

**LORAIN COUNTY METROPOLITAN PARK DISTRICT  
LORAIN COUNTY, OHIO**

*Financial Statements*  
(Audited)

For The Years Ended  
December 31, 2013 and 2012

**BONNIE BURNS, TREASURER**





# Dave Yost • Auditor of State

Board of Park Commissioners  
Lorain County Metropolitan Park District  
12882 Diagonal Road  
LaGrange, Ohio 44050

We have reviewed the *Independent Auditor's Report* of the Lorain County Metropolitan Park District, Lorain County, prepared by Julian & Grube, Inc., for the audit period January 1, 2012 through December 31, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Lorain County Metropolitan Park District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

July 21, 2014

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**LORAIN COUNTY METROPOLITAN PARK DISTRICT  
LORAIN COUNTY, OHIO**

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**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

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**Independent Auditor's Report**

Lorain County Metropolitan Park District  
Lorain County  
12882 Diagonal Road  
LaGrange, Ohio 44050

To the Board of Park Commissioners:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities and its major fund information of the Lorain County Metropolitan Park District, Lorain County, Ohio, as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Lorain County Metropolitan Park District's basic financial statements as listed in the table of contents.

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

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

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

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities and its major fund information of the Lorain County Metropolitan Park District, Lorain County, Ohio, as of December 31, 2013 and 2012, and the respective changes in cash financial position and the budgetary comparison for the General Fund, thereof for the years then ended in accordance with the accounting basis described in Note 2.

***Accounting Basis***

We draw attention to Note 2 of the financial statements which describes the accounting basis, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

***Other Matters***

***Supplementary Information***

We audited to opine on the Lorain County Metropolitan Park District's financial statements that collectively comprise its basic financial statements.

*Management's Discussion & Analysis* includes tables of net position, changes in net position and governmental activities. This information provides additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards also presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

These tables and the schedule are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these tables and the schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling these tables and the schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, these tables and the schedule are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion & Analysis, and we express no opinion or any other assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2014, on our consideration of the Lorain County Metropolitan Park 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lorain County Metropolitan Park District's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
June 16, 2014



LORAIN COUNTY METROPOLITAN PARK DISTRICT  
LORAIN COUNTY  
Management's Discussion and Analysis  
For the Years Ended December 31, 2013 and 2012

Unaudited

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This discussion and analysis of Lorain County Metropolitan Park District, Lorain County, Ohio (the Park District) financial performance provides an overall review of the Park District's financial activities for the years ended December 31, 2013 and 2012, within the limitations of the Park District's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Park District's financial performance.

**Highlights**

Key highlights for 2013 are as follows:

Net position of governmental activities increased \$891,487 or 16.87%, a small change from the prior year. The funds most affected by the increase in cash and cash equivalents were the General Fund.

The Park District's general receipts are primarily property and other local taxes. These receipts represent respectively 56.59 percent of the total cash received for activities during the year.

Key highlights for 2012 are as follows:

Net position of governmental activities decreased \$3,464,392 or 39.61% from the prior year. The funds most affected by the decrease in cash and cash equivalents were the General Fund.

The Park District's general receipts are primarily property and other local taxes. These receipts represent respectively 67.13 percent of the total cash received for activities during the year.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Park District's cash basis of accounting.

**Report Components**

The statement of net position and the statement of activities provide information about the cash activities of the Park District as a whole.

The notes to the financial statements are an integral part of the government-wide financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Park District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Park District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

LORAIN COUNTY METROPOLITAN PARK DISTRICT  
LORAIN COUNTY  
Management's Discussion and Analysis  
For the Years Ended December 31, 2013 and 2012

Unaudited

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**Reporting the Park District as a Whole**

The statement of net position and the statement of activities reflect how the Park District did financially during 2013 and 2012, within the limitations of cash basis accounting. The statement of net position presents the cash balances and investments of the governmental activities of the Park District at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or draws from the Park District's general receipts.

These statements report the Park District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Park District's financial health. Over time, increases or decreases in the Park District's cash position is one indicator of whether the Park District's financial health is improving or deteriorating. When evaluating the Park District's financial condition, you should also consider other nonfinancial factors as well, such as the Park District's property tax base, the condition of the Park District's capital assets and infrastructure, the extent of the Park District's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and other taxes.

In the statement of net position and the statement of activities, we express the Park District's activities as the following:

Governmental activities: As of this time all of the Park District's basic services are reported here. State grants and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**Reporting the Park District's Most Significant Funds**

Fund financial statements provide detailed information about the Park District's major funds - not the Park District as a whole. The Park District establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Park District are governmental funds.

Governmental Funds - Currently all of the Park District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Park District's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Park District's programs. The Park District's only governmental fund is presented on the financial statements. The Park District's only major governmental fund is the General fund.

LORAIN COUNTY METROPOLITAN PARK DISTRICT  
LORAIN COUNTY  
Management's Discussion and Analysis  
For the Years Ended December 31, 2013 and 2012

Unaudited

**The Park District as a Whole**

Table 1 provides a summary of the Park District's net position for 2013 and 2012. A comparative analysis will be presented.

(Table 1)  
**Net Position**

	Governmental Activities		
	2013	2012	2011
<b>Assets</b>			
Cash and Cash Equivalents	\$ 6,174,241	\$ 5,282,754	\$ 8,351,176
Cash and Cash Equivalents with Fiscal Agent	-	-	395,970
Total Assets	\$ 6,174,241	\$ 5,282,754	\$ 8,747,146
 <b>Net Position</b>			
Unrestricted	\$ 6,174,241	\$ 5,282,754	\$ 8,747,146
Total Net Position	\$ 6,174,241	\$ 5,282,754	\$ 8,747,146

As mentioned previously, net position of governmental activities increased \$891,487 or 16.87 percent during 2013. The increase in cash balance is due mainly to increases in the General fund.

