

Dave Yost • Auditor of State



**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Metropolitan Park District of the Toledo Area  
Lucas County  
5100 West Central Avenue  
Toledo, Ohio 43615-2100

To the Board of Park Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Metropolitan Park District of the Toledo Area, Lucas County, Ohio (the District), as of and for the year ended December 31, 2009, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Metropolitan Park District of the Toledo Area, Lucas County, Ohio, as of December 31, 2009, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparison for the General and Land Acquisition Levy 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 April 26, 2011, 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.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.



**Dave Yost**  
Auditor of State

April 26, 2011

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY, OHIO**

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***Management's Discussion and Analysis - Unaudited  
For the Year Ended December 31, 2009***

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The discussion and analysis of Metropolitan Park District of the Toledo Area's (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2009. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

**Key financial highlights for 2009 are as follows:**

- ❑ In total, net assets increased \$5,676,580. Net assets of governmental activities increased \$5,657,272, which represents an 8.1% increase from 2008. Net assets of business-type activities increased \$19,308 from 2008.
- ❑ General revenues accounted for \$16,598,734 in revenue or 89.4% of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$1,962,022 or 10.6% of total revenues of \$18,560,756.
- ❑ The District had \$12,761,551 in expenses related to governmental activities; only \$1,855,089 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and unrestricted intergovernmental revenues) of \$16,598,734 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$15,119,006 in revenues and \$11,904,890 in expenditures and other financing uses. The general fund's fund balance increased \$3,214,116 to \$9,149,352 for 2009. The net increase of all governmental funds was \$3,763,071.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of two parts – *management's discussion and analysis* and the *basic financial statements*. The basic financial statements include two kinds of statements that present different views of the District:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the District's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA**  
**LUCAS COUNTY, OHIO**

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***Management's Discussion and Analysis - Unaudited***  
***For the Year Ended December 31, 2009***

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**Government-wide Statements**

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net assets and how they have changed. Net-assets (the difference between the District's assets and liabilities) is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating.
- To assess the overall health of the District you need to consider additional nonfinancial factors such as the District's tax base and the condition of the District's capital assets

The government-wide financial statements of the District are divided into two categories:

- ***Governmental Activities*** – Most of the District's basic services are reported here. State and federal grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.
- ***Business-type activity*** - The District has one business-type activity, retail operations. This fund was established by the District in 2005. This includes the District's retail operations at the Wildwood Farmhouse and the Providence General Store.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

***Governmental Funds*** – Most 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 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 you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. 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.

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA**  
**LUCAS COUNTY, OHIO**

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***Management's Discussion and Analysis - Unaudited***  
***For the Year Ended December 31, 2009***

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**Proprietary Funds** – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

**Government-Wide Financial Analysis**

The following table provides a comparison of the District's net assets between December 31, 2009 and 2008:

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$28,052,796	\$26,766,992	\$16,525	\$667	\$28,069,321	\$26,767,659
Capital assets, Net	60,478,924	58,219,122	0	0	60,478,924	58,219,122
Total assets	88,531,720	84,986,114	16,525	667	88,548,245	84,986,781
Long-term debt outstanding	874,074	895,547	0	0	874,074	895,547
Other liabilities	11,853,400	13,943,593	628	4,078	11,854,028	13,947,671
Total liabilities	12,727,474	14,839,140	628	4,078	12,728,102	14,843,218
Net assets						
Invested in capital assets, net of related debt	60,478,924	58,219,122	0	0	60,478,924	58,219,122
Restricted	4,747,191	3,325,568	0	0	4,747,191	3,325,568
Unrestricted	10,578,131	8,602,284	15,897	(3,411)	10,594,028	8,598,873
Total net assets	\$75,804,246	\$70,146,974	\$15,897	(\$3,411)	\$75,820,143	\$70,143,563

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY, OHIO**

***Management's Discussion and Analysis - Unaudited  
For the Year Ended December 31, 2009***

Changes in Net Assets – The following table provides a comparison of the changes in net assets for fiscal year 2009 and 2008:

	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues:						
Charges for Services and Sales	\$471,913	\$436,328	\$106,933	\$188,340	\$578,846	\$624,668
Operating Grants and Contributions	0	637,604	0	0	0	637,604
Capital Grants and Contributions	1,383,176	8,617,767	0	0	1,383,176	8,617,767
General revenues:						
Property Taxes	12,893,708	9,814,675	0	0	12,893,708	9,814,675
Intergovernmental Revenue, Unrestricted	3,437,705	4,153,841	0	0	3,437,705	4,153,841
Investment Earnings	64,307	248,016	0	0	64,307	248,016
Miscellaneous	203,014	379,695	0	0	203,014	379,695
Total revenues	<u>18,453,823</u>	<u>24,287,926</u>	<u>106,933</u>	<u>188,340</u>	<u>18,560,756</u>	<u>24,476,266</u>
Program Expenses						
Parks and Recreation	12,761,551	14,405,891	0	0	12,761,551	14,405,891
Debt Service:						
Interest and Fiscal Charges	0	4,972	0	0	0	4,972
Retail Operations Fund	0	0	122,625	250,024	122,625	250,024
Total expenses	<u>12,761,551</u>	<u>14,410,863</u>	<u>122,625</u>	<u>250,024</u>	<u>12,884,176</u>	<u>14,660,887</u>
Change in Net Assets before Transfers	5,692,272	9,877,063	(15,692)	(61,684)	5,676,580	9,815,379
Transfers	(35,000)	(56,107)	35,000	56,107	0	0
Total Change in Net Assets	<u>5,657,272</u>	<u>9,820,956</u>	<u>19,308</u>	<u>(5,577)</u>	<u>5,676,580</u>	<u>9,815,379</u>
Beginning Net Assets	<u>70,146,974</u>	<u>60,326,018</u>	<u>(3,411)</u>	<u>2,166</u>	<u>70,143,563</u>	<u>60,328,184</u>
Ending Net Assets	<u>\$75,804,246</u>	<u>\$70,146,974</u>	<u>\$15,897</u>	<u>(\$3,411)</u>	<u>\$75,820,143</u>	<u>\$70,143,563</u>

