

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

AUDIT REPORT

FOR THE YEAR ENDED 31, 2014





Dave Yost • Auditor of State

Board of Commissioners
Metropolitan Park District of the Toledo Area
5100 W. Central Avenue
Toledo, OH 43615

We have reviewed the *Independent Auditors' Report* of the Metropolitan Park District of the Toledo Area, Lucas County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2014 through December 31, 2014. 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 Metropolitan Park District of the Toledo Area is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

November 30, 2015

This page intentionally left blank.

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

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditors' Report.....	1
Management's Discussion and Analysis	4
Government-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Balance Sheet	14
Reconciliation of total Governmental Fund Balances to Net Position of Governmental Activities	16
Fund Financial Statements:	
Statement of Revenues, Expenditures and Changes in Fund Balances	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) – General Fund	21
Statement of Net Position – Enterprise Fund	22
Statement of Revenues, Expenses and Changes in Fund Net Position – Enterprise Fund	23
Statement of Cash Flows – Enterprise Fund	24
Notes to the Basic Financial Statements.....	25
Schedule of Federal Awards Expenditures	48
Notes to the Schedule of Federal Awards Expenditures.....	49
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	50
Independent Auditors' Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.....	52
Schedule of Findings.....	54
Schedule of Prior Audit Findings.....	55

This page intentionally left blank.

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

Charles E. Harris & Associates, Inc.

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Metropolitan Park District of the Toledo Area
Lucas County
5100 W. Central Avenue
Toledo, OH 43615

To the Board of Park Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Metropolitan Park of Toledo Area, Lucas County, Ohio (the District), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the 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 accounting principles generally accepted in the United States of America; this includes 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 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 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 financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Metropolitan Park District of the Toledo Area, Lucas County, Ohio as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The Schedule of Federal Awards Expenditures 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 not a required part of the financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2015, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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 District's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
July 9, 2015

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

***Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2014***

The discussion and analysis of Metropolitan Park District of the Toledo Area's (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2014. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2014 are as follows:

- ❑ In total, net position increased \$4,295,648. Net position of governmental activities increased \$4,296,431, which represents a 4.2% increase from 2013. Net position of business-type activities decreased \$783 from 2013.
- ❑ General revenues accounted for \$16,905,135 in revenue or 88.7% of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$2,154,233 or 11.3% of total revenues of \$19,059,368.
- ❑ The District had \$14,762,937 in expenses related to governmental activities; only \$2,154,233 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and unrestricted intergovernmental revenues) of \$16,905,135 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$17,155,608 in revenues and \$20,565,078 in expenditures and other financing uses. The general fund's fund balance decreased \$3,409,470 to \$10,077,578 for 2014. The net decrease of all governmental funds was \$3,492,732.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

These statements are as follows:

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

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

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2014

Government-wide Statements

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

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

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

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

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

Fund Financial Statements

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

Governmental Funds – Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

***Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2014***

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

Government-Wide Financial Analysis

The following table provides a comparison of the District's net position between December 31, 2014 and 2013:

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$37,065,654	\$40,426,478	\$37,654	\$38,503	\$37,103,308	\$40,464,981
Capital assets, Net	85,463,120	77,555,582	0	0	85,463,120	77,555,582
Total assets	122,528,774	117,982,060	37,654	38,503	122,566,428	118,020,563
Long-term debt outstanding	1,092,387	1,020,580	0	0	1,092,387	1,020,580
Other liabilities	1,248,219	950,065	0	66	1,248,219	950,131
Total liabilities	2,340,606	1,970,645	0	66	2,340,606	1,970,711
Deferred Inflows of Resources	13,466,000	13,585,678	0	0	13,466,000	13,585,678
Net position						
Net Investment in capital assets	85,428,539	77,555,582	0	0	85,428,539	77,555,582
Restricted	9,427,508	9,516,889	0	0	9,427,508	9,516,889
Unrestricted	11,866,121	15,353,266	37,654	38,437	11,903,775	15,391,703
Total net position	\$106,722,168	\$102,425,737	\$37,654	\$38,437	\$106,759,822	\$102,464,174