As mentioned previously, net position of governmental activities decreased \$3,464,392 or 39.61 percent during 2012. The decrease in cash balance is due mainly to decreases in the General fund due to completing the construction of the Mercy Recreation Center.

Table 2 reflects the changes in net position in 2013 and 2012. A comparative analysis will be presented.

LORAIN COUNTY METROPOLITAN PARK DISTRICT  
LORAIN COUNTY  
Management's Discussion and Analysis  
For the Years Ended December 31, 2013 and 2012

Unaudited

(Table 2)

**Changes in Net Position**

	Governmental Activities <u>2013</u>	Governmental Activities <u>2012</u>	Governmental Activities <u>2011</u>
Receipts:			
Program Receipts:			
Charges for Service and Sales	\$ 2,128,061	\$ 1,561,227	\$ 1,398,765
Operating Grants and Contributions	-	-	1,048
Capital Grants and Contributions	<u>1,271,304</u>	<u>-</u>	<u>544,310</u>
Total Program Receipts	<u>3,399,365</u>	<u>1,561,227</u>	<u>1,944,123</u>
General Receipts:			
Property Taxes	6,785,292	6,973,355	6,974,842
Grants and Entitlements Not Restricted to Specific Programs	984,514	1,111,334	1,308,767
Earnings Investments	2,449	9,507	78,108
Unrestricted Gifts and Contributions	256,180	354,876	430,462
Miscellaneous	<u>562,558</u>	<u>376,743</u>	<u>541,594</u>
Total General Receipts	<u>8,590,993</u>	<u>8,825,815</u>	<u>9,333,773</u>
Total Receipts	<u>11,990,358</u>	<u>10,387,042</u>	<u>11,277,896</u>
Disbursements:			
Salaries	3,451,938	3,243,146	3,264,789
Fringe Benefits	1,176,532	1,080,336	1,122,148
Materials and Supplies	601,259	544,404	463,944
Equipment	235,176	249,998	250,000
Purchase Services	1,249,039	1,152,875	900,837
Capital Outlay	2,364,969	6,754,725	3,127,375
Other	<u>2,019,958</u>	<u>825,950</u>	<u>855,760</u>
Total Disbursements	<u>11,098,871</u>	<u>13,851,434</u>	<u>9,984,853</u>
Increase (Decrease) in Net Assets	891,487	(3,464,392)	1,293,043
Net Position, January 1	<u>5,282,754</u>	<u>8,747,146</u>	<u>7,454,103</u>
Net Position, December 31	<u>\$ 6,174,241</u>	<u>\$ 5,282,754</u>	<u>\$ 8,747,146</u>

In 2013, program receipts represent 28.35 percent of total receipts and are primarily comprised of aquatic facility receipts, recreation center receipts, golf course fees and intergovernmental grants.

In 2012, program receipts represent 15.03 percent of total receipts and are primarily comprised of aquatic facility receipts, recreation center receipts, golf course fees and intergovernmental grants.

General receipts represent 71.65 and 84.97 percent of the Park District's total receipts in 2013 and 2012, respectively, and of this amount, 78.98 and 79.01 percent for 2013 and 2012, respectively, are property taxes. State and federal grants, interest and other miscellaneous make up the balance of the Park District's general receipts. Other receipts are insignificant and somewhat unpredictable revenue sources.

LORAIN COUNTY METROPOLITAN PARK DISTRICT  
LORAIN COUNTY  
Management's Discussion and Analysis  
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Unaudited

Disbursements for General Government represent the overhead costs of running the Park District and the support services provided for the other Park District activities. These include the costs of payroll and purchasing.

**Governmental Activities**

If you look at the Statement of Activities on pages 10 and 15, you will see that the first column lists the major services provided by the Park District. The next column identifies the costs of providing these services. The major disbursements for governmental activities were for capital improvements in 2013, which account for 28.06 percent of all governmental disbursements, respectively. The next three columns of the Statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the Park District that must be used to provide a specific service. The net (Disbursements) Receipts and Changes in Net Assets column compare the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)  
**Governmental Activities**

	Total Cost of Services <u>2013</u>	Net Cost of Services <u>2013</u>	Total Cost of Services <u>2012</u>	Net Cost of Services <u>2012</u>	Total Cost of Services <u>2011</u>	Net Cost of Services <u>2011</u>
<b>Governmental Activities</b>						
Salaries	\$ 3,451,938	\$ (1,323,877)	\$ 3,243,146	\$ (1,681,919)	\$ 3,264,789	\$ (1,864,976)
Fringe Benefits	1,176,532	(1,176,532)	1,080,336	(1,080,336)	1,122,148	(1,122,148)
Materials and Supplies	601,259	(601,259)	544,404	(544,404)	463,944	(463,944)
Equipment	235,176	(235,176)	249,998	(249,998)	250,000	(250,000)
Purchased Services	1,249,039	(1,249,039)	1,152,875	(1,152,875)	900,837	(900,837)
Capital Outlay	2,364,969	(1,093,665)	6,754,725	(6,754,725)	3,127,375	(2,583,065)
Other	<u>2,019,958</u>	<u>(2,019,958)</u>	<u>825,950</u>	<u>(825,950)</u>	<u>855,760</u>	<u>(855,760)</u>
 Total Disbursements	 <u>\$ 11,098,871</u>	 <u>\$ (7,699,506)</u>	 <u>\$ 13,851,434</u>	 <u>\$ (12,290,207)</u>	 <u>\$ 9,984,853</u>	 <u>\$ (8,040,730)</u>

The dependence upon property tax and other general receipts is apparent as over 69.37 and 88.73 percent of 2013 and 2012, respectively, of governmental activities are supported through these general receipts.