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY, OHIO**

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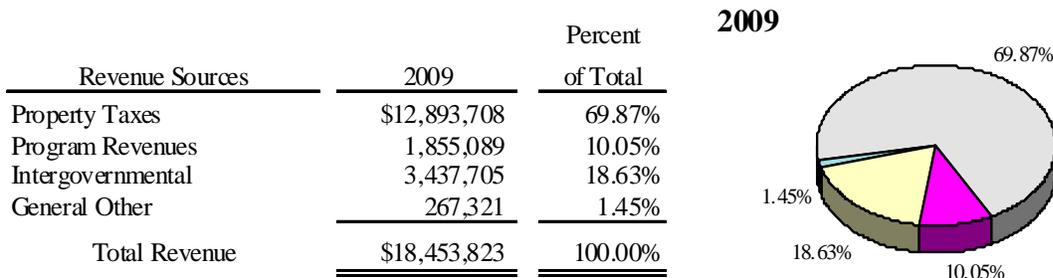
***Management's Discussion and Analysis - Unaudited  
For the Year Ended December 31, 2009***

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***Governmental Activities***

Net assets of governmental activities increased \$5,657,272 or 8.1% during 2009. Due to change in property tax values, the District's 1.4 mil levy yielded more in 2009 than the prior year and, in anticipation of a reduction in that yield for ensuing years, the District applied across-the-board expenditure reductions.

Property taxes made up 69.87% of revenues for governmental activities for the District in fiscal year 2009. The District's reliance upon tax revenues is demonstrated by the following graph:



The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

The District amended its 2009 General Fund budget several times.

For the General Fund, the final budget basis revenue and other financing sources of \$16,643,189 increased 7.8% when compared to original budget estimates. Total actual revenue and other financing sources were 4.5% below final budget estimates. Final budget basis expenditures and other financing uses decreased .86% when compared to original budget figures. Total actual expenditures and other financing uses were 10.2% below final budgeted figures.

***Business-Type Activities***

The Retail Operations Fund was established in 2005 to separately account for retail operations activity that was previously accounted for in the General Fund. In 2009, the revenues of the retail operations fell short of the expenses associated with running the two retail outlets. The main source of retail operations, the Farmhouse Gift Shop, was closed for operations because it could not pay for itself.

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY, OHIO**

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***Management's Discussion and Analysis - Unaudited  
For the Year Ended December 31, 2009***

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**CAPITAL ASSETS AND DEBT ADMINISTRATION**

***Capital Assets***

At the end of fiscal 2009 the District had \$60,478,924 net of accumulated depreciation invested in land, antiques and art, buildings, land improvements, machinery and equipment and infrastructure. The following table shows fiscal year 2009 and 2008 balances:

	Governmental Activities		Increase (Decrease)
	2009	2008	
Land	\$48,350,402	\$46,632,149	\$1,718,253
Antiques and Art	553,061	553,061	0
Land Improvements	7,590,180	7,590,180	0
Buildings	14,529,057	13,724,775	804,282
Machinery and Equipment	3,081,533	2,874,781	206,752
Infrastructure	3,658,545	3,638,200	20,345
Less: Accumulated Depreciation	(17,283,854)	(16,794,024)	(489,830)
Totals	<u>\$60,478,924</u>	<u>\$58,219,122</u>	<u>\$2,259,802</u>

The primary increases occurred in land and buildings due to various property acquisitions in 2009.

Additional information on the District's capital assets can be found in Note 6.

***Debt***

At December 31, 2009, the District had \$874,074 in noncurrent liabilities, \$523,097 due within one year. The following table summarizes the District's noncurrent liabilities outstanding as of December 31, 2009 and 2008:

	2009	2008
Governmental Activities:		
Compensated Absences	<u>\$874,074</u>	<u>\$895,547</u>
Total Governmental Activities	<u>\$874,074</u>	<u>\$895,547</u>

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA**  
**LUCAS COUNTY, OHIO**

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***Management's Discussion and Analysis - Unaudited***  
***For the Year Ended December 31, 2009***

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**ECONOMIC FACTORS**

The Metropolitan Park District of the Toledo Area acquires lands for the conservation of significant natural, historical and cultural resources. 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. The District receives the majority of its funding from property taxes, state and federal grants and charges for services (program fees). The District employs 75 full time, 47 part-time, and 38 seasonal/intern employees. The Board periodically reviews park fees to help offset the costs of park operations.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Carla Y. Westbrook, CPA, Director of Finance/Treasurer, Metropolitan Park District of the Toledo Area, 5100 W. Central Avenue, Toledo, Ohio 43615-2100.