This space intentionally left blank

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

***Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2014***

Changes in Net Position – The following table provides a comparison of the changes in net position for fiscal year 2014 and 2013:

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues:						
Charges for Services and Sales	\$559,303	\$541,841	\$0	\$29,726	\$559,303	\$571,567
Capital Grants and Contributions	1,594,930	3,201,717	0	0	1,594,930	3,201,717
General revenues:						
Property Taxes	13,705,580	13,996,731	0	0	13,705,580	13,996,731
Intergovernmental Revenue, Unrestricted	2,675,131	2,754,282	0	0	2,675,131	2,754,282
Investment Earnings	131,709	98,221	0	0	131,709	98,221
Miscellaneous	392,715	247,491	0	0	392,715	247,491
Total revenues	<u>19,059,368</u>	<u>20,840,283</u>	<u>0</u>	<u>29,726</u>	<u>19,059,368</u>	<u>20,870,009</u>
Program Expenses						
Parks and Recreation	14,762,105	13,503,254	0	0	14,762,105	13,503,254
Debt Service:						
Interest and Fiscal Charges	832	0	0	0	832	0
Retail Operations Fund	0	0	783	19,463	783	19,463
Total expenses	<u>14,762,937</u>	<u>13,503,254</u>	<u>783</u>	<u>19,463</u>	<u>14,763,720</u>	<u>13,522,717</u>
Change in Net Position	4,296,431	7,337,029	(783)	10,263	4,295,648	7,347,292
Beginning Net Position	102,425,737	95,088,708	38,437	28,174	102,464,174	95,116,882
Ending Net Position	<u>\$106,722,168</u>	<u>\$102,425,737</u>	<u>\$37,654</u>	<u>\$38,437</u>	<u>\$106,759,822</u>	<u>\$102,464,174</u>

This space intentionally left blank

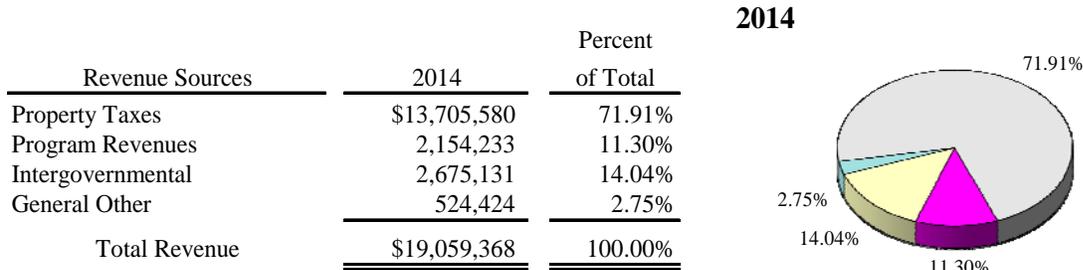
**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO**

***Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2014***

Governmental Activities

Net position of governmental activities increased \$4,296,431 or 4.2% during 2014. 2014 revenues outpaced expenses accounting for the increase.

Property taxes made up 71.91% of revenues for governmental activities for the District in fiscal year 2014. The District's reliance upon tax revenues is demonstrated by the following graph:



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

For the General Fund, the final budget basis revenue and other financing sources of \$17,502,804 did not change when compared to original budget estimates. Total actual revenue and other financing sources were .23% below final budget estimates. Final budget basis expenditures and other financing uses increased by \$809,614 when compared to original budget figures. Total actual expenditures and other financing uses were 7.4% below final budgeted figures.

In 2014, the District's General Fund balance decreased by \$3,409,470 or 25.3% from 2013. This is a result of increased transfers out (higher by \$555,977) to other funds to help with capital improvements and project costs. General Fund revenues decreased by \$150,528 while expenditures increased \$1,239,004.