LORAIN COUNTY METROPOLITAN PARK DISTRICT  
LORAIN COUNTY  
Management's Discussion and Analysis  
For the Years Ended December 31, 2013 and 2012

Unaudited

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**The Park District's Funds**

For 2013, total governmental funds had receipts of \$11,990,358 and disbursements of \$11,098,871. General Fund receipts were more than disbursements by \$891,487. The fund had a positive fund balance of \$6,174,241 as of December 31, 2013.

For 2012, total governmental funds had receipts of \$10,387,042 and disbursements of \$13,851,434. General Fund receipts were less than disbursements by \$3,464,392. The fund had a positive fund balance of \$5,282,754 as of December 31, 2012.

**General Fund Budgeting Highlights**

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

**Capital Assets and Debt Administration**

**Capital Assets**

The Park District maintains a listing of its capital assets. These records are not required to be presented in the financial statements.

**Current Issues**

The challenge for all Park Districts is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base. The Board of Commissioners and Fiscal Officer reviewed our sources of revenue and determined that increases were likely. We then reviewed the disbursement history of the Park District.

**Contacting the Park District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Park District's finances and to reflect the Park 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 Bonnie Burns, Treasurer, Lorain County Metropolitan Park District, 12882 Diagonal Road, Lagrange, Ohio 44050.

**Lorain County Metropolitan Park District**  
**Lorain County**  
*Statement of Net Position - Cash Basis*  
*December 31, 2013*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$6,174,241</u>
<i>Total Assets</i>	<u><u>\$6,174,241</u></u>
<b>Net Position</b>	
Unrestricted	<u>\$6,174,241</u>
<i>Total Net Position</i>	<u><u>\$6,174,241</u></u>

See accompanying notes to the basic financial statements

**Lorain County Metropolitan Park District**

**Lorain County**

*Statement of Activities - Cash Basis  
For the Year Ended December 31, 2013*

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services and Sales	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>				
Current:				
Parks and Recreation:				
Salaries	\$ 3,451,938	\$ 2,128,061	\$ -	(\$1,323,877)
Fringe Benefits	1,176,532	-	-	(1,176,532)
Materials and Supplies	601,259	-	-	(601,259)
Equipment	235,176	-	-	(235,176)
Purchased Services	1,249,039	-	-	(1,249,039)
Other	2,019,958	-	-	(2,019,958)
Capital Outlay	2,364,969	-	1,271,304	(1,093,665)
<i>Total Governmental Activities</i>	<u>\$11,098,871</u>	<u>\$2,128,061</u>	<u>\$ 1,271,304</u>	<u>(7,699,506)</u>
General Receipts:				
Property Taxes Levied for General Purposes				6,785,292
Grants/Entitlements not Restricted to Specific Programs				984,514
Unrestricted Gifts and Contributions				256,180
Interest				2,449
Other				562,558
<i>Total General Receipts</i>				<u>8,590,993</u>
Change in Net Position				891,487
<i>Net Position Beginning of Year</i>				<u>5,282,754</u>
<i>Net Position End of Year</i>				<u><u>\$6,174,241</u></u>

See accompanying notes to the basic financial statements



**Lorain County Metropolitan Park District**  
**Lorain County**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2013*

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	<u>General</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$6,174,241</u>
<i>Total Assets</i>	<u><u>\$6,174,241</u></u>
<b>Fund Balance</b>	
Committed	\$594,699
Assigned	<u>5,579,542</u>
<i>Total Fund Balance</i>	<u><u>\$6,174,241</u></u>

See accompanying notes to the basic financial statements

**Lorain County Metropolitan Park District**  
**Lorain County**  
*Statement of Receipts, Disbursements and Changes in Fund Balance - Cash Basis*  
*Governmental Fund*  
*For the Year Ended December 31, 2013*

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	General
<b>Receipts</b>	
Property and Other Local Taxes	\$6,785,292
Intergovernmental	2,255,818
Charges for Services	1,920,295
Licenses, Permits and Fees	207,766
Earnings on Investments	2,449
Donations	316,937
Other	501,801
	11,990,358
<i>Total Receipts</i>	<i>11,990,358</i>
<b>Disbursements</b>	
Current:	
Parks and Recreation:	
Salaries	3,451,938
Fringe Benefits	1,176,532
Materials and Supplies	601,259
Equipment	235,176
Purchased Services	1,249,039
Capital Outlay	2,364,969
Other	2,019,958
	11,098,871
<i>Total Disbursements</i>	<i>11,098,871</i>
<i>Net Change in Fund Balance</i>	<i>891,487</i>
<i>Fund Balance Beginning of Year</i>	<i>5,282,754</i>
<i>Fund Balance End of Year</i>	<i>\$6,174,241</i>