**METROPARKS**  
**TOLEDO AREA**  
*Your Clean, Safe, Natural Places To Be*

***METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY, OHIO***

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**METROPARKS  
TOLEDO AREA**

*Your Clean, Safe, Natural Places To Be*

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY, OHIO**

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**Statement of Net Assets  
December 31, 2009**

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	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 13,845,256	\$ 16,525	\$ 13,861,781
Receivables:			
Taxes	12,499,706	0	12,499,706
Intergovernmental	1,697,230	0	1,697,230
Interest	10,604	0	10,604
Non-Depreciable Capital Assets	48,903,463	0	48,903,463
Depreciable Capital Assets, Net	<u>11,575,461</u>	<u>0</u>	<u>11,575,461</u>
<b>Total Assets</b>	<b><u>88,531,720</u></b>	<b><u>16,525</u></b>	<b><u>88,548,245</u></b>
<b>Liabilities:</b>			
Accounts Payable	344,153	494	344,647
Accrued Wages and Benefits Payable	163,575	0	163,575
Intergovernmental Payable	204,595	134	204,729
Unearned Revenue	11,141,077	0	11,141,077
Noncurrent liabilities:			
Due within one year	523,097	0	523,097
Due in more than one year	<u>350,977</u>	<u>0</u>	<u>350,977</u>
<b>Total Liabilities</b>	<b><u>12,727,474</u></b>	<b><u>628</u></b>	<b><u>12,728,102</u></b>
<b>Net Assets:</b>			
Invested in Capital Assets, Net of Related Debt	60,478,924	0	60,478,924
Restricted For:			
Capital Projects	426,230	0	426,230
Other Purposes	4,320,961	0	4,320,961
Unrestricted	<u>10,578,131</u>	<u>15,897</u>	<u>10,594,028</u>
<b>Total Net Assets</b>	<b><u>\$ 75,804,246</u></b>	<b><u>\$ 15,897</u></b>	<b><u>\$ 75,820,143</u></b>

See accompanying notes to the basic financial statements

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY, OHIO**

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**Statement Of Activities  
For The Year Ended December 31, 2009**

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		Program Revenues	
	Expenses	Charges for Services and Sales	Capital Grants and Contributions
<b>Governmental Activities:</b>			
Parks and Recreation	\$ 12,761,551	\$ 471,913	\$ 1,383,176
<b>Total Governmental Activities</b>	12,761,551	471,913	1,383,176
<b>Business-Type Activities:</b>			
Retail Operations	122,625	106,933	0
<b>Total Business-Type Activities</b>	122,625	106,933	0
<b>Totals</b>	\$ 12,884,176	\$ 578,846	\$ 1,383,176

**General Revenues:**

Property Taxes  
Intergovernmental Revenues, Unrestricted  
Investment Earnings  
Miscellaneous

**Transfers**

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY, OHIO**

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Net (Expense) Revenue  
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (10,906,462)	\$ 0	\$ (10,906,462)
<u>(10,906,462)</u>	<u>0</u>	<u>(10,906,462)</u>
0	(15,692)	(15,692)
<u>0</u>	<u>(15,692)</u>	<u>(15,692)</u>
<u>(10,906,462)</u>	<u>(15,692)</u>	<u>(10,922,154)</u>
12,893,708	0	12,893,708
3,437,705	0	3,437,705
64,307	0	64,307
203,014	0	203,014
<u>(35,000)</u>	<u>35,000</u>	<u>0</u>
<u>16,563,734</u>	<u>35,000</u>	<u>16,598,734</u>
5,657,272	19,308	5,676,580
<u>70,146,974</u>	<u>(3,411)</u>	<u>70,143,563</u>
<u>\$ 75,804,246</u>	<u>\$ 15,897</u>	<u>\$ 75,820,143</u>

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY, OHIO**

**Balance Sheet  
Governmental Funds  
December 31, 2009**

	General	Land Acquisition Levy	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 9,112,947	\$ 1,130,306	\$ 3,602,003	\$ 13,845,256
Receivables:				
Property Taxes	10,404,682	2,095,024	0	12,499,706
Intergovernmental	1,298,769	369,461	29,000	1,697,230
Interest	10,604	0	0	10,604
Advance to Other Funds	400,000	0	0	400,000
<b>Total Assets</b>	<b>\$ 21,227,002</b>	<b>\$ 3,594,791</b>	<b>\$ 3,631,003</b>	<b>\$ 28,452,796</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 160,308	\$ 178,962	\$ 4,883	\$ 344,153
Accrued Wages and Benefits Payable	147,714	2,185	13,676	163,575
Intergovernmental Payable	181,864	10,165	12,566	204,595
Deferred Revenue	11,587,764	2,255,149	729	13,843,642
Advances from Other Funds	0	400,000	0	400,000
<b>Total Liabilities</b>	<b>12,077,650</b>	<b>2,846,461</b>	<b>31,854</b>	<b>14,955,965</b>
<b>Fund Balances</b>				
Reserved for Encumbrances	444,308	267,429	180,162	891,899
Reserved for Property Replacement	995,320	0	0	995,320
Undesignated, Unreserved in:				
General Fund	7,709,724	0	0	7,709,724
Special Revenue Funds	0	480,901	3,003,229	3,484,130
Capital Projects Funds	0	0	415,758	415,758
<b>Total Fund Balances</b>	<b>9,149,352</b>	<b>748,330</b>	<b>3,599,149</b>	<b>13,496,831</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 21,227,002</b>	<b>\$ 3,594,791</b>	<b>\$ 3,631,003</b>	<b>\$ 28,452,796</b>

See accompanying notes to the basic financial statements

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY, OHIO**

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***Reconciliation Of Total Governmental Fund Balances  
To Net Assets Of Governmental Activities  
December 31, 2009***

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<b>Total Governmental Fund Balances</b>	\$ 13,496,831
<b><i>Amounts reported for governmental activities in the statement of net assets are different because:</i></b>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	60,478,924
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	2,702,565
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated Absences Payable	<u>(874,074)</u>
<b><i>Net Assets of Governmental Funds</i></b>	<u><u>\$ 75,804,246</u></u>