New Capital Construction and Land Development Funds – The balances in these funds can fluctuate by 50% or more in a given year because they are utilized to account for the majority of the District's capital improvements. The level of funding and expenditures vary depending on the District's capital plans for the given year.

Business-Type Activities

The Retail Operations Fund was established in 2005 to separately account for retail operations activity that was previously accounted for in the General Fund. In 2014, activity in the fund was virtually non-existent.

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

***Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2014***

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2014 the District had \$85,463,120 net of accumulated depreciation invested in land, antiques and art, buildings, land improvements, machinery and equipment and infrastructure. The following table shows fiscal year 2014 and 2013 balances:

	Governmental Activities		Increase (Decrease)
	2014	2013	
Land	\$61,993,457	\$59,085,061	\$2,908,396
Antiques and Art	553,061	553,061	0
Land Improvements	11,787,844	11,006,463	781,381
Buildings	21,673,776	18,627,190	3,046,586
Machinery and Equipment	4,576,993	4,054,101	522,892
Infrastructure	5,607,815	3,912,254	1,695,561
Less: Accumulated Depreciation	(20,729,826)	(19,682,548)	(1,047,278)
Totals	<u>\$85,463,120</u>	<u>\$77,555,582</u>	<u>\$7,907,538</u>

The primary increases occurred in land, buildings and infrastructure due to various property acquisitions and capital improvement projects in 2014.

Additional information on the District's capital assets can be found in Note 8.

Debt

At December 31, 2014, the District had \$1,092,387 in noncurrent liabilities, \$582,521 due within one year. The following table summarizes the District's noncurrent liabilities outstanding as of December 31, 2014 and 2013:

	2014	2013
Governmental Activities:		
Compensated Absences	\$1,057,806	\$1,020,580
Capital Leases Payable	34,581	0
Total Governmental Activities	<u>\$1,092,387</u>	<u>\$1,020,580</u>

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Management's Discussion and Analysis - Unaudited
For the Year Ended December 31, 2014

ECONOMIC FACTORS

The Metropolitan Park District of the Toledo Area acquires lands for the conservation of significant natural, historical and cultural resources. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of same as the Board deems conducive to the general welfare. The District receives the majority of its funding from property taxes, state and federal grants and charges for services (program fees). The District employs 86 full time, 28 part-time, and 108 seasonal/intern employees. The Board periodically reviews park fees to help offset the costs of park operations.

REQUESTS FOR INFORMATION

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



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

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

**Statement of Net Position
December 31, 2014**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and Cash Equivalents	\$ 20,436,870	\$ 37,654	\$ 20,474,524
Receivables:			
Taxes	15,226,157	0	15,226,157
Intergovernmental	1,402,627	0	1,402,627
Non-Depreciable Capital Assets	62,546,518	0	62,546,518
Depreciable Capital Assets, Net	22,916,602	0	22,916,602
Total Assets	122,528,774	37,654	122,566,428
Liabilities:			
Accounts Payable	581,669	0	581,669
Accrued Wages and Benefits Payable	260,635	0	260,635
Intergovernmental Payable	283,516	0	283,516
Unearned Revenue	121,567	0	121,567
Accrued Interest Payable	832	0	832
Noncurrent liabilities:			
Due within one year	582,521	0	582,521
Due in more than one year	509,866	0	509,866
Total Liabilities	2,340,606	0	2,340,606
Deferred Inflows of Resources:			
Property Tax Levy for Next Fiscal Year	13,466,000	0	13,466,000
Total Deferred Inflows of Resources	13,466,000	0	13,466,000
Net Position:			
Net Investment in Capital Assets	85,428,539	0	85,428,539
Restricted For:			
Capital Projects	4,416,214	0	4,416,214
Other Purposes	4,924,690	0	4,924,690
Permanent Fund:			
Expendable	46,604	0	46,604
Nonexpendable	40,000	0	40,000
Unrestricted	11,866,121	37,654	11,903,775
Total Net Position	\$ 106,722,168	\$ 37,654	\$ 106,759,822