See accompanying notes to the basic financial statements

**Lorain County Metropolitan Park District**  
**Lorain County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2013*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 6,904,548	\$ 6,785,292	\$ 6,785,292	\$ -
Intergovernmental	985,000	2,255,818	2,255,818	-
Charges for Services	1,797,030	1,797,030	1,920,295	123,265
Licenses, Permits and Fees	226,000	226,000	207,766	(18,234)
Earnings on Investments	5,000	5,000	2,449	(2,551)
Other	515,584	799,547	818,738	19,191
<i>Total Receipts</i>	<u>10,433,162</u>	<u>11,868,687</u>	<u>11,990,358</u>	<u>121,671</u>
<b>Disbursements</b>				
Current:				
Salaries	3,841,255	3,841,255	3,451,938	389,317
Fringe Benefits	1,458,745	1,458,745	1,176,532	282,213
Materials and Supplies	671,347	671,347	601,259	70,088
Equipment	250,000	250,000	235,176	14,824
Purchased Services	1,547,805	1,547,805	1,249,039	298,766
Capital Outlay	6,592,416	6,592,416	2,364,969	4,227,447
Other	1,354,348	2,789,873	2,019,958	769,915
<i>Total Disbursements</i>	<u>15,715,916</u>	<u>17,151,441</u>	<u>11,098,871</u>	<u>6,052,570</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(5,282,754)</u>	<u>(5,282,754)</u>	<u>891,487</u>	<u>6,174,241</u>
<i>Net Change in Fund Balance</i>	<u>(5,282,754)</u>	<u>(5,282,754)</u>	<u>891,487</u>	<u>6,174,241</u>
<i>Fund Balance Beginning of Year</i>	<u>5,282,754</u>	<u>5,282,754</u>	<u>5,282,754</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,174,241</u>	<u>\$ 6,174,241</u>

See accompanying notes to the basic financial statements

**Lorain County Metropolitan Park District**  
**Lorain County**  
*Statement of Net Position - Cash Basis*  
*December 31, 2012*

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	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$5,282,754</u>
<i>Total Assets</i>	<u><u>\$5,282,754</u></u>
<b>Net Position</b>	
Unrestricted	<u>\$5,282,754</u>
<i>Total Net Position</i>	<u><u>\$5,282,754</u></u>

See accompanying notes to the basic financial statements

**Lorain County Metropolitan Park District**  
**Lorain County**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2012*

	Cash Disbursements	Program Cash Receipts	Charges for Services and Sales	Net (Disbursements) Receipts and Changes in Net Assets
				Governmental Activities
<b>Governmental Activities</b>				
Current:				
Parks and Recreation:				
Salaries	\$ 3,243,146	\$ 1,561,227		(\$1,681,919)
Fringe Benefits	1,080,336	-		(1,080,336)
Materials and Supplies	544,404	-		(544,404)
Equipment	249,998	-		(249,998)
Purchased Services	1,152,875	-		(1,152,875)
Other	825,950	-		(825,950)
Capital Outlay	6,754,725	-		(6,754,725)
<i>Total Governmental Activities</i>	<u>\$13,851,434</u>	<u>\$1,561,227</u>		<u>(12,290,207)</u>
General Receipts:				
Property Taxes Levied for General Purposes				6,973,355
Grants/Entitlements not Restricted to Specific Programs				1,111,334
Unrestricted Gifts and Contributions				354,876
Interest				9,507
Other				376,743
<i>Total General Receipts</i>				<u>8,825,815</u>
Change in Net Position				(3,464,392)
<i>Net Position Beginning of Year</i>				<u>8,747,146</u>
<i>Net Position End of Year</i>				<u><u>\$5,282,754</u></u>

See accompanying notes to the basic financial statements

**Lorain County Metropolitan Park District**  
**Lorain County**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2012*

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	<u>General</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$5,282,754</u>
<i>Total Assets</i>	<u><u>\$5,282,754</u></u>
<b>Fund Balance</b>	
Committed	\$1,161,259
Assigned	<u>4,121,495</u>
<i>Total Fund Balance</i>	<u><u>\$5,282,754</u></u>

See accompanying notes to the basic financial statements

**Lorain County Metropolitan Park District**  
**Lorain County**  
*Statement of Receipts, Disbursements and Changes in Fund Balance - Cash Basis*  
*Governmental Fund*  
*For the Year Ended December 31, 2012*

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	General
<b>Receipts</b>	
Property and Other Local Taxes	\$6,973,355
Intergovernmental	1,111,334
Charges for Services	1,339,141
Licenses, Permits and Fees	222,086
Earnings on Investments	9,507
Donations	354,876
Other	376,743
	10,387,042
<i>Total Receipts</i>	<i>10,387,042</i>
<b>Disbursements</b>	
Current:	
Parks and Recreation:	
Salaries	3,243,146
Fringe Benefits	1,080,336
Materials and Supplies	544,404
Equipment	249,998
Purchased Services	1,152,875
Capital Outlay	6,754,725
Other	825,950
	13,851,434
<i>Total Disbursements</i>	<i>13,851,434</i>
<i>Net Change in Fund Balance</i>	<i>(3,464,392)</i>
<i>Fund Balance Beginning of Year</i>	<i>8,747,146</i>
<i>Fund Balance End of Year</i>	<i>\$5,282,754</i>

See accompanying notes to the basic financial statements

**Lorain County Metropolitan Park District**  
**Lorain County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2012*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property and Other Local Taxes	\$ 7,040,361	\$ 7,040,361	\$ 6,973,355	\$ (67,006)
Intergovernmental	980,771	980,771	1,111,334	130,563
Charges for Services	1,077,000	1,077,000	1,339,141	262,141
Licenses, Permits and Fees	226,000	226,000	222,086	(3,914)
Earnings on Investments	5,000	5,000	9,507	4,507
Other	313,068	313,068	731,620	418,552
<i>Total Receipts</i>	<u>9,642,200</u>	<u>9,642,200</u>	<u>10,387,043</u>	<u>744,843</u>
<b>Disbursements</b>				
Current:				
Salaries	3,482,922	3,482,922	3,243,146	239,776
Fringe Benefits	1,317,078	1,317,078	1,080,336	236,742
Materials and Supplies	629,197	629,197	544,404	84,793
Equipment	250,000	250,000	249,997	3
Purchased Services	1,223,859	1,223,859	1,152,875	70,984
Capital Outlay	10,343,375	10,198,975	6,754,725	3,444,250
Other	746,944	891,344	825,952	65,392
<i>Total Disbursements</i>	<u>17,993,375</u>	<u>17,993,375</u>	<u>13,851,435</u>	<u>4,141,940</u>
<i>Net Change in Fund Balance</i>	(8,351,175)	(8,351,175)	(3,464,392)	4,886,783
<i>Fund Balance Beginning of Year</i>	<u>8,747,146</u>	<u>8,747,146</u>	<u>8,747,146</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ 395,971</u>	<u>\$ 395,971</u>	<u>\$ 5,282,754</u>	<u>\$ 4,886,783</u>