See accompanying notes to the basic financial statements

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY, OHIO**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2009**

	General	Land Acquisition Levy	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property Taxes	\$ 10,640,847	\$ 1,903,850	\$ 0	\$ 12,544,697
Intergovernmental Revenues	3,972,244	1,219,905	79,894	5,272,043
Fines and Forfeitures	4,869	0	573	5,442
Charges for Services	237,593	0	62,215	299,808
Sales	22,225	0	56,927	79,152
Fees	0	0	87,511	87,511
Donations	14,322	0	274,133	288,455
Investment Earnings	43,289	4,081	13,405	60,775
All Other Revenue	183,617	4,977	14,420	203,014
<b>Total Revenue</b>	<b>15,119,006</b>	<b>3,132,813</b>	<b>589,078</b>	<b>18,840,897</b>
<b>Expenditures:</b>				
Current:				
Parks and Recreation	10,747,918	2,364,064	1,930,844	15,042,826
<b>Total Expenditures</b>	<b>10,747,918</b>	<b>2,364,064</b>	<b>1,930,844</b>	<b>15,042,826</b>
Excess (Deficiency) of Revenues Over Expenditures	4,371,088	768,749	(1,341,766)	3,798,071
<b>Other Financing Sources (Uses):</b>				
Transfers In	0	0	1,121,972	1,121,972
Transfers Out	(1,156,972)	0	0	(1,156,972)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,156,972)</b>	<b>0</b>	<b>1,121,972</b>	<b>(35,000)</b>
Net Change in Fund Balance	3,214,116	768,749	(219,794)	3,763,071
<b>Fund Balances at Beginning of Year</b>	<b>5,935,236</b>	<b>(20,419)</b>	<b>3,818,943</b>	<b>9,733,760</b>
<b>Fund Balances End of Year</b>	<b>\$ 9,149,352</b>	<b>\$ 748,330</b>	<b>\$ 3,599,149</b>	<b>\$ 13,496,831</b>

See accompanying notes to the basic financial statements

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY, OHIO**

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***Reconciliation Of The Statement Of Revenues, Expenditures  
And Changes In Fund Balances Of Governmental Funds  
To The Statement Of Activities  
For The Fiscal Year Ended December 31, 2009***

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**Net Change in Fund Balances - Total Governmental Funds** \$ 3,763,071

***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. This is the amount by which capital outlays and contributions exceeded depreciation. 2,264,383

The net effect of various miscellaneous transactions involving capital assets (i.e. disposals) is to decrease net assets. (4,581)

Revenues and transfers in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (387,074)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 21,473

***Change in Net Assets of Governmental Activities*** \$ 5,657,272

See accompanying notes to the basic financial statements

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA**  
**LUCAS COUNTY, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Year Ended December 31, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 11,420,000	\$ 11,430,000	\$ 10,640,847	\$ (789,153)
Intergovernmental Revenue	3,185,766	3,185,766	3,791,510	605,744
Fines and Forfeitures	4,400	4,400	4,869	469
Charges for Services	342,341	221,010	219,225	(1,785)
Sales	19,539	19,539	22,225	2,686
Donations	2,000	2,000	14,322	12,322
Investment Earnings	167,582	119,494	35,437	(84,057)
All Other Revenue	60,707	60,707	4,893	(55,814)
Total Revenues	<u>15,202,335</u>	<u>15,042,916</u>	<u>14,733,328</u>	<u>(309,588)</u>
<b>Expenditures:</b>				
Current:				
Parks and Recreation	13,279,834	12,096,688	11,359,360	737,328
Total Expenditures	<u>13,279,834</u>	<u>12,096,688</u>	<u>11,359,360</u>	<u>737,328</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,922,501	2,946,228	3,373,968	427,740
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	60,000	60,000	1	(59,999)
Transfers Out	(785,000)	(1,846,814)	(1,156,972)	689,842
Advances In	0	1,367,773	967,773	(400,000)
Other Sources	172,500	172,500	178,723	6,223
Total Other Financing Sources (Uses):	<u>(552,500)</u>	<u>(246,541)</u>	<u>(10,475)</u>	<u>236,066</u>
Net Change in Fund Balance	1,370,001	2,699,687	3,363,493	663,806
Fund Balance at Beginning of Year	3,717,080	3,717,080	3,717,080	0
Prior Year Encumbrances	471,205	471,205	471,205	0
Fund Balance at End of Year	<u>\$ 5,558,286</u>	<u>\$ 6,887,972</u>	<u>\$ 7,551,778</u>	<u>\$ 663,806</u>

See accompanying notes to the basic financial statements

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Land Acquisition Levy Fund  
For the Year Ended December 31, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 1,880,000	\$ 1,880,000	\$ 1,903,850	\$ 23,850
Intergovernmental Revenue	2,484,749	2,484,749	1,502,765	(981,984)
Investment Earnings	0	0	4,081	4,081
Total Revenues	4,364,749	4,364,749	3,410,696	(954,053)
<b>Expenditures:</b>				
Current:				
Parks and Recreation	2,947,921	2,948,875	2,617,469	331,406
Total Expenditures	2,947,921	2,948,875	2,617,469	331,406
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,416,828	1,415,874	793,227	(622,647)
<b>Other Financing Sources (Uses):</b>				
Advances Out	(800,000)	(800,000)	(800,000)	0
Other Sources	5,000	5,000	4,977	(23)
Total Other Financing Sources (Uses):	(795,000)	(795,000)	(795,023)	(23)
Net Change in Fund Balance	621,828	620,874	(1,796)	(622,670)
Fund Balance at Beginning of Year	621,439	621,439	621,439	0
Prior Year Encumbrances	74,988	74,988	74,988	0
Fund Balance at End of Year	\$ 1,318,255	\$ 1,317,301	\$ 694,631	\$ (622,670)

