



**Auditor of State
Betty Montgomery**

**THE OLANDER PARK SYSTEM
LUCAS COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Commissioners:

We have audited the accompanying financial statements of The Olander Park System (TOPS) as of and for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of TOPS's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, TOPS prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of TOPS as of December 31, 2002 and 2001, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated [date of report] 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Olander Park System
Lucas County
Independent Accountants' Report
Page 2

This report is intended solely for the information and use of management, Board of Park Commissioners, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

October 21, 2003

**THE OLANDER PARK SYSTEM
LUCAS COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2002

Cash Receipts:	
General Property Tax - Real Estate	\$ 735,170
Tangible Personal Property Tax	54,961
Intergovernmental	99,404
Investment Income	5,964
Gifts and Donations	685
Fees	46,713
Sales	5,873
Rentals	64,456
Other Receipts	238
	<hr/>
Total Cash Receipts	1,013,464
Cash Disbursements:	
Current:	
Salaries - Employees	319,730
Supplies	26,187
Materials	7,127
Equipment	27,744
Motor Vehicle	11,383
Contracts - Repair	4,103
Contracts - Services	23,113
Contracts - Utilities	18,571
Capital projects - Park Development	22,417
Capital projects - Programs	11,882
Rentals	661
Conference and Travel	6,278
Travel and Expense	12,300
Advertising and Printing	46,850
Improvements	36,583
Professional Services	9,085
Other Expense	5,870
FICA	4,633
Workers' Compensation	610
Public Employees Retirement	43,052
Liability Insurance	18,550
Insurance Group	25,041
	<hr/>
Total Cash Disbursements	681,770
Total Receipts Over Disbursements	<hr/> 331,694
Other Financing Receipts/(Disbursements):	
Other Sources	19,890
Other Uses	(16,205)
	<hr/>
Total Other Financing Receipts/(Disbursements)	3,685
Excess of Cash Receipts and Other Financing Sources Over Cash Disbursements and Other Financing Disbursements	335,379
Cash Balances, January 1	149,298
	<hr/>
Cash Balances, December 31	\$ 484,677
	<hr/>
Reserves for Encumbrances, December 31	\$ 1,200
	<hr/>

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

**THE OLANDER PARK SYSTEM
LUCAS COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2001

Cash Receipts:	
General Property Tax - Real Estate	\$ 377,505
Tangible Personal Property Tax	38,871
Intergovernmental	51,350
Investment Income	12,061
Gifts and Donations	550
Fees	54,513
Sales	6,252
Rentals	75,873
Other Receipts	1,446
	<hr/>
Total Cash Receipts	618,421
Cash Disbursements:	
Current:	
Salaries - Employees	305,430
Supplies	29,985
Materials	7,900
Equipment	8,749
Motor Vehicle	5,443
Contracts - Repair	5,844
Contracts - Services	17,846
Contracts - Utilities	23,757
Capital projects - Park Development	211,609
Capital projects - Programs	7,815
Rentals	480
Conference and Travel	3,333
Travel and Expense	13,090
Advertising and Printing	40,272
Improvements	44,087
Professional Services	9,891
Other Expense	5,100
FICA	4,428
Workers' Compensation	345
Public Employees Retirement	37,465
Liability Insurance	12,784
Insurance Group	18,853
	<hr/>
Total Cash Disbursements	814,506
Total Disbursements Over Receipts	<hr/> (196,085)
Other Financing Receipts/(Disbursements):	
Other Sources	17,215
Other Uses	(16,148)
	<hr/>
Total Other Financing Receipts/(Disbursements)	1,067
Excess of Cash Disbursements and Other Financing Disbursements Over Cash Receipts and Other Financing Receipts	(195,018)
Cash Balances, January 1	<hr/> 344,316
Cash Balances, December 31	\$ 149,298
Reserves for Encumbrances, December 31	<hr/> <hr/> \$ 1,200

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

**THE OLANDER PARK SYSTEM
LUCAS COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Olander Park System, Lucas County, (TOPS) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. TOPS is directed by a three-member Board of Commissioners appointed by the probate judge of Lucas County. TOPS acquires lands for conversion into forest reserves and for the conservation of the natural resources, including streams, lakes, submerged lands and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of same as the Board deems conducive to the general welfare.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

As permitted by the Ohio Revised Code, the Lucas County Treasurer holds TOPS's cash as custodian for TOPS. TOPS's assets are held in the County's cash and investment pool, and are valued at the Treasurer's reported carrying amount.