See accompanying notes to the basic financial statements



**Lorain County Metropolitan Park District**  
**Lorain County**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

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**Note 1 - Reporting Entity**

Lorain County Metropolitan Park District (the Park District), was created by action of the Probate Court of Lorain county in 1957 under authority of Chapter 1545 of the Ohio Revised Code. The Park District is a separate subdivision of the State of Ohio and as such is not subservient to any local form of government such as a county or municipality. The Park District's operations include various leisure time activities, a golf course, an aquatic center, a recreation center and naturalist departments.

The Park District is governed by a three-member Board of Commissioners. The Commissioners are appointed by the Judge of the Probate Court. One Commissioner is appointed each year and serves for a period of three years. Commissioners serve without compensation.

The Board meets regularly once a month and such other times when the press of business dictates. The Board establishes policy and grant approval on all land acquisition, park development, and park use and operations. Disbursement of funds can only be made upon the approval of the Board.

The Director-Secretary is the chief executive officer of the Lorain County Metropolitan Park District. The Director-Secretary is appointed by the Board of Park Commissioners and is responsible for executing the policy of the Park District's Board. The Director-Secretary is authorized to establish administrative procedures as he deems necessary to execute the policy of the Board.

The Park District's management believes these financial statements present all activities for which the Park District is financially accountable.

Component units are legally separate organizations for which the Park District is financially accountable. Component units may also include organizations that are fiscally dependent on the Park District in that the Park District approves their budget, the issuance of the debt or the levying of their taxes. The Park District has no component units.

The following entity, which performs activities within the Park District's boundaries for the benefit of its residents, is excluded from the accompanying financial statements because the Park District is not financially accountable for this entity nor is the entity fiscally dependent on the Park District.

**The Friends of the Metro Parks in Lorain County, Inc., (the Corporation)** is a federal tax-exempt, not for profit organization under Section 501 (a) of the Internal Revenue Code (the Code) and an organization described in Section 501 (c)(3) of the Code. The Corporation was organized for charitable, educational and scientific purposes, including making distributions to organizations that qualify as exempt organizations under Section 501 (c)(3) of the Code. In addition, they were organized to maintain an association of persons interested in the Lorain County Metropolitan Park District (the Park District); to focus public attention on the Park District's uses and benefits; to cooperate and assist the Board of Park Commissioners and staff in developing, improving, and expanding and preserving the Park District; to promote and conduct activities to enhance park lands under the jurisdiction of the Park District; to receive and encourage gifts, endowments, and bequests to support the Park District.

The Corporation is governed by a board of trustees consisting of eleven members elected from the general membership. In addition, the Director-Secretary of the Lorain County Metropolitan Park District appoints a staff member to participate as a non-voting member of the board of trustees.

**Lorain County Metropolitan Park District**  
**Lorain County**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

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**Note 1 - Reporting Entity (Continued)**

The Park District received \$5,000 during the fiscal period January 1, 2013 through December 31, 2013, and \$17,319 during the fiscal period January 1, 2012 through December 31, 2012 from the Corporation. Financial Statements can be obtained from Ms. Jennifer Lawson, Treasurer, 6309 State Route 18, New London, OH 44851.

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

As discussed further in Note 2 C., these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Park District's accounting policies.

**A. Basis of Presentation**

The Park District's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-Wide Financial Statements** The statement of net position and the statement of activities display information about the Park District as a whole. These statements include the financial activities of the Park District.

The statement of net position presents the cash balance of the governmental activities of the Park District at year end. The statement of activities compares disbursements and program receipts for each program or function of the Park District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Park District is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. Receipts which are not classified as program receipts are presented as general receipts of the Park District, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the Park District.

**Fund Financial Statements** During the year, the Park District segregates transactions related to certain Park District functions or activities within the General Fund in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Park District at this more detailed level. The focus of governmental fund financial statements is on major funds. The General Fund is the Park District's only major fund.

**Lorain County Metropolitan Park District**  
**Lorain County**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

***B. Fund Accounting***

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

***Governmental Funds*** Governmental funds are those through which most governmental functions of the Park District are financed. The following is the Park District's only fund, which is also considered a major fund.

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

***C. Basis of Accounting***

The Park District's financial statements are prepared using the cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Receipts are recorded in the Park District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

***D. Budgetary Process***

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Park District may appropriate. The appropriations resolution is the Park District's authorization to spend resources and sets annual limits on disbursements plus encumbrances at the level of control selected by the Park District. The legal level of control has been established by the Park District at the fund, department, and object level.

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Park District. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Board of Park Commissioners. The County Budget Commission must also approve estimated resources.

**Lorain County Metropolitan Park District**  
**Lorain County**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amount reported as the final budgeted amounts represents the final appropriations passed by the Board of Park Commissioners and approved by the County Budget Commission.