See accompanying notes to the basic financial statements

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

**Statement Of Activities
For The Year Ended December 31, 2014**

		Program Revenues	
	Expenses	Charges for Services and Sales	Capital Grants and Contributions
Governmental Activities:			
Parks and Recreation	\$ 14,762,105	\$ 559,303	\$ 1,594,930
Interest and Fiscal Charges	832	0	0
Total Governmental Activities	14,762,937	559,303	1,594,930
Business-Type Activities:			
Retail Operations	783	0	0
Total Business-Type Activities	783	0	0
Totals	\$ 14,763,720	\$ 559,303	\$ 1,594,930

General Revenues:

Property Taxes
Intergovernmental Revenues, Unrestricted
Investment Earnings
Miscellaneous
Total General Revenues

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

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

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (12,607,872)	\$ 0	\$ (12,607,872)
(832)	0	(832)
<u>(12,608,704)</u>	<u>0</u>	<u>(12,608,704)</u>
<u>0</u>	<u>(783)</u>	<u>(783)</u>
<u>0</u>	<u>(783)</u>	<u>(783)</u>
<u>(12,608,704)</u>	<u>(783)</u>	<u>(12,609,487)</u>
13,705,580	0	13,705,580
2,675,131	0	2,675,131
131,709	0	131,709
<u>392,715</u>	<u>0</u>	<u>392,715</u>
<u>16,905,135</u>	<u>0</u>	<u>16,905,135</u>
4,296,431	(783)	4,295,648
<u>102,425,737</u>	<u>38,437</u>	<u>102,464,174</u>
<u>\$ 106,722,168</u>	<u>\$ 37,654</u>	<u>\$ 106,759,822</u>

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

**Balance Sheet
Governmental Funds
December 31, 2014**

	General	New Capital Construction
	<u> </u>	<u> </u>
Assets:		
Cash and Cash Equivalents	\$ 10,210,834	\$ 1,399,038
Receivables:		
Property Taxes	15,226,157	0
Intergovernmental	1,353,709	0
Advance to Other Funds	433,609	0
Total Assets	<u>\$ 27,224,309</u>	<u>\$ 1,399,038</u>
Liabilities:		
Accounts Payable	\$ 209,628	\$ 216,424
Accrued Wages and Benefits Payable	234,617	0
Intergovernmental Payable	274,127	0
Unearned Revenue	115,178	0
Advances from Other Funds	0	0
Total Liabilities	<u>833,550</u>	<u>216,424</u>
Deferred Inflows of Resources:		
Unavailable Amounts	2,847,181	0
Property Tax Levy for Next Fiscal Year	13,466,000	0
Total Deferred Inflows of Resources	<u>16,313,181</u>	<u>0</u>
Fund Balances:		
Nonspendable	0	0
Restricted	0	0
Committed	0	1,182,614
Assigned	211,721	0
Unassigned	9,865,857	0
Total Fund Balances	<u>10,077,578</u>	<u>1,182,614</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 27,224,309</u>	<u>\$ 1,399,038</u>

See accompanying notes to the basic financial statements

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

Other Governmental Funds	Total Governmental Funds
\$ 8,826,998	\$ 20,436,870
0	15,226,157
48,918	1,402,627
0	433,609
\$ 8,875,916	\$ 37,499,263
\$ 155,617	\$ 581,669
26,018	260,635
9,389	283,516
6,389	121,567
433,609	433,609
631,022	1,680,996
0	2,847,181
0	13,466,000
0	16,313,181
40,000	40,000
4,657,719	4,657,719
3,692,191	4,874,805
0	211,721
(145,016)	9,720,841
8,244,894	19,505,086
\$ 8,875,916	\$ 37,499,263

