



**THE OLANDER PARK SYSTEM
LUCAS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2007 - 2008



Mary Taylor, CPA
Auditor of State

**THE OLANDER PARK SYSTEM
LUCAS COUNTY**

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Mary Taylor, CPA

Auditor of State

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

To the Board of Commissioners:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

August 17, 2009

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Commissioners:

We have audited the accompanying financial statements of The Olander Park System, Lucas County, Ohio (TOPS), as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of TOPS management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

While TOPS does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. TOPS has elected not to reformat its statements. Since TOPS does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2008 and 2007, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of TOPS as of December 31, 2008 and 2007, or its changes in financial position for the years then ended.

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Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash balance of The Olander Park System, Lucas County, as of December 31, 2008 and 2007, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 17, 2009, on our consideration of TOPS' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

August 17, 2009

**THE OLANDER PARK SYSTEM
LUCAS COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2008**

Cash Receipts:

| | |
|------------------------------------|------------------|
| General Property Tax - Real Estate | \$898,134 |
| Tangible Personal Property Tax | 14,833 |
| Intergovernmental Revenue | 177,139 |
| Grants | 317,485 |
| Investment Income | 9,290 |
| Fees | 41,383 |
| Sales | 4,486 |
| Rentals | 56,120 |
| Gifts and Donations | 7,076 |
| Other Receipts | 521 |
| Total Cash Receipts | <u>1,526,467</u> |

Cash Disbursements:

| | |
|-------------------------------------|------------------|
| Current: | |
| Salaries - Employees | 362,925 |
| Supplies | 36,502 |
| Materials | 52,702 |
| Equipment | 39,031 |
| Motor Vehicle | 24,626 |
| Contract - Repair | 4,206 |
| Contract - Services | 47,478 |
| Contract - Utilities | 24,231 |
| Capital Projects - Park Development | 343,582 |
| Capital Projects - Programs | 15,901 |
| Rentals | 901 |
| Advertising and Printing | 43,792 |
| Conference and Travel | 6,760 |
| Professional Services | 66,891 |
| FICA | 5,225 |
| Public Employees Retirement | 51,060 |
| Workers' Compensation | 5,551 |
| Unemployment Compensation | 16,863 |
| Liability Insurance | 25,858 |
| Insurance Group | 27,597 |
| Debt: | |
| Payment of Principal | 170,000 |
| Payment of Interest | 37,640 |
| Other | 2,861 |
| Total Cash Disbursements | <u>1,412,183</u> |

Total Cash Receipts Over Cash Disbursements 114,284

Fund Cash Balance, January 1 154,223

Fund Cash Balance, December 31 \$268,507

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

**THE OLANDER PARK SYSTEM
LUCAS COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2007**

| | |
|--|------------------------------------|
| Cash Receipts: | |
| General Property Tax - Real Estate | \$932,521 |
| Tangible Personal Property Tax | 33,613 |
| Intergovernmental Revenue | 150,898 |
| Investment Income | 11,002 |
| Fees | 44,021 |
| Sales | 11,301 |
| Rentals | 58,005 |
| Refunds | 5,223 |
| Other Receipts | <u>1,494</u> |
| Total Cash Receipts | <u>1,248,078</u> |
| Cash Disbursements: | |
| Current: | |
| Salaries - Employees | 412,877 |
| Supplies | 22,000 |
| Materials | 34,941 |
| Equipment | 15,094 |
| Motor Vehicle | 16,281 |
| Contract - Repair | 3,762 |
| Contract - Services | 27,178 |
| Contract - Utilities | 29,890 |
| Capital Projects - Park Development | 320,376 |
| Capital Projects - Programs | 15,569 |
| Rentals | 924 |
| Advertising and Printing | 51,198 |
| Conference and Travel | 5,902 |
| Improvements | 71,188 |
| Professional Services | 31,529 |
| FICA | 5,972 |
| Public Employees Retirement | 57,398 |
| Workers' Compensation | 5,726 |
| Unemployment Compensation | 7,350 |
| Liability Insurance | 25,313 |
| Insurance Group | 39,251 |
| Debt: | |
| Payment of Principal | 170,000 |
| Payment of Interest | 48,500 |
| Other | <u>3,988</u> |
| Total Cash Disbursements | <u>1,422,207</u> |
| Total Cash Receipts Under Cash Disbursements | (174,129) |
| Fund Cash Balance, January 1 | <u>328,352</u> |
| Fund Cash Balance, December 31 | <u><u>\$154,223</u></u> |

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

**THE OLANDER PARK SYSTEM
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Fund Accounting

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

General Fund

The General Fund accounts for all financial resources.