***E. Cash and Investments***

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

***F. Capital Assets***

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

***G. Accumulated Leave***

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Park District's cash basis of accounting.

***H. Employer Contributions to Cost-Sharing Pension Plans***

The Park District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

***I. Net Position***

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for building repairs and improvements and various purposes indicated by donors.

The Park District's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position is available.

**Lorain County Metropolitan Park District**  
**Lorain County**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

***J. Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Park District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

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

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board of Park Commissioners. Those committed amounts cannot be used for any other purpose unless the Board of Park Commissioners removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board of Park Commissioners, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the Park District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Park District or a Park District official delegated that authority by resolution, or by State Statute.

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

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

**Lorain County Metropolitan Park District**  
**Lorain County**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

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**Note 3 - Change in Accounting Principles**

For fiscal year 2012, the Park District has implemented GASB Statement No. 59, "Financial Instruments Omnibus", GASB Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements", GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements", GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position", and GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities".

GASB Statement No. 59 updates and improves guidance for financial reporting and disclosure requirements of certain financial instruments and external investment pools. The implementation of GASB Statement No. 59 did not have an effect on the financial statements of the Park District.

GASB Statement No. 60 addresses issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. An SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The implementation of GASB Statement No. 60 did not have an effect on the financial statements of the Park District.

GASB Statement No. 62 codifies accounting and financial reporting guidance contained in pre-November 30, 1989 FASB and AICPA pronouncements in an effort to codify all sources of GAAP for State and local governments so that they derive from a single source. The implementation of GASB Statement No. 62 did not have an effect on the financial statements of the Park District.

GASB Statement No. 63 provides financial and reporting guidance for *deferred outflows of resources* and *deferred inflows of resources* which are financial statement elements that are distinct from assets and liabilities. GASB Statement No. 63 standardizes the presentation of deferred outflows or resources and deferred inflows of resources and their effects on a government's *net position*. The implementation of GASB Statement No. 63 did not have an effect on the financial statements of the Park District.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as *deferred outflows of resources* or *deferred inflows of resources*, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 also provides other financial reporting guidance related to the impact of the financial statement elements *deferred outflows of resources* and *deferred inflows of resources*, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. The implementation of GASB Statement No. 65 had no effect on the financial statements of the Park District.

For fiscal year 2013, the Park District has implemented GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34" and GASB Statement No. 66, "Technical Corrections-2012".

GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity. The Statement amends the criteria for reporting component units as if they were part of the primary government in certain circumstances. Finally, the Statement also clarifies the reporting of equity interests in legally separate organizations. The implementation of GASB Statement No. 61 did not have an effect on the financial statements of the Park District.

**Lorain County Metropolitan Park District**  
**Lorain County**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

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**Note 3 - Change in Accounting Principles (Continued)**

GASB Statement No. 66 improves accounting and financial reporting by resolving conflicting guidance that resulted from the issuance of two pronouncements; GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" and GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements". The implementation of GASB Statement No. 66 did not have an effect on the financial statements of the Park District.

**Note 4 - Deposits and Investments**

Monies held by the Park District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Park District treasury. Active monies must be maintained either as cash in the Park District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Trustees have identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Active monies are public monies determined to be necessary to meet current demands upon the Park District treasury. Active monies must be maintained either as cash in the Park District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Interim monies held by the Park District can be deposited or invested in the following securities:

1. United State Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security 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 by direct issuances of federal Government agencies or instrumentalities;

**Lorain County Metropolitan Park District**  
**Lorain County**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

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**Note 4 - Deposits and Investments (Continued)**

3. Written repurchase agreements in the securities listed above provided the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Protection of the Park District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Park District by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Park District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

***Deposits with Financial Institutions***

At December 31, 2013 and December 31, 2012, the carrying amount of all Park District deposits was \$5,671,146 and \$4,783,386, respectively. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2013, \$5,241,830 of the Park District's bank balance of \$5,750,636 was exposed to custodial risk because the collateralized statements are not held by a third party administrator, while \$508,806 was covered by the FDIC. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2012, \$5,540,473 of the Park District's bank balance of \$6,049,279 was exposed to custodial risk because the collateralized statements are not held by a third party administrator, while \$508,806 was covered by the FDIC.

***Deposits***

Custodial credit risk for deposits is the risk that in the event of bank failure, the Park District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Park District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or protected by eligible securities pledged to and deposited either with the Park District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledge to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of the deposits being secured.



**Lorain County Metropolitan Park District**  
**Lorain County**  
*Notes to the Basic Financial Statements*  
For the Years Ended December 31, 2013 and 2012

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**Note 4 - Deposits and Investments (Continued)**

***Investments***

As of December 31, 2013 and 2012, the Park District had the following investments.

2013

	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Investment Maturities Less than 1 year</u>	<u>Moody's Rating</u>
Various mutual funds - equity and bond	\$ 503,095	\$ 583,828	N/A-1	BBB or better

2012

	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Investment Maturities Less than 1 year</u>	<u>Moody's Rating</u>
Various mutual funds - equity and bond	\$ 499,386	\$ 533,806	N/A-1	BBB or better

N/A-1 stock/bond investments had no maturity period to report.

***Interest Rate Risk***

As a means of limiting its exposure to fair value losses caused by rising interest rates, the Park District investment policy requires that, to the extent possible, investments will match anticipate cash flow requirements. No investment shall be made unless the Treasurer, at the time of making the investment, reasonably expects it can be held to its maturity. Unless matched to a specific obligation or debt of the Park District, the Park District will not directly invest in securities maturing more than five years from the date of investment.

***Credit Risk***

The money market mutual funds primarily carry a rating of BBB or better by Moody's. The Park District has no policy regarding credit risk.