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

***Reconciliation Of Total Governmental Fund Balances
To Net Position Of Governmental Activities
December 31, 2014***

Total Governmental Fund Balances	\$ 19,505,086
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	85,463,120
Other long-term assets are not available to pay for current period expenditures and therefore are reported as deferred inflows in the funds.	2,847,181
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Capital Lease Payable	(34,581)
Accrued Interest Payable	(832)
Compensated Absences Payable	<u>(1,057,806)</u>
<i>Net Position of Governmental Funds</i>	<u>\$ 106,722,168</u>

See accompanying notes to the basic financial statements

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



**METROPARKS
TOLEDO AREA**

Your Clean, Safe, Natural Places To Be

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

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2014**

	General	New Capital Construction
	<u> </u>	<u> </u>
Revenues:		
Property Taxes	\$ 13,723,128	\$ 0
Intergovernmental Revenues	2,665,231	0
Fines and Forfeitures	1,911	0
Charges for Services	311,109	0
Sales	11,867	0
Fees	0	0
Donations	12,991	66
Investment Earnings	123,100	0
All Other Revenue	306,271	66,625
Total Revenue	<u>17,155,608</u>	<u>66,691</u>
Expenditures:		
Current:		
Parks and Recreation	11,624,578	6,018,777
Debt Service:		
Principal Retirement	0	20,000
Total Expenditures	<u>11,624,578</u>	<u>6,038,777</u>
Excess (Deficiency) of Revenues Over Expenditures	5,531,030	(5,972,086)
Other Financing Sources (Uses):		
Transfers In	0	4,710,500
Transfers Out	(8,940,500)	0
Capital Lease Issued	0	54,581
Total Other Financing Sources (Uses)	<u>(8,940,500)</u>	<u>4,765,081</u>
Net Change in Fund Balance	(3,409,470)	(1,207,005)
Fund Balances at Beginning of Year	<u>13,487,048</u>	<u>2,389,619</u>
Fund Balances End of Year	<u>\$ 10,077,578</u>	<u>\$ 1,182,614</u>

See accompanying notes to the basic financial statements

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

Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 13,723,128
1,374,565	4,039,796
743	2,654
72,920	384,029
53,074	64,941
107,679	107,679
245,396	258,453
8,609	131,709
19,819	392,715
1,882,805	19,105,104
4,989,062	22,632,417
0	20,000
4,989,062	22,652,417
(3,106,257)	(3,547,313)
4,230,000	8,940,500
0	(8,940,500)
0	54,581
4,230,000	54,581
1,123,743	(3,492,732)
7,121,151	22,997,818
\$ 8,244,894	\$ 19,505,086

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

***Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Fiscal Year Ended December 31, 2014***

Net Change in Fund Balances - Total Governmental Funds	\$ (3,492,732)
 <i>Amounts reported for governmental activities in the statement of activities are different because</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays and contributions exceeded depreciation.	7,907,538
Revenues and transfers in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(45,736)
The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position.	
Capital Lease Issued	(54,581)
The repayment of principal of long-term debt consumes current financial resources of governmental funds, however, it does not effect net assets.	20,000
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(832)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(37,226)
<i>Change in Net Position of Governmental Activities</i>	<u>\$ 4,296,431</u>