E. Budgetary Process

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

**THE OLANDER PARK SYSTEM
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2008 and 2007 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

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

G. Accumulated Leave

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

2. CASH

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

| | <u>2008</u> | <u>2007</u> |
|--------------------------------------|-------------------------|-------------------------|
| Demand deposits | \$26,476 | \$56,320 |
| Amounts on deposit with fiscal agent | 242,031 | 97,903 |
| Total deposits | <u><u>\$268,507</u></u> | <u><u>\$154,223</u></u> |

**THE OLANDER PARK SYSTEM
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

2. EQUITY IN POOLED CASH (Continued)

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation. Amounts on deposit with the fiscal agent are pooled with Lucas County's deposits, and it is not feasible to determine the manner in which TOPS' deposits are insured. The extent of Lucas County's collateralization is disclosed in their audit reports for fiscal years ended December 31, 2008 and 2007.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2008 and 2007 follows:

| 2008 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$1,625,004 | \$1,526,467 | (\$98,537) |
| | \$1,625,004 | \$1,526,467 | (\$98,537) |

| 2008 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|-----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$1,546,000 | \$1,412,183 | \$133,817 |
| | \$1,546,000 | \$1,412,183 | \$133,817 |

| 2007 Budgeted vs. Actual Receipts | | | |
|-----------------------------------|----------------------|--------------------|-------------|
| Fund Type | Budgeted Receipts | Actual Receipts | Variance |
| General | \$1,518,100 | \$1,248,078 | (\$270,022) |
| | \$1,518,100 | \$1,248,078 | (\$270,022) |

| 2007 Budgeted vs. Actual Budgetary Basis Expenditures | | | |
|---|----------------------------|---------------------------|----------|
| Fund Type | Appropriation Authority | Budgetary Expenditures | Variance |
| General | \$1,445,000 | \$1,422,207 | \$22,793 |
| | \$1,445,000 | \$1,422,207 | \$22,793 |

4. PROPERTY TAX

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

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

**THE OLANDER PARK SYSTEM
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007
(Continued)**

4. PROPERTY TAX (Continued)

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

5. DEBT

Debt outstanding at December 31, 2008:

| | Principal | Interest Rate |
|--------------------|-----------|---------------|
| Land Purchase Note | \$300,000 | Variable |

TOPS entered into a debt agreement with Sky Bank on June 17, 2003 in the amount of \$1,100,000 at a variable rate of interest and a maturity date of June 17, 2010. The purpose of this debt issue was to finance the purchase of the land known as Brint Park. TOPS is required to pay principal payments in the amount of \$150,000 on June 17th of each year.

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

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

6. RETIREMENT SYSTEM

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

The Ohio Revised Code also prescribes contribution rates. For 2008 and 2007, OPERS members contributed 10 percent and 9.5 percent, respectively, of their gross salaries. TOPS contributed an amount equal to 14 percent and 13.85 percent, respectively, of participants' gross salaries. TOPS has paid all contributions required through December 31, 2008.

7. RISK MANAGEMENT

Commercial Insurance

TOPS has obtained commercial insurance for the following risks:

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



Mary Taylor, CPA

Auditor of State

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

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

To the Board of Commissioners:

We have audited the financial statements of The Olander Park System, Lucas County, Ohio (TOPS), as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated August 17, 2009, wherein we noted TOPS follows accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered TOPS internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of TOPS internal control over financial reporting. Accordingly, we have not opined on the effectiveness of TOPS internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects TOPS ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the TOPS internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider finding 2008-001, described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that TOPS internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe the significant deficiency described above is not a material weakness.

We also noted certain internal control matters that we reported to TOPS management in a separate letter dated August 17, 2009.

Compliance and Other Matters

As part of reasonably assuring whether TOPS financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note a certain noncompliance matter that we reported to TOPS management in a separate letter dated August 17, 2009.

TOPS response to the finding identified in our audit is described in the accompanying Schedule of Findings. We did not audit TOPS response and, accordingly, we express no opinion on it.

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



Mary Taylor, CPA
Auditor of State

August 17, 2009

**THE OLANDER PARK SYSTEM
LUCAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2008 AND 2007**

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

FINDING NUMBER 2008-001

Significant Deficiency

Document Reconciliation of Financial Records

The Olander Park System does not document performance of the critical control function of monthly reconciliation of TOPS manual records to those of its fiscal agent, the Lucas County Auditor. Not all financial activity (revenues/expenditures and fund balance) have been reconciled to the Lucas County Auditor's records or reported to the Board of Park Commissioners.

The lack of reconciliation of financial records did not result in any audit adjustments or misstatements for the fiscal year under audit. However, in the future, this weakness could result in errors on the financial records that would not be detected in a timely manner and could result in misstatement of cash balances.

We recommend the following: (1) Performance of monthly reconciliations as evidenced by signature/initials of person(s) performing this critical control function; (2) Reconciliations be reviewed by someone other than person performing the reconciliation (i.e., Director or Park Commissioner); and (3) monitored by the Park Commissioners.

Officials' Response:

The Olander Park System's management agrees with the finding.

THE OLANDER PARK SYSTEM
LUCAS COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2008 AND 2007

| Finding Number | Finding Summary | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i> |
|----------------|-------------------------------------|------------------|--|
| 2006-001 | Reconciliation of Financial Records | No | Not corrected, re-issued as finding number 2008-001, in this report. |



Mary Taylor, CPA
Auditor of State

OLANDER PARK SYSTEM

LUCAS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 6, 2009**