***Custodial Credit Risk***

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Park District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Park District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Auditor or qualified trustee.

***Concentration of Credit Risk***

The Park District places no limit on the amount that may be invested in any one issuer.

**Lorain County Metropolitan Park District**  
**Lorain County**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

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**Note 5 - Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). The Park District had no encumbrances outstanding at years ending December 31, 2013 and 2012 for the General Fund.

**Note 6 - Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the Park District. Property tax revenue received during 2013 for real and public utility property taxes represents collections of 2012 taxes.

2013 real property taxes are levied after October 1 of each year, on the assessed value as of January 1 of each year, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2012 real property taxes are collected in and intended to finance 2013.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2013 public utility property taxes became a lien December 31, 2012, and are levied after October 1, 2013 and are collected in 2013, respectively, with real property taxes.

The full tax rate for all Park District operations for the year ended December 31, 2013, was \$1.30 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2013 property tax receipts were based are as follows:

Real Property	\$5,963,795,600
Public Utility Personal Property	<u>233,194,810</u>
Total	<u><u>\$6,196,990,410</u></u>

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

**Lorain County Metropolitan Park District**  
**Lorain County**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

**Note 7 - Risk Management**

The Park District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2013, the Park District contracted with a company for various types of insurance as follows:

Type of Coverage	Coverage	
General Liability	\$ 1,000,000	Per occurrence
General Liability	\$ 3,000,000	Aggregate
Public Officials Errors & Omissions	\$ 1,000,000	Per occurrence and aggregate
Police Professional Liability	\$ 1,000,000	Per occurrence and aggregate
Automobile Liability & Physical Damage	\$ 1,000,000	Per occurrence and aggregate
Property (Building & Contents)	\$ 29,911,612	Limit
Inland Marine Coverage (Scheduled Equipment)	\$ 3,477,654	Limit
Inland Marine Coverage (Miscellaneous Equipment)	\$ 255,480	Limit
Umbrella Coverage (applies to General, Automobile, Employee Benefits, Public Officials, Police Professional, and Stop Gap liabilities; excludes Uninsured/Underinsured Motorist Liability)	\$ 9,000,000	Limit

Settled claims have not exceeded this commercial coverage in any of the past three years and there was no significant reduction in coverage from the prior year.

The Park District provides employee medical and dental insurance, both of which are provided by Medical Mutual of Ohio. The risk of loss transfers entirely to the insurance carriers. The Park District pays 90 percent of the premiums for health and dental insurance.

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

**Lorain County Metropolitan Park District**  
**Lorain County**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

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**Note 8 - Defined Benefit Pension Plans**

**Ohio Public Employees Retirement System**

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions for 2013 member and contribution rates were consistent across all three plans. The 2013 member contribution rates were 10% for members. The Park District's contribution rate for 2013, 2012 and 2011 was 14% of covered payroll. For the years ended December 31, 2013 and 2012, members in state and local classifications contributed 10 percent of covered payroll. Members in the state and local divisions may participate in all three plans. For 2013 and 2012, member and employer contribution rates were consistent across all three plans.

The Park District's contribution rate for pension benefits for members in the Traditional Plan for 2013 was 13%, for 2012 was 10% and for 2011 was 10%. The Park District's contribution rate for pension benefits for members in the Combined Plan for 2013 was 13%, for 2012 was 7.95% and for 2011 was 7.95%. The Park District's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2013, 2012 and 2011 were \$466,572, \$329,575 and \$352,115, respectively. 100% has been contributed for 2013, 2012 and 2011. Contributions to the member-directed plan for 2013, 2012 and 2011 were \$3,113, \$2,446 and \$1,978, made by the Park District and \$2,238, \$1,747 and \$1,413, respectively, made by the plan members.

**Note 9 - Postretirement Benefit Plans**

**Ohio Public Employees Retirement System**

Plan Description - Ohio Public Employees Retirement System (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.

**Lorain County Metropolitan Park District**  
**Lorain County**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

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**Note 9 - Postretirement Benefit Plans (Continued)**

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members 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. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

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 Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614222-5601 or 800-222-7377.

Funding Policy -The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401 (h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2013, 2012 and 2011, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan for 2013 was 1.00% and for 2012 and 2011 was 4%. The portion of employer contributions allocated to fund post-employment healthcare for members in the Combined Plan for 2013 was 1.00% and for 2012 and 2011 was 6.05%.

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. Active members do not make contributions to the post-employment healthcare plan.

The Park District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2013, 2012, and 2011 were \$35,890, \$131,830, and \$132,479, respectively; 100% has been contributed for 2013, 2012 and 2011.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

**Lorain County Metropolitan Park District**  
**Lorain County**  
*Notes to the Basic Financial Statements*  
For the Years Ended December 31, 2013 and 2012

**Note 10 - Fund Balances**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Park District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the General Fund are presented below:

Fund Balances	December 31, 2013 General Fund	December 31, 2012 General Fund
<b>Committed to</b>		
Amherst Recreation Center	\$0	\$ 1,073,067
Black River Bikeway 4A	<u>594,699</u>	<u>88,192</u>
<i>Total Committed</i>	<u>594,699</u>	<u>1,161,259</u>
Assigned:		
Subsequent Year Appropriations	<u>5,579,542</u>	<u>4,121,495</u>
<i>Total Fund Balances</i>	<u>\$6,174,241</u>	<u>\$5,282,754</u>

**Note 11 - Construction and Contractual Commitments**

The Park District was involved in several contractual agreements at the end of 2013 for professional services with architects and construction firms for the Black River Bikeway Phase 4A project .

**Note 12 - Contingent Liabilities**

*A. Litigation*

The Park District is not involved in any material litigation.

