for 2005 are expressed as follows:

Administration	14.03%
Education	12.58
Park Operations	36.04
Park Planning	3.12
Park Promotion	5.21
Rental Property	1.38
Natural Resource Management	3.11
Golf Course	7.92
Park Safety	16.61
	100.00%

The above table clearly indicates that the District's major source of expenses, 36.04 percent, is related to park operations. A distant second, 16.61 percent, are the operations of park safety. All other forms of governmental operations represent 47.35 percent of expenses.

THE DISTRICT'S FUNDS

Information about the District's major governmental funds begins on page 12. These funds are reported using the modified accrual basis of accounting. All governmental funds had total revenues of \$22,275,463 and expenditures of \$21,104,535. The General Fund balance increased \$649,789 as a result of the District transferring more property tax revenue into the General Fund than it had in prior years.

The Golf Course Special Revenue Fund balance decreased \$149,415 from the prior year. This was the result of the District purchasing new golf carts and expenditures related to the construction of a bridge within the Blacklick Golf Course.

The Capital Improvement Capital Projects Fund balance increased \$651,781, as a result of the District retiring all debt issues in the prior year; therefore, no such payments occurred during 2005.

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

For the General Fund, final budgeted revenues and other financing sources, in the amount of \$12,292,000, were above original budgeted revenues, in the amount of \$11,610,574. The difference is largely due to an increase in revenues for local government monies. The difference between the final budgeted revenues and those actually received was inconsequential.

During 2005, the General Fund operated on one appropriation measure. The variance between the final budgeted expenditures and actual expenditures was insignificant.

The General Fund's ending unobligated fund balance was \$819,993.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

CAPITAL ASSETS

At the end of 2005, the District had \$117,356,813 invested in capital assets (net of accumulated depreciation) for governmental activities, an increase of \$7,093,243, or 6.4 percent from the prior year. Increases in capital assets included land purchases, construction in progress for several projects, addition of wetlands, various building purchases, various routine machinery, equipment and vehicle purchases, and infrastructure additions including roads and trails. Disposals of capital assets included buildings, various equipment, furnishings, radios, and vehicles. The increase in capital assets is the result of additions exceeding annual depreciation for the year.

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

CURRENT FINANCIAL ISSUES AND CONCERNS

The Columbus And Franklin County Metropolitan Park District had an exciting and productive year in 2005. Over five million visitors had enjoyable and educational activities provided by the District's highly talented and professional staff. The parks and facilities continue to be clean, safe and well maintained, even as new facilities were being opened for public enjoyment.

Plans for the new Whittier Metro Park and the proposed adjacent community redevelopment saw good progress. Two major grants were approved to begin the environmental cleanup. The plan for the park was updated and is being used to steer additional work. The Audubon Society has begun their fundraising effort for the proposed environmental education center and also conducted programming for inner city youth.

The educational initiative continues to be successful with greater participation from Columbus Public School students and teachers. New programs and activities for seniors were successfully introduced. The Summer Camp program was expanded and continues to be greatly appreciated. More opportunities were provided for runners to participate in events in the Metro Parks. The Greenways Trail system was expanded with additional trails along Blacklick Creek, Alum Creek and Big Darby Creek.

Park staff produced a 20 year master plan for the District's activities in the Darby watershed. The plan calls for new facilities, increased conservation efforts and more opportunities for people to enjoy our parks while helping to protect and restore water quality in Big Darby Creek.

Habitat restoration projects were completed in several parks. The District has now restored more than 1,000 acres of wetlands on our properties. These habitat restoration projects were supported with substantial funding from conservation partners.

The park system grew by 411 acres of land, easements and leases. The District now protects over 23,000 acres of central Ohio's finest natural areas.

The District will continue to maintain the high quality of the current parks providing safe, clean, well-managed parks for the citizens of central Ohio while making significant progress towards expanding parks, conservation efforts and services for the public.

CONTACTING THE DISTRICT'S FINANCE DEPARTMENT

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact William Ruff, Finance Director, Columbus and Franklin County Metropolitan Park District, 1069 West Main Street, Westerville, Ohio 43801.