See accompanying notes to the basic financial statements

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY, OHIO**

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***Statement of Net Assets  
Enterprise Fund  
December 31, 2009***

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	<u>Retail Operations</u>
<b>ASSETS:</b>	
Current assets:	
Cash and Cash Equivalents	\$ 16,525
Total Assets	<u>16,525</u>
<b>LIABILITIES:</b>	
Current Liabilities:	
Accounts Payable	494
Intergovernmental Payable	<u>134</u>
Total Liabilities	<u>628</u>
<b>NET ASSETS:</b>	
Unrestricted	<u>15,897</u>
Total net assets	<u>\$ 15,897</u>

See accompanying notes to the basic financial statements

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA**  
**LUCAS COUNTY, OHIO**

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*Statement of Revenues, Expenses and Changes in Fund Net Assets*  
*Enterprise Fund*  
*For the Year Ended December 31, 2009*

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	Retail Operations
<b>Operating Revenues:</b>	
Sales	\$ 99,064
Other Operating Revenue	7,869
<b>Total Operating Revenues</b>	<u>106,933</u>
<b>Operating Expenses:</b>	
Personal Services	74,802
Contractual Services	12,169
Materials and Supplies	35,654
<b>Total Operating Expenses</b>	<u>122,625</u>
<b>Loss Before Transfers and Contributions</b>	(15,692)
Transfers In	<u>35,000</u>
<b>Change in Net Assets</b>	19,308
<b>Net Assets Beginning of Year</b>	<u>(3,411)</u>
<b>Net Assets End of Year</b>	<u>\$ 15,897</u>

See accompanying notes to the basic financial statements

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY, OHIO**

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***Statement of Cash Flows  
Enterprise Funds  
For the Year Ended December 31, 2009***

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	Business-Type Activities <u>Retail Operations</u>
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$106,933
Cash Payments for Goods and Services	(47,329)
Cash Payments to Employees	<u>(78,746)</u>
Net Cash Used by Operating Activities	<u>(19,142)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>	
Transfers In From Other Funds	<u>35,000</u>
Net Cash Provided by Noncapital Financing Activities	<u>35,000</u>
Net Increase in Cash and Cash Equivalents	15,858
Cash and Cash Equivalents at Beginning of Year	<u>667</u>
Cash and Cash Equivalents at End of Year	<u><u>\$16,525</u></u>
<u>Reconciliation of Operating Loss to Net Cash Used by Operating Activities:</u>	
Operating Loss	(\$15,692)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Increase in Accounts Payable	494
Decrease in Accrued Wages and Benefits	(2,531)
Decrease in Intergovernmental Payable	<u>(1,413)</u>
Total Adjustments	<u>(3,450)</u>
Net Cash Used by Operating Activities	<u><u>(\$19,142)</u></u>

See accompanying notes to the basic financial statements

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA**  
**LUCAS COUNTY, OHIO**

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2009***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Metropolitan Park District of the Toledo Area, Lucas County, Ohio (the District), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a three-member Board of Commissioners appointed by the probate judge of Lucas County. The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure the financial statements are not misleading.

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. The District acquires lands for the conservation of significant natural, historical and cultural resources. 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.

The Board of Park Commissioners appoints a Director who is responsible for appointment of a Treasurer to act as fiscal agent for the District and custodian of all funds.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*," as amended by GASB Statement No. 39 "*Determining Whether Certain Organizations Are Component Units*", in that the financial statements include all organizations, activities, functions and component units for which the District (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either the District's ability to impose its will over the organization or the possibility that the organization will provide a financial benefit to, or impose a financial burden on, the District. Based on the foregoing, the District does not have any component units.

The accounting policies and financial reporting practices of the District conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of its significant accounting policies.

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY, OHIO**

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting**

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. The various funds are grouped into the categories governmental, proprietary and fiduciary.

***Governmental Funds*** - These are funds through which most governmental functions typically are financed. The acquisition, use and balances of the District's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the District's major governmental funds:

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

**Land Acquisition Levy Fund** - The Land Acquisition Levy Fund receives the proceeds of a .3 mil tax levy levied solely for the purposes of funding land acquisition and related costs.

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

***Proprietary Fund*** - The proprietary fund is accounted for on a "economic resources" measurement focus. This measurement focus provides that all assets and all liabilities associated with the operation of the proprietary funds are included on the balance sheet. The proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

**Retail Operations Fund** - The retail operations fund accounts for the retail operations at the Wildwood Farmhouse and the Providence General Store.

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA**  
**LUCAS COUNTY, OHIO**

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2009***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements**

**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 the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund 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.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function or program 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 and grants and contributions that are restricted to meeting the operational or capital requirements of 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 business segment or governmental function is self-financing or draws from the general revenues of the District.

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA**  
**LUCAS COUNTY, OHIO**

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2009***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements (Continued)**

**Fund Financial Statements** – Fund financial statements report detailed information about the District. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The enterprise fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

The proprietary fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund is included on the statement of net assets. The statement of revenues, expenses and changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

**D. Basis of Accounting**

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the District is considered to be 60 days after fiscal year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA**  
**LUCAS COUNTY, OHIO**

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2009***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Basis of Accounting** (Continued)

Revenue considered susceptible to accrual at year end includes interest on investments and grants and entitlements. Other revenue, including fines, fees, sales, certain charges for services and miscellaneous revenues are recorded as revenue when received in cash because generally these revenues are not measurable until received.