*B. Federal and State Grants*

The Park District received several grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the Park District believes such disallowances, if any, would be immaterial.

**Note 13 - Jointly Governed Organizations**

North Coast Regional Council of Park Districts was established on July 8, 1998, under Ohio Revised Code 167 and is exempt from state sales tax and federal tax. The North Coast Regional Council of Park Districts (The Council) was formed in part to designate sites within the jurisdiction of the members of the council to be acquired, improved, restored, enhanced, administered and/or preserved with funds received under the In Lieu Fee Agreement (ILFA). The ILFA allows the development of certain wetlands provided the developers contribute certain sums of money which are then used as described above. The Council is a jointly governed organization which currently includes five members. Each member shall have two representatives on the Board, consisting of the appointed director of such member and the Chairman of the Board of Park Commissioners. The Park District made no contributions to the Council during 2013 and 2012. Financial statements can be obtained from Bonnie Burns, Treasurer at 12882 Diagonal Rd, LaGrange, OH 44050.

**Lorain County Metropolitan Park District**  
**Lorain County**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2013 and 2012*

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**Note 13 - Jointly Governed Organizations (Continued)**

The Lorain County Metro Park Endowment Fund of the Community Foundation of Greater Lorain County was created to benefit and assist the endeavors of the Lorain County Metropolitan Park District (the Park District), including but not limited to the general public and statutory purposes of the preservation and conservation of the environment and all natural resources within the jurisdiction of the Metropolitan Park District. This fund was created November 18th, 1993 by agreement of both parties. The Community Foundation of Greater Lorain County (the Foundation) is made up of over 200 separate funds each one created for its specific purpose. The Foundation was organized under Section 501 (c) (3) of the Internal Revenue Code. The Park District received \$50,228 during the fiscal period January 1, 2013 through December 31, 2013 and \$35,000 for the fiscal period January 1, 2012 through December 31, 2012, respectively. The Fund balance as of December 31, 2013 and 2012 was \$1,120,271 and \$913,488, respectively. Audited financial statements can be obtained from Cheryl McKenna, Chief Financial/Administrative Officer of the CFGLC at 9080 Leavitt Rd, Elyria, OH 44035

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## **SUPPLEMENTARY DATA**

**LORAIN COUNTY METROPOLITAN PARK DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	(A),(B) CASH DISBURSEMENTS
<b>U. S. DEPARTMENT OF TRANSPORTATION PASSED THROUGH THE OHIO DEPARTMENT OF TRANSPORTATION</b>			
Highway Planning and Construction	20.205	89170	\$ 969,788
<b>Total Highway Planning and Construction</b>			<u>969,788</u>
<b>Total U.S. Department of Transportation</b>			<u>969,788</u>
<b>Total Federal Financial Assistance</b>			<u>\$ 969,788</u>

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:**

(A) The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes activity of the Park's federal award programs. The schedule has been prepared on the cash basis of accounting.

(B) Certain Federal programs require that the Park contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Park has complied with the matching requirements. The expenditures of non-Federal matching funds is not included on the Schedule.



**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Required by *Government Auditing Standards***

Lorain County Metropolitan Park District  
Lorain County  
12882 Diagonal Road  
LaGrange, Ohio 44050

To the Board of Park Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities and the major fund of the Lorain County Metropolitan Park District, Lorain County, Ohio, as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise Lorain County Metropolitan Park District's basic financial statements and have issued our report thereon dated June 16, 2014, wherein we noted the Lorain County Metropolitan Park District uses a special purpose framework other than generally accepted accounting principles.

***Internal Control Over Financial Reporting***

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Lorain County Metropolitan Park District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Board of Park Commissioners  
Lorain County Metropolitan Park District

***Compliance and Other Matters***

As part of reasonably assuring whether the Lorain County Metropolitan Park 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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

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



Julian & Grube, Inc.  
June 16, 2014



**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Independent Auditor's Report on Compliance With Requirements Applicable to The  
Major Federal Program and on Internal Control Over Compliance  
Required by OMB Circular A-133**

Lorain County Metropolitan Park District  
Lorain County  
12882 Diagonal Road  
LaGrange, Ohio 44050

To the Board of Park Commissioners:

***Report on Compliance for the Major Federal Program***

We have audited the Lorain County Metropolitan Park District's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Lorain County Metropolitan Park District's major federal program for the year ended December 31, 2013. The *Summary of Audit Results* in the accompanying schedule of findings identifies the Lorain County Metropolitan Park District's major federal program.

***Management's Responsibility***

The Lorain County Metropolitan Park District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

***Auditor's Responsibility***

Our responsibility is to opine on the Lorain County Metropolitan Park District's compliance for the Lorain County Metropolitan Park District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Lorain County Metropolitan Park District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Lorain County Metropolitan Park District's major program. However, our audit does not provide a legal determination of the Lorain County Metropolitan Park District's compliance.

***Opinion on the Major Federal Program***

In our opinion, the Lorain County Metropolitan Park District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2013.

Board of Park Commissioners  
Lorain County Metropolitan Park District

***Report on Internal Control Over Compliance***

The Lorain County Metropolitan Park District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Lorain County Metropolitan Park District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Lorain County Metropolitan Park District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.  
June 16, 2014

**LORAIN COUNTY METROPOLITAN PARK DISTRICT  
LORAIN COUNTY, OHIO**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2013**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under §.510(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	Highway Planning and Construction; CFDA #20.205
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	No

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

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# Dave Yost • Auditor of State

LORAIN COUNTY METROPOLITAN PARK DISTRICT

LORAIN 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  
JULY 31, 2014