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

**STATEMENT OF NET ASSETS
DECEMBER 31, 2005**

	Governmental Activities
<u>Assets:</u>	
Equity In Pooled Cash And Cash Equivalents	\$11,089,001
Accrued Interest Receivable	8,357
Accounts Receivable	16,297
Due From Other Governments (See Note 8)	3,370,712
Prepaid Items	43,671
Property Taxes Receivable	13,204,074
Cash And Cash Equivalents With Fiscal Agents	459,765
Land And Construction In Progress (See Note 9)	95,794,428
Depreciable Capital Assets, Net (See Note 9)	21,562,385
<i>Total Assets</i>	145,548,690
<u>Liabilities:</u>	
Accounts Payable	87,004
Accrued Wages And Benefits	350,599
Contracts Payable	366,356
Matured Compensated Absences Payable	589
Retainage Payable	89,403
Due To Other Governments	179,319
Deferred Revenue	12,275,615
Long-Term Liabilities:	
Due Within One Year (See Note 13)	49,096
Due In More Than One Year (See Note 13)	627,921
<i>Total Liabilities</i>	14,025,902
<u>Net Assets:</u>	
Invested In Capital Assets	117,356,813
Restricted For:	
Capital Outlay	10,219,683
Other Purposes	253,032
Educational Programs:	
Expendable	64,668
Nonexpendable	267,054
Gardens At Inniswood (Nonexpendable)	454,765
Unrestricted	2,906,773
<i>Total Net Assets</i>	\$131,522,788

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, 2005**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes In Net Assets</u>
		<u>Charges For Services</u>	<u>Operating Grants, Contributions, And Interest</u>	<u>Governmental Activities</u>
<u>Governmental Activities:</u>				
Administration	\$1,965,431	\$5,110	\$31,017	(\$1,929,304)
Education	1,763,255	77,887	14,088	(1,671,280)
Park Operations	5,049,832	0	71,916	(4,977,916)
Park Planning	436,931	0	0	(436,931)
Park Promotion	730,633	0	0	(730,633)
Rental Property	193,901	321,876	0	127,975
Natural Resource Management	435,582	0	0	(435,582)
Golf Course	1,109,357	1,076,257	0	(33,100)
Park Safety	2,326,842	57,737	0	(2,269,105)
<i>Total Activites</i>	<u>\$14,011,764</u>	<u>\$1,538,867</u>	<u>\$117,021</u>	<u>(12,355,876)</u>
<u>General Revenues:</u>				
				11,952,148
				310,728
				To Specific Programs:
				Operating
				4,939,314
				Capital
				3,247,492
				Contributions and Donations
				508
				Other
				5,746
				<u>20,455,936</u>
				<i>Total General Revenues</i>
				8,100,060
				<i>Change In Net Assets</i>
				123,422,728
				<i>Net Assets At Beginning of Year</i>
				.
				<i>Net Assets At End Of Year</i>
				<u>\$131,522,788</u>

See accompanying notes to the basic financial statements

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

**BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2005**

	General	Golf Course	Capital Improvement	Nonmajor Funds	Total Governmental Funds
<u>Assets:</u>					
Equity In Pooled Cash And Cash Equivalents	\$1,074,959	\$548,153	\$9,053,208	\$412,681	\$11,089,001
Cash And Cash Equivalents With Fiscal Agents	5,000	0	0	454,765	459,765
Receivables:					
Property Taxes	0	0	13,204,074	0	13,204,074
Accounts	5,802	10,495	0	0	16,297
Accrued Interest	0	0	8,357	0	8,357
Due From Other Governments (See Note 8)	2,833,944	0	536,768	0	3,370,712
Prepaid Items	43,671	0	0	0	43,671
Total Assets	\$3,963,376	\$558,648	\$22,802,407	\$867,446	\$28,191,877
<u>Liabilities and Fund Balances</u>					
<u>Liabilities:</u>					
Accounts Payable	\$54,189	\$7,451	\$25,364	\$0	\$87,004
Contracts Payable	0	136,137	230,219	0	366,356
Accrued Wages And Benefits	326,707	23,892	0	0	350,599
Matured Compensated Absences Payable	589	0	0	0	589
Retainage Payable	0	0	89,403	0	89,403
Due To Other Governments	126,299	9,938	43,082	0	179,319
Deferred Revenue	2,478,431	0	13,699,586	0	16,178,017
Total Liabilities	2,986,215	177,418	14,087,654	0	17,251,287
<u>Fund Balances:</u>					
Reserved For Encumbrances	208,658	13,362	4,002,732	0	4,224,752
Reserved For Prepaid Items	43,671	0	0	0	43,671
Reserved For Education	0	0	0	64,668	64,668
Unreserved:					
Undesignated, Reported In:					
General Fund	724,832	0	0	0	724,832
Special Revenue Funds	0	367,868	0	0	367,868
Capital Projects Funds	0	0	4,712,021	80,959	4,792,980
Permanent Funds	0	0	0	721,819	721,819
Total Fund Balances	977,161	381,230	8,714,753	867,446	10,940,590
Total Liabilities And Fund Balances	\$3,963,376	\$558,648	\$22,802,407	\$867,446	\$28,191,877