Property taxes measurable as of December 31, 2009 but which are not intended to finance 2009 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue as further described in Note 5.

The accrual basis of accounting is utilized for reporting purposes by the government-wide financial statements and the proprietary fund. Revenues are recognized when they are earned and expenses are recognized when incurred.

Pursuant to GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting," the District follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

***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.

Nonexchange 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 fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations are recognized in the fiscal 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 fiscal 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 a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA**  
**LUCAS COUNTY, OHIO**

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2009***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year.

All funds, other than the agency fund, are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The legal level of budgetary control is at the object level within each fund. Budgetary modifications may only be made by resolution of the District Board.

1. Tax Budget

The District Treasurer submits an annual tax budget for the following fiscal year to the District Board of Commissioners by July 15 for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the District by September 1 of each year. As part of the certification process, the District receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2009.

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA**  
**LUCAS COUNTY, OHIO**

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2009***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process** (Continued)

3. Appropriations

A temporary appropriation resolution to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation resolution must be passed by April 1 of each year for the period January 1 through December 31. The appropriation resolution establishes spending controls at object level within each fund, and may be modified during the year by resolution of the District Board of Commissioners. Total fund appropriations may not exceed the current estimated resources as certified by the County Budget Commission. Expenditures may not legally exceed budgeted appropriations at the object level within each fund. The allocation of appropriations within a fund may be modified with the approval of the District Board Commissioners. During 2009, several supplemental appropriations measures were necessary to budget the use of contingency funds. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) for the General Fund and major special revenue funds are presented on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications of.

4. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

5. Budgetary Basis of Accounting

The District's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

6. Budgetary Basis of Accounting (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund and major special revenue funds:

	Net Change in Fund Balance	
	General Fund	Land Acquisition Levy Fund
GAAP Basis (as reported)	\$3,214,116	\$768,749
Increase (Decrease):		
Accrued Revenues at December 31, 2009 received during 2010	(127,071)	(209,336)
Accrued Revenues at December 31, 2008 received during 2009	(79,883)	492,196
Accrued Expenditures at December 31, 2009 paid during 2010	489,886	191,312
Accrued Expenditures at December 31, 2008 paid during 2009	(536,259)	(9,042)
2009 Advance Activity	967,773	(800,000)
Outstanding Encumbrances	(565,069)	(435,675)
Budget Basis	\$3,363,493	(\$1,796)

**F. Cash and Investments**

Cash and cash equivalents include amounts in demand deposits and investments with original maturities of less than three months.

The District pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 2, "Cash, Cash Equivalents and Investments."

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA**  
**LUCAS COUNTY, OHIO**

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2009***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the District records all its investments at fair value. See Note 2, "Cash, Cash Equivalents and Investments."

Following Ohio statutes and Board Policy, interest is credited initially to the general fund and reallocated to all eligible funds on a quarterly basis. Interest receipts credited in 2009 was \$64,307.

**H. Capital Assets and Depreciation**

Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000.

**1. Property, Plant and Equipment - Governmental Activities**

Governmental activities capital assets are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Assets, but they are not reported in the Fund Financial Statements.

Contributed capital assets are recorded at fair market value at the date received. Infrastructure capital assets (e.g., driveways, fencing, retaining walls and other assets that are immovable and of value only to the District) are capitalized if the cost or estimated historical cost to purchase or construct equals or exceeds \$5,000. Governmental activities capital asset values were initially determined by identifying historical costs where such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY, OHIO**

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Capital Assets and Depreciation (Continued)**

2. Depreciation

All capital assets, other than land, antiques and art, and construction in progress, are depreciated. Depreciation has been provided using the straight-line method over the following estimated useful lives:

Description	Governmental and Business-Type Activities Estimated Lives (in Years)
Buildings	50
Land Improvements	20
Machinery and Equipment	8 - 20
Infrastructure	50

**I. Long-Term Obligations**

Long-term liabilities are being repaid from the following fund:

Obligation	Fund
Compensated Absences	General Fund, Land Acquisition Levy Fund, Education Fund

**J. Compensated Absences**

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," vacation and compensatory time are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA**  
**LUCAS COUNTY, OHIO**

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2009***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Compensated Absences** (Continued)

For governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not recorded. For proprietary funds, the entire compensated absences amount is reported as a fund liability.

**K. Pensions**

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred.

**L. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction of 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.

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

**M. Interfund Activity**

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

**N. Interfund Assets/Liabilities**

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. Long-term interfund loans are classified as "advances to/from other funds."

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY, OHIO**

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**O. Reservations of Fund Balance**

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for encumbered amounts not accrued at year end and for property replacement. The reserve for property replacement accounts for funds set aside to rebuild, restore, repair, or improve property in case of total or partial destruction of the property of the District.

**P. 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 those estimates.

**Q. Operating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are sales charges generated through the sale of goods at one of the two District gift shops. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY, OHIO**

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

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**NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments.

Statutes require the classification of funds held by the District into three categories. Category 1 consists of “active” funds - those funds required to be kept in a “cash” or “near cash” status for immediate use by the District. Such funds must be maintained either as cash in the District Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of “interim” funds - those funds which are not needed for immediate use but, which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets 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
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009**

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**NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**A. Deposits**

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned. Protection of District cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the District places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year end the carrying amount of the District's deposits was \$13,361,001 and the bank balance was \$13,621,160. The Federal Deposit Insurance Corporation (FDIC) covered \$5,884,692 of the bank balance and \$7,736,468 was uninsured. Of the remaining uninsured bank balance, the District was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the District's name	\$7,736,468
Total Balance	\$7,736,468

**B. Investments**

The District's investments at December 31, 2009 were as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years)</u>
FNMA Note	\$500,780	Aaa <sup>1</sup> , AAA <sup>2</sup>	1-3 years
Total Investments	\$500,780		\$500,780

<sup>1</sup> Moody's Investor Service

<sup>2</sup> Standard & Poor's

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY, OHIO**

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

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**NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**B. Investments** (Continued)

*Interest Rate Risk* – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date. The District has no policy that limits investment purchases beyond the requirements of the Ohio Revised Code.