D. Fund Accounting

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

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources.

E. Budgetary Process

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

**THE OLANDER PARK SYSTEM
LUCAS COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function level of control, and appropriations may not exceed estimated resources. Appropriation Authority includes current year appropriations plus encumbrances carried over from the prior year (if any). The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2002 and 2001 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the basis of accounting TOPS uses.

2. EQUITY IN POOLED CASH AND INVESTMENTS

	2002	2001
Demand deposits	\$ 35,002	\$ 28,121
Amounts on Deposit with Fiscal Agent	449,675	121,177
Total deposits	\$ 484,677	\$ 149,298

Demand Deposits are either insured by the Federal Depository Insurance Corporation.

Amounts on deposit with the fiscal agent are commingled with Lucas County's deposits, and it's not feasible to determine the manner in which TOPS's deposits are insured. The extent of Lucas County's collateralization is disclosed in its audit report for the years ended December 31, 2002 and 2001.

**THE OLANDER PARK SYSTEM
LUCAS COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending 2002 ad 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 942,900	\$ 1,033,354	\$ 90,454

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 884,000	\$ 699,175	\$ 184,825

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 657,300	\$ 635,636	\$ (21,664)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 886,731	\$ 830,654	\$ 56,077

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Park Commissioners. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**THE OLANDER PARK SYSTEM
LUCAS COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)

5. RETIREMENT SYSTEM

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, members of OPERS contributed 8.5 percent of their gross salaries. TOPS contributed an amount equal to 13.55 percent of participants' gross salaries. OPERS temporarily reduced employer contributions to 8.13 percent effective July 1, 2001. TOPS has paid all contributions required through December 31, 2002.

6. RISK MANAGEMENT

Commercial Insurance

TOPS has obtained commercial insurance for the following risks:

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



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

To the Board of Commissioners:

We have audited the accompanying financial statements of The Olander Park System (TOPS) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated October 21, 2003. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether TOPS's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of TOPS in a separate letter dated October 21, 2003.

Internal Control over Financial Reporting

In planning and performing our audit, we considered TOPS's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect TOPS's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 2002-001.

A material weakness is a 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 in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness. We noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of TOPS in a separate letter dated October 21, 2003.

This report is intended solely for the information and use of management and the Board of Park Commissioners, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

October 21, 2003

**THE OLANDER PARK SYSTEM
LUCAS COUNTY**

SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001

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

FINDING NUMBER 2002-001

Reportable Condition

MONITORING OF RECORDS

The financial activity of the bank accounts and corresponding subsidiary ledgers for TOPS was not monitored by the Director or Park Commissioner members. This activity was not reported to the Park Commissioners per the monthly statement of revenues and expenditures. Inability or unwillingness to monitor the bank accounts activity within TOPS could result in unfavorable results in the operation of TOPS funds. TOPS monies may be unlawfully spent, not posted or misposted, or left unpaid to accrue unnecessary penalties and interest.

We recommend that bank account financial activity, including budgetary matters, be continuously monitored by the Director and the Park Commissioner members. Monthly reports on activity, including receipts, expenditures and the bank reconciliations should be submitted and approved. It is also recommended that the submission and approval by the Park Commissioners of such reports and compliance with budgetary matters, filing and approving required information be noted in their minute record.

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**Auditor of State
Betty Montgomery**

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OLANDER PARK SYSTEM

LUCAS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 20, 2003**