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, 2005**

Total Governmental Fund Balances	\$10,940,590
Amounts reported for governmental activities in the Statement Of Net Assets are different because:	
Capital Assests used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:	
Land	92,842,084
Construction In Progress	2,952,344
Other Capital Assets	32,480,584
Accumulated Depreciation	<u>(10,918,199)</u>
Total	117,356,813
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Property Taxes	928,459
Due From Other Governments	2,967,641
Accounts	5,528
Accrued Interest	<u>774</u>
Total	3,902,402
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>(677,017)</u>
Net Assets of Governmental Activities	<u><u>\$131,522,788</u></u>

See accompanying notes to the basic financial statements

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>General</u>	<u>Golf Course</u>	<u>Capital Improvement</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property Taxes	\$0	\$0	\$11,962,049	\$0	\$11,962,049
Intergovernmental	4,930,733	0	3,415,768	0	8,346,501
Charges For Services	72,359	36,395	5,110	0	113,864
Golf Course	0	774,567	0	0	774,567
Fines And Forfeitures	5,830	0	51,907	0	57,737
Interest	51,861	0	265,130	32,674	349,665
Increase (Decrease) In Fair Value Of Investments	0	0	4,690	(11,910)	(7,220)
Rent	321,876	265,295	0	0	587,171
Contributions And Donations	21,026	0	30,898	33,459	85,383
Miscellaneous	4,802	444	500	0	5,746
Total Revenues	5,408,487	1,076,701	15,736,052	54,223	22,275,463
Expenditures:					
Current Operations And Maintenance:					
Administration	1,763,532	2,577	65,801	0	1,831,910
Education	1,647,648	0	0	0	1,647,648
Park Operations	4,159,312	80,061	0	20,500	4,259,873
Park Planning	330,349	0	102,604	0	432,953
Park Promotion	730,586	0	0	0	730,586
Rental Property	84,952	0	0	0	84,952
Natural Resource Management	413,651	0	0	0	413,651
Golf Course	26,056	896,435	0	0	922,491
Park Safety	2,215,458	0	0	0	2,215,458
Capital Outlay	402,104	247,043	7,915,866	0	8,565,013
Total Expenditures	11,773,648	1,226,116	8,084,271	20,500	21,104,535
Excess Of Revenues Over (Under) Expenditures	(6,365,161)	(149,415)	7,651,781	33,723	1,170,928
Other Financing Sources (Uses):					
Proceeds From Sale Of Capital Assets	14,950	0	0	0	14,950
Transfers - In (See Note 15)	7,000,000	0	0	0	7,000,000
Transfers - Out (See Note 15)	0	0	(7,000,000)	0	(7,000,000)
Total Other Financing Sources (Uses)	7,014,950	0	(7,000,000)	0	14,950
Net Change In Fund Balance	649,789	(149,415)	651,781	33,723	1,185,878
Fund Balances At Beginning Of Year	327,372	530,645	8,062,972	833,723	9,754,712
Fund Balances At End Of Year	\$977,161	\$381,230	\$8,714,753	\$867,446	\$10,940,590