*Investment Credit Risk* – The District has no investment policy that limits its investment choices other than the limitation of State statute for “interim” funds described previously.

*Concentration of Credit Risk* – The District places no limit on the amount the District may invest in one issuer. Of the District’s total investments, 100% are FNMA.

*Custodial Credit Risk* – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District has no policy on custodial credit risk and is governed by Ohio Revised Code as described under Deposits.

**NOTE 3- PROPERTY TAXES**

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the County. Real property taxes (other than public utility) collected during 2009 were levied after October 1, 2008 on assessed values as of January 1, 2008, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2006. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 31; if paid semiannually, the first payment is due February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA**  
**LUCAS COUNTY, OHIO**

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2009***

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**NOTE 3- PROPERTY TAXES (Continued)**

Tangible personal property tax (other than public utility property) attaches as a lien and were levied, on the true value as of January 1, 2009. Tangible personal property of telephone and telecommunication companies (except for public utilities) is currently assessed for ad valorem taxation purposes at 10 percent of its true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No.66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated in 2009, and the tax on telephone and telecommunications property will be eliminated by 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the District due to the phasing out of the tax. In calendar years 2009-2010, the District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100% of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the Metropolitan Park District. The County Auditor periodically remits to the District its portion of the taxes collected.

The full tax rate for the District's operations for the year ended December 31, 2009 was \$1.70 per \$1,000 of assessed value. The assessed value upon which the 2009 property tax receipts were based was \$8,927,066,337. This amount constitutes \$8,694,858,210 in real property assessed value, \$25,942,257 in tangible personal property assessed value and \$206,265,870 in public utility property.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the District's share is .17% (1.70 mills) of assessed value.

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA**  
**LUCAS COUNTY, OHIO**

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2009***

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**NOTE 4 - RECEIVABLES**

Receivables at December 31, 2009 consisted of taxes, accounts, intergovernmental and advance receivables. All receivables other than those offset by deferred revenues are considered collectable in full.

**NOTE 5 - INTERFUND BALANCES**

Following is a summary of advances to/from other funds at December 31, 2009:

Fund	Advances to Other Funds	Advances From Other Funds
General Fund	\$400,000	\$0
Land Acquisition Levy Fund	0	400,000
Totals	<u>\$400,000</u>	<u>\$400,000</u>

The advance was required due to land levy acquisition costs being authorized in advance of the revenue proceeds schedule. Funds are scheduled to be returned to the General Fund next year.

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**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY, OHIO**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009**

**NOTE 6 - CAPITAL ASSETS**

Summary by category of changes in governmental activities capital assets at December 31, 2009:

<i>Historical Cost:</i>	December 31,			December 31,
Class	2008	Additions	Deletions	2009
<i>Capital assets not being depreciated:</i>				
Land	\$46,632,149	\$1,718,253	\$0	\$48,350,402
Antiques and Art	553,061	0	0	553,061
<i>Capital assets being depreciated:</i>				
Buildings	13,724,775	804,282	0	14,529,057
Land Improvements	7,590,180	0	0	7,590,180
Infrastructure	3,638,200	23,845	(3,500)	3,658,545
Machinery and Equipment	2,874,781	283,609	(76,857)	3,081,533
Total Cost	<u>\$75,013,146</u>	<u>\$2,829,989</u>	<u>(\$80,357)</u>	<u>\$77,762,778</u>
<i>Accumulated Depreciation:</i>	December 31,			December 31,
Class	2008	Additions	Deletions	2009
Buildings	(\$6,993,391)	(\$225,609)	\$0	(\$7,219,000)
Land Improvements	(7,487,039)	(63,951)	0	(7,550,990)
Infrastructure	(809,240)	(73,384)	1,365	(881,259)
Machinery and Equipment	(1,504,354)	(202,662)	74,411	(1,632,605)
Total Depreciation	<u>(\$16,794,024)</u>	<u>(\$565,606)</u>	<u>\$75,776</u>	<u>(\$17,283,854)</u>
Total Cost	<u>\$58,219,122</u>			<u>\$60,478,924</u>

**NOTE 7 – DEFINED BENEFIT PENSION PLAN**

All of the District’s full-time employees participate in a cost-sharing multiple employer defined benefit pension plan.

The following information was provided by OPERS to assist the City in complying with GASB Statement No. 27, “Accounting for Pensions by State and Local Government Employers.”

All employees of the District, participate in one of the three pension plans administered by OPERS: the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple employer defined benefit pension plan. The MD Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan that has elements

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA**  
**LUCAS COUNTY, OHIO**

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2009***

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**NOTE 7 – DEFINED BENEFIT PENSION PLAN(Continued)**

of both a defined benefit and defined contribution plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits, including postemployment health care benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for OPERS. Interested parties may obtain a copy by making a written request to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The ORC provides statutory authority for employee and employer contributions. For 2009, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2009 employer contribution rate for local government employer units was 14.00%, of covered payroll which is the maximum contribution rate set by State statutes. Employer contribution rates are actuarially determined. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2009, from January 1 through March 31, 2009 7.0% of annual covered salary was the portion used to fund pension obligations, and from April 1 through December 31, 2009 8.5% of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and the District are established and may be amended by the OPERS Board. The District's required contributions for pension obligations to OPERS for the years ending December 31, 2009, 2008, and 2007 were \$471,058, \$427,589 and \$493,386, respectively, which were equal to the required contributions for each year.

**NOTE 8 - POSTEMPLOYMENT BENEFITS**

Plan Description – OPERS administers three separate pension plans: the Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B Premium reimbursement, to qualifying member of both the Traditional Pension and the Combined Plans. Members of the Member Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA**  
**LUCAS COUNTY, OHIO**

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2009***

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**NOTE 8 - POSTEMPLOYMENT BENEFITS (Continued)**

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

The ORC permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the ORC.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

The OPERS Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. For 2009, the employer contribution allocated to the health care plan was 7.0% of covered payroll from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The District's contributions for health care to the OPERS for the years ending December 31, 2009, 2008, and 2007 were \$340,611, \$427,589 and \$324,985, respectively, which were equal to the required contributions for each year.

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

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY, OHIO**

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009**

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**NOTE 9 - LONG-TERM DEBT AND OTHER OBLIGATIONS**

Detail of the changes in long-term debt and other long-term obligations of the District for the year ended December 31, 2009 are as follows:

	Balance at December 31, 2008	Additions	Deductions	Balance at December 31, 2009	Amount Due Within One Year
<b>Governmental Activities:</b>					
Compensated Absences	\$895,547	\$874,074	(\$895,547)	\$874,074	\$523,097

**NOTE 10 -RISK MANAGEMENT**

**A. General Insurance**

The District is exposed to various risks of property and casualty losses, and injuries to employees. The District insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**Casualty and Property Coverage**

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2009, PEP retained \$350,000 for casualty claims and \$150,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY, OHIO**

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

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**NOTE 10 -RISK MANAGEMENT (Continued)**

**A. General Insurance (Continued)**

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2009 and 2008:

	2009	2008
Assets	\$36,374,898	\$35,769,535
Liabilities	(15,256,862)	(15,310,206)
Retained Earnings	\$21,118,036	\$20,459,329

At December 31, 2009 and 2008, respectively, the liabilities above include approximately \$14.1 and \$13.7 million of estimated incurred claims payable. The assets above also include approximately \$13.7 million and \$12.9 million of unpaid claims to be billed to approximately 447 member governments in the future, as of December 31, 2009 and 2008, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2009, the District's share of these unpaid claims collectible in future years is approximately \$97,000.

Based upon discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

**Contributions to PEP**

2009	2008
\$97,300	\$112,500

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY, OHIO**

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2009***

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**NOTE 10 -RISK MANAGEMENT (Continued)**

**B. Health Insurance**

The Lucas County Commissioners manage a self-funded insurance program for dental, prescription drug, and health benefits. The programs are administered by a third-party, which provides claims review and processing services. The Metroparks is charged for its proportionate share of the costs of covered employees.

**C. Workers Compensation**

The Lucas County Commissioners also maintains a Self-Funded Workers' Compensation fund. The Metroparks is charged for its proportionate share of the costs of covered employees.

**NOTE 11 -CONTINGENT LIABILITIES**

The District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at December 31, 2009.

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# Dave Yost • Auditor of State

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

Metropolitan Park District of the Toledo Area  
Lucas County  
5100 West Central Avenue  
Toledo, Ohio 43615-2100

To the Board of Park Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Metropolitan Park District of the Toledo Area, Lucas County, Ohio (the District) as of and for the year ended December 31, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 26, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

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

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

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

One Government Center, Suite 1420, Toledo, Ohio 43604-2246  
Phone: 419-245-2811 or 800-443-9276 Fax: 419-245-2484

[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

### **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 we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2009-001.

We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated April 26, 2011.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

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



**Dave Yost**  
Auditor of State

April 26, 2011

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2009**

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

**FINDING NUMBER 2009-001**

**Noncompliance Citation**

**Ohio Revised Code § 117.38** states GAAP-basis entities must file annual reports with the Auditor of State's Office within 150 days of their fiscal year end.

The District did not file its annual report with the Auditor of State's Office within the required time period. Failing to file an annual report within the required time period could be a symptom of an inadequate accounting system, inadequate training of personnel in understanding the accounting and reporting process, unposted or unreconciled records or other significant issues affecting the control environment, and may even pose fraud risks.

We recommend the District's management implement procedures to ensure the draft annual report is prepared and submitted to the Auditor of State within 150 days of fiscal year end.

**Officials' Response:**

The District is aware of the filing requirement and believes that circumstances resulting in the filing delay have been resolved.

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	Finding for Recovery Repaid Under Audit - \$391 was spent on alcohol purchases by the Metropolitan Park District for the Toledo Area's Mardi Gras event.	Yes	
2008-002	Material Weakness – Failure to have adequate controls over capital assets	No	Partially corrected; included a recommendation in the management letter
2008-003	Revised Code § 5705.39, appropriations exceeded estimated resources in the Land Acquisition Levy Fund	No	Partially corrected; included a noncompliance finding in the management letter
2008-004	Revised Code § 5705.41(B), expenditures exceeded appropriations in the General Fund and Land Acquisition Levy Fund	Yes	
2008-005	OMB Circular A-133 § .200, §.320 failure to have a single audit conducted to meet the nine month deadline.	Yes	



# Dave Yost • Auditor of State

**METROPOLITAN PARK DISTRICT OF TOLEDO AREA**

**LUCAS COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MAY 12, 2011**