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, 2005**

Net Change in Fund Balances - Total Governmental Funds		\$1,185,878
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	8,304,128	
Depreciation	<u>(1,144,625)</u>	
Excess of Capital Outlay over Depreciation Expense		7,159,503
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 asset 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	(14,950)	
Loss on Disposal of Capital Assets	<u>(51,310)</u>	
		(66,260)
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	(9,901)	
Intergovernmental	(159,695)	
Charges for Services	5,528	
Accrued Interest	<u>429</u>	
		(163,639)
Some items reported 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>(15,422)</u>
Change in Net Assets of Governmental Activities		<u><u>\$8,100,060</u></u>

See accompanying notes to the basic financial statements

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Original Budget	Final Budget	Budgetary Actual	Variance Positive (Negative)
<u>Revenues:</u>				
Intergovernmental	\$4,217,647	\$4,841,000	\$4,929,147	\$88,147
Charges For Services	111,170	127,600	76,093	(51,507)
Fines And Forfeitures	0	0	5,830	5,830
Interest	14,375	16,500	51,861	35,361
Rent	237,324	272,400	321,834	49,434
Contributions And Donations	2,614	3,000	41,526	38,526
Miscellaneous	27,444	31,500	3,300	(28,200)
Total Revenues	4,610,574	5,292,000	5,429,591	137,591
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Administration	1,917,290	1,917,290	1,913,845	3,445
Education	1,669,830	1,669,830	1,625,128	44,702
Park Operations	4,187,700	4,187,700	4,234,963	(47,263)
Park Planning	324,775	324,775	325,797	(1,022)
Park Promotion	815,965	815,965	777,163	38,802
Rental Property	117,495	117,495	83,201	34,294
Natural Resource Management	455,108	455,108	423,909	31,199
Golf Course	31,787	31,787	27,110	4,677
Park Safety	2,207,430	2,207,430	2,202,135	5,295
Capital Outlay	456,790	456,790	459,244	(2,454)
Total Expenditures	12,184,170	12,184,170	12,072,495	111,675
Excess Of Revenues Over (Under) Expenditures	(7,573,596)	(6,892,170)	(6,642,904)	249,266
<u>Other Financing Sources (Uses):</u>				
Proceeds From Sale Of Capital Assets	0	0	14,950	14,950
Refund Of Prior Year Receipts	(3,600)	(3,600)	(3,394)	206
Refund Of Prior Year Expenditures	0	0	1,502	1,502
Transfers - In	7,000,000	7,000,000	7,000,000	0
Total Other Financing Sources (Uses)	6,996,400	6,996,400	7,013,058	16,658
Net Change In Fund Balance	(577,196)	104,230	370,154	265,924
Fund Balance At Beginning Of Year	211,754	261,069	261,069	0
Prior Year Encumbrances Appropriated	188,770	188,770	188,770	0
Fund Balance (Deficit) At End Of Year	(\$176,672)	\$554,069	\$819,993	\$265,924

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, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Charges For Services	\$15,527	\$16,000	\$26,375	\$10,375
Golf Course	824,870	850,000	774,567	(75,433)
Rent	275,603	284,000	265,295	(18,705)
Miscellaneous	0	0	444	444
<i>Total Revenues</i>	<u>1,116,000</u>	<u>1,150,000</u>	<u>1,066,681</u>	<u>(83,319)</u>
<u>Expenditures:</u>				
Current Operations And Maintenance:				
Administration	7,190	7,190	13,628	(6,438)
Park Operations	25,000	25,000	79,427	(54,427)
Golf Course	983,085	1,033,085	895,748	137,337
Capital Outlay	205,636	205,636	248,593	(42,957)
<i>Total Expenditures</i>	<u>1,220,911</u>	<u>1,270,911</u>	<u>1,237,396</u>	<u>33,515</u>
Net Change In Fund Balance	(104,911)	(120,911)	(170,715)	(49,804)
Fund Balance At Beginning Of Year	505,403	524,006	524,006	0
Prior Year Encumbrances Appropriated	37,911	37,911	37,911	0
<i>Fund Balance At End Of Year</i>	<u><u>\$438,403</u></u>	<u><u>\$441,006</u></u>	<u><u>\$391,202</u></u>	<u><u>(\$49,804)</u></u>

See accompanying notes to the basic financial statements

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

NOTE 1 - DESCRIPTION OF THE DISTRICT AND REPORTING ENTITY

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

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. BASIS OF PRESENTATION

The District's basic financial statements consist of government-wide statements, including a Statement Of Net Assets and a Statement Of Activities, and fund financial statements which provide a more detailed level of financial information.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

FUND FINANCIAL STATEMENTS

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

B. FUND ACCOUNTING

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. All funds of the District are governmental funds.

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 (i.e., revenues) and decreases (i.e., 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 the amount of the transaction can be determined and "available" means that the resources are collectible within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the District, available means expected to be received within thirty-one days of year-end.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, fines and forfeitures, interest, grants and rentals.

DEFERRED REVENUE

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

Property taxes for which there is an enforceable legal claim as of December 31, 2005, but which were levied to finance year 2006 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

EXPENSES/EXPENDITURES

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

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

E. BUDGETARY PROCESS

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriations 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.

F. CASH AND CASH EQUIVALENTS

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

During 2005, the District's investments were limited to a non-negotiable Certificate of Deposit, a Mutual Fund, Federal Home Loan Bank Consolidation Bonds, and STAROhio. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as certificates of deposit, are reported at cost.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 2005.

Interest revenue credited to the General Fund during 2005 amounted to \$51,861, which includes \$44,185 assigned from other funds.

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

G. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond December 31, 2005, 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. 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 the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement Of Net Assets but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values on the date 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 for land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the District's historical records of necessary improvements and replacements. Depreciation is computed using the straight-line method over the following useful lives:

<u>Descriptions</u>	<u>Estimated Life</u>
Land Improvements	10 - 25 years
Wetlands	50 years
Buildings	40 years
Equipment	7 years
Furnishings	5 years
Radios	5 years
Vehicles	5 years
Computer Equipment	6 years
Infrastructure	50 years

I. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. COMPENSATED ABSENCES

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

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

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 as 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.

K. FUND BALANCE RESERVES

Reserves of fund equity in governmental funds indicate that 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 assets, and education. The reserve for capital improvements recognizes used to support capital related improvements and maintenance at the Inniswood Park gardens. The reserve for education recognizes contributions and interest earnings received that are to be used to support the educational activities of the District.

L. INTERFUND TRANSACTIONS

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

M. NET ASSETS

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include funds for the operation of recreational activities. The government-wide Statement Of Net Assets reports \$11,259,202 of restricted net assets, of which \$552,561 is restricted by enabling legislation.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates.

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES

For 2005, the District has implemented *GASB Statement No. 40, "Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3"* and *GASB Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries"*.

GASB Statement No. 40 creates new disclosure requirements for deposits and investments related to risk, including credit risk, interest rate risk and foreign currency risk. The implementation of this statement had no effect on the District's financial statements for 2005.

GASB Statement No. 42 establishes accounting and financial reporting standards for the impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. This statement also clarifies and establishes accounting requirements for insurance recoveries. The implementation of this statement had no effect on the District's financial statements for 2005.

NOTE 4 – COMPLIANCE

The Capital Improvement Capital Projects Fund had actual expenditures in excess of final appropriations in the amount of \$6,031,626. This was the result of an interfund transfer that was not included in the final appropriations for the year. (See Note 15)

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

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (continued)

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).

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:

Net Change in Fund Balance		
	General Fund	Golf Course Fund
GAAP Basis	\$649,789	(\$149,415)
Increases (Decreases) Due To:		
Revenue Accruals	2,106	(10,020)
Expenditure Accruals	(21,775)	145,671
Encumbrances	(259,966)	(156,951)
Budget Basis	\$370,154	(\$170,715)

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

NOTE 6 - DEPOSIT AND INVESTMENTS (continued)

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. Based on the criteria described in GASB Statement No. 40, Deposits and Investment Risk Disclosures as of December 31, 2005, \$3,274,000 of the District's investment was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

The District has no 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 on hundred five percent of the deposits being secured.

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

1. Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality;
3. Written repurchase agreements for a period not to exceed thirty days in securities listed above that mature within five years from the date of purchase;
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; and,
6. The State Treasurer's investment pool (STAROhio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

Investments: As of December 31, 2005, the District had the following investments:

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

NOTE 6 - DEPOSIT AND INVESTMENTS (continued)

	Fair Value	Investment Maturities (in Years)		Call Date
		Less than 1	1 - 2	
STAROhio	\$6,203,899	\$6,203,899	\$0	----
Allegiant Government Mortgage Fund Class I #1091 Mutual Fund	452,677	0	452,677	----
Repurchase Agreement	3,274,000	3,274,000	0	----
Federal Home Loan Bank Consolidation Bonds	984,690	984,690	0	1/24/2006
Totals	<u>\$10,915,266</u>	<u>\$10,462,589</u>	<u>\$452,677</u>	

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.

Credit Risk: The Federal Home Loan Bank Consolidation Bonds carry a rating of AAA by Moody's and Standard and Poor's. STAROhio carries a rating of AAAM by Standard and Poor's. The money market 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 money market mutual fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The repurchase agreement is specifically pledged by U.S. Treasury Notes and Federal Home Loan Securities. 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 investments in Allegiant Government Mortgage Fund Class I #1091 Mutual Fund and Federal Home Loan Bank Consolidation Bonds represent 4.2 percent and 9.0 percent, respectively, of the District's total investments. The Repurchase Agreement represents 30.0 percent of the District's total investment. The remaining 58.8 percent is invested in STAROhio.

NOTE 7 - PROPERTY TAX

Property taxes include amounts levied against all real, public utility and tangible personal property located in Franklin County. Property tax revenue received during 2005 for real and public utility property taxes represents collections of 2004 taxes. Property tax payments received during 2005 for tangible personal property (other than public utility property) are for 2005 taxes.

2005 real property taxes are levied after October 1, 2005, on the assessed value as of January 1, 2005, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2005 real property taxes are collected in and intended to finance 2006.

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. 2005 public utility property taxes became a lien December 31, 2004, are levied after October 1, 2005, and are collected in 2006 with real property taxes.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

NOTE 7 - PROPERTY TAX (continued)

2005 tangible personal property taxes are levied after October 1, 2004, on the value as of December 31, 2004. Collections are made in 2005. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent of true value for inventory.

The full tax rate for all District operations for the year ended December 31, 2005, was \$0.65 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2005 property tax receipts were based are as follows:

Category	Assessed Value
Real Property:	
Agricultural/Residential	\$18,363,756,890
Commercial/Industrial/Mineral	7,446,945,180
Public Utility Real	7,490,760
Tangible Personal Property:	
General	1,564,678,392
Public Utility Personal	785,224,140
Total	\$28,168,095,362

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

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

The County Treasurer collects property taxes on behalf of all 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, 2005, and for which there is an enforceable legal claim. In the Capital Improvement Capital Projects Fund, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2005 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 District has a .65 mill property tax levy that started in 1999 and will run through 2008, for the purpose of conserving natural resources; developing, improving, maintaining, and operating the various parks and other properties of the District; and for acquiring, developing, improving, maintaining and operating additional lands. The District records all of the levy monies into the Capital Improvement Capital Projects Fund and, when necessary, makes a transfer to the General Fund to cover operating expenditures.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

NOTE 8 – RECEIVABLES

Receivables at December 31, 2005, consisted of property taxes, accounts (billings for user charged services), accrued interest, and intergovernmental receivables. All receivables are considered fully collectible.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental Activities	
Local Government	\$2,571,754
Local Government Revenue Assistance	262,190
Homestead and Rollback	475,773
Personal Property Exemption	42,030
U.S. Department of Housing and Urban Development Grant	<u>18,965</u>
Total Intergovernmental Receivable	<u><u>\$3,370,712</u></u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

NOTE 9 - CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2005, was as follows:

	Balance At 12/31/2004	Additions	Deletions	Balance At 12/31/2005
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$90,205,600	\$2,636,484	\$0	\$92,842,084
Construction in Progress	2,664,156	3,582,929	(3,294,741)	2,952,344
Total Capital Assets Not Being Depreciated	92,869,756	6,219,413	(3,294,741)	95,794,428
Depreciable Capital Assets:				
Land Improvements	1,678,702	293,450	0	1,972,152
Wetlands	0	784,860	0	784,860
Buildings	20,208,198	1,098,873	(58,100)	21,248,971
Equipment	3,105,974	295,844	(158,992)	3,242,826
Furnishings	127,366	0	(4,077)	123,289
Radios	196,733	54,500	(2,335)	248,898
Vehicles	1,190,907	132,375	(82,714)	1,240,568
Computer Equipment	171,043	15,885	0	186,928
Infrastructure	728,423	2,703,669	0	3,432,092
Total Depreciable Capital Assets	27,407,346	5,379,456	(306,218)	32,480,584
Total Capital Assets At Historical Cost	120,277,102	11,598,869	(3,600,959)	128,275,012
Less Accumulated Depreciation:				
Land Improvements	(505,633)	(105,098)	0	(610,731)
Wetlands	0	(15,697)	0	(15,697)
Buildings	(5,621,795)	(568,904)	0	(6,190,699)
Equipment	(2,537,648)	(213,129)	158,294	(2,592,483)
Furnishings	(117,878)	(5,505)	4,077	(119,306)
Radios	(173,641)	(22,278)	2,335	(193,584)
Vehicles	(906,340)	(129,784)	75,252	(960,872)
Computer Equipment	(136,028)	(14,950)	0	(150,978)
Infrastructure	(14,569)	(69,280)	0	(83,849)
Total Accumulated Depreciation	(10,013,532)	(1,144,625) *	239,958	(10,918,199)
Depreciable Capital Assets, Net	17,393,814	4,234,831	(66,260)	21,562,385
Governmental Activities Capital Assets, Net	\$110,263,570	\$10,454,244	(\$3,361,001)	\$117,356,813

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

NOTE 9 - CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental functions as follows:

Administration	\$132,363
Education	114,765
Park Operations	540,940
Rental Property	50,849
Natural Resource Management	21,856
Golf Course	173,901
Park Safety	109,951
Total Depreciation Expense	<u><u>\$1,144,625</u></u>

NOTE 10 - DEFINED BENEFIT PENSION PLAN

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

The District participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions, plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6701 or (800) 222-7377.

For the year ended December 31, 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The District's contribution rate for pension benefits for 2005 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the District's pension contributions were 12.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to the traditional and combined plans for the year ended December 31, 2005, 2004, and 2003 was \$645,140, \$634,526, and \$554,749; 94.52 percent has been contributed for 2005 and 100 percent for 2004 and 2003.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

NOTE 11 - POSTEMPLOYMENT BENEFITS

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2003, include a rate of return on investments of 8 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging between 1 to 6 percent annually for the next eight years and 4 percent annually after eight years.

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

The number of active contributing participants in the traditional and combined plans was 376,109. Actual employer contributions for 2005 which were used to fund postemployment benefits were \$270,216. The actual contribution and the actuarially required contribution amounts are the same. The actuarial value of OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) was \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs. Member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

NOTE 12 - EMPLOYEE BENEFITS

A. COMPENSATED ABSENCES

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

NOTE 12 - EMPLOYEE BENEFITS (continued)

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

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

B. INSURANCE

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

C. DEFERRED COMPENSATION

District employees may participate in the Ohio Public Employees Deferred Compensation Plan or the County Commissioners Association of Ohio Deferred Compensation Plan. These plans were created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to both plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

NOTE 13 - LONG-TERM OBLIGATIONS

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

<u>Types / Issues</u>	<u>Balance 12/31/04</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance 12/31/05</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>					
Compensated Absences	\$661,595	\$66,492	\$51,070	\$677,017	\$49,096

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

The District's overall legal debt margin was \$281,680,954 at December 31, 2005.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

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 2005, the District contracted with several companies for various types of insurance coverage as follows:

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

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

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

NOTE 15 - INTERFUND ACTIVITY

Transfers made during the year ended December 31, 2005 were as follows:

	<u>Transfers To General Fund</u>
From Capital Improvement Fund	<u><u>\$7,000,000</u></u>

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

NOTE 16 - CONTINGENT LIABILITIES

A. FEDERAL AND STATE GRANTS

For the period January 1, 2005, to December 31, 2005, the District received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the District believes such disallowance, if any, would be immaterial.

B. LITIGATION

The District is currently not party to any legal proceedings.

NOTE 17 - CONTRACTUAL COMMITMENT

At December 31, 2005, the District's significant contractual commitments consisted of:

<u>Projects</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Balance at 12/31/2005</u>
Engineering/Survey Services - Blacklick Creek Greenway	\$170,285	\$154,327	\$15,958
Design Services - Restroom at Battelle Darby	12,000	7,000	5,000
Daycamp Facility - HBK	36,447	26,568	9,879
Engineering Services - Entrance Road Relocation	52,991	9,819	43,172
Blacklick Creek Greenway Trail Phase 6	876,324	153,675	722,649
Stream Restoration - BGC	86,045	59,302	26,743
Bridge at Prairie Oaks	555,111	537,212	17,899
Olen Quarry/Darby Bend Lakes	540,184	522,940	17,244
Alum Creek Greenway Phase 1	1,392,630	891,063	501,567
Wetland Phase 2 - GLR	61,377	59,541	1,836
Whittier Metro Park	982,500	483,736	498,764
	<u>\$4,765,894</u>	<u>\$2,905,183</u>	<u>\$1,860,711</u>

NOTE 18 - SUBSEQUENT EVENT

On May 16, 2006, the District was named as a defendant in a negligence and wrongful death lawsuit filed with the Franklin County Common Pleas Court. No liability has been accrued on the financial statements since the disposition of these claims and legal proceedings has yet to be determined and the amount of liability, if any, is not measurable.

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

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2005**

Federal Grantor/ Pass Through Grantor Program Title	Entity Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Direct funding:			
COMMUNITY DEVELOPMENT BLOCK GRANT/ ECONOMIC DEVELOPMENT INITIATIVE	B-04-SP-OH-0613	14.246	\$676,906
Total U.S. Department of Housing and Urban Development			<u>676,906</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Direct funding:			
Wildlife Habitat Incentive Program	72-5E34-03-158	10.914	\$9,799
Total U.S. Department of Agriculture			<u>9,799</u>
Total Federal Awards Expenditures			<u>\$ 686,705</u>

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

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

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2005**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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



Mary Taylor, CPA

Auditor of State

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

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

To the Board of Park Commissioners:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Columbus and Franklin County Metropolitan Park District, Franklin County, Ohio, (the District) as of and for the year ended December 31, 2005, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 19, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the District's management dated January 19, 2007, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2005-001. In a separate letter to the District's management dated January 19, 2007, we reported other matters related to noncompliance we deemed immaterial.

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Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
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Columbus and Franklin County
Metropolitan Park District
Franklin County
Independent Accountants' Report On Internal Control Over
Financial Reporting And On Compliance And Other Matters
Required By *Government Auditing Standards*
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We intend this report solely for the information and use of the finance committee, management, Board of Park Commissioners, and federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

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

Mary Taylor, CPA
Auditor of State

January 19, 2007



Mary Taylor, CPA

Auditor of State

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

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

To the Board of Park Commissioners:

Compliance

We have audited the compliance of the Columbus and Franklin County Metropolitan Park District, Franklin County, Ohio, (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to its major federal program for the year ended December 31, 2005. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the Columbus and Franklin County Metropolitan Park District, Franklin County complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2005. In a separate letter to the District's management dated January 19, 2007, we reported another matter related to federal noncompliance not requiring inclusion in this report.

Internal Control Over Compliance

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

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

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



Mary Taylor, CPA
Auditor of State

January 19, 2007

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

**OMB CIRCULAR A -133 § .505
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2005**

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

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

**OMB CIRCULAR A -133 § .505
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

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

FINDING NUMBER 2005-001

Expenditures Exceeding Appropriations

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

Expenditures exceeded Appropriations for the year ended December 31, 2005 as follows:

<u>Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
Capital Improvement Fund	\$13,459,508	\$19,491,134	(\$6,031,626)

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

Official's Response:

The appropriation was exceeded due to the failure to include a transfer between funds. The appropriation the Board of Park Commissioners approved was for the amount of the expected expenditures. Steps have been taken to assure that transfers between funds are included in future appropriations.

FINDINGS FOR FEDERAL AWARDS

None

COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT
FRANKLIN COUNTY

OMB CIRCULAR A -133 § .315 (b)
SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2005

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2004-001	"Circular A-133, Completion of Audit and Data Collection Form"	Yes	Not applicable



Mary Taylor, CPA
Auditor of State

COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 20, 2007**