See accompanying notes to the basic financial statements

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

**Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 13,775,000	\$ 13,775,000	\$ 13,835,507	\$ 60,507
Intergovernmental Revenue	2,817,383	2,817,383	2,667,265	(150,118)
Fines and Forfeitures	2,000	2,000	1,911	(89)
Charges for Services	302,852	302,852	340,434	37,582
Sales	22,651	22,651	11,867	(10,784)
Donations	500	500	12,991	12,491
Investment Earnings	65,000	65,000	104,325	39,325
All Other Revenue	5,000	5,000	4,724	(276)
Total Revenues	<u>16,990,386</u>	<u>16,990,386</u>	<u>16,979,024</u>	<u>(11,362)</u>
Expenditures:				
Current:				
Parks and Recreation	<u>13,272,108</u>	<u>13,546,606</u>	<u>11,873,937</u>	<u>1,672,669</u>
Total Expenditures	<u>13,272,108</u>	<u>13,546,606</u>	<u>11,873,937</u>	<u>1,672,669</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,718,278	3,443,780	5,105,087	1,661,307
Other Financing Sources (Uses):				
Sale of Capital Assets	0	0	50,011	50,011
Transfers Out	(8,625,000)	(8,940,500)	(8,940,500)	0
Advances In	367,418	367,418	182,418	(185,000)
Advances Out	0	(219,616)	(219,616)	0
Other Sources	145,000	145,000	251,536	106,536
Total Other Financing Sources (Uses):	<u>(8,112,582)</u>	<u>(8,647,698)</u>	<u>(8,676,151)</u>	<u>(28,453)</u>
Net Change in Fund Balance	(4,394,304)	(5,203,918)	(3,571,064)	1,632,854
Fund Balance at Beginning of Year	13,045,406	13,045,406	13,045,406	0
Prior Year Encumbrances	340,751	340,751	340,751	0
Fund Balance at End of Year	<u>\$ 8,991,853</u>	<u>\$ 8,182,239</u>	<u>\$ 9,815,093</u>	<u>\$ 1,632,854</u>

See accompanying notes to the basic financial statements

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

***Statement of Net Position
Enterprise Fund
December 31, 2014***

	<u>Retail Operations</u>
ASSETS:	
Current assets:	
Cash and Cash Equivalents	\$ 37,654
Total Assets	<u> 37,654</u>
LIABILITIES:	
Total Liabilities	<u> 0</u>
NET POSITION:	
Unrestricted	37,654
Total net position	<u>\$ 37,654</u>

See accompanying notes to the basic financial statements

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

***Statement of Revenues, Expenses and Changes in Fund Net Position
Enterprise Fund
For the Year Ended December 31, 2014***

	Retail Operations
Operating Revenues:	
Total Operating Revenues	<u>\$ 0</u>
Operating Expenses:	
Contractual Services	783
Total Operating Expenses	<u>783</u>
Change in Net Position	(783)
Net Position Beginning of Year	<u>38,437</u>
Net Position End of Year	<u>\$ 37,654</u>

See accompanying notes to the basic financial statements

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2014

	<u>Retail Operations</u>
<u>Cash Flows from Operating Activities:</u>	
Cash Payments for Goods and Services	<u>(\$849)</u>
Net Cash Used for Operating Activities	<u>(849)</u>
Net Decrease in Cash and Cash Equivalents	(849)
Cash and Cash Equivalents at Beginning of Year	<u>38,503</u>
Cash and Cash Equivalents at End of Year	<u><u>\$37,654</u></u>
<u>Reconciliation of Operating Loss to Net Cash</u>	
<u>Used for Operating Activities:</u>	
Operating Loss	(\$783)
Adjustments to Reconcile Operating Loss to	
Net Cash Used for Operating Activities:	
Decrease in Accounts Payable	<u>(66)</u>
Total Adjustments	<u>(66)</u>
Net Cash Used for Operating Activities	<u><u>(\$849)</u></u>

See accompanying notes to the basic financial statements

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. The District acquires lands for the conservation of significant natural, historical and cultural resources. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of same as the Board deems conducive to the general welfare.

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

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

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

B. Basis of Presentation - Fund Accounting

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

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

New Capital Construction Fund - This fund is used to account for grants, donations, and transfers dedicated to new capital construction.

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

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

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

C. Basis of Presentation – Financial Statements

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

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

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

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

D. Basis of Accounting

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

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

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

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

Property taxes measurable as of December 31, 2014 but which are not intended to finance 2014 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources.

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

Revenues – Exchange and Non-exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

E. Budgetary Process

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

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

1. Tax Budget

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

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the District by September 1 of each year. As part of the certification process, the District receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2014.

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

3. Appropriations

A temporary appropriation resolution to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation resolution must be passed by April 1 of each year for the period January 1 through December 31. The appropriation resolution establishes spending controls at object level within each fund, and may be modified during the year by resolution of the District Board of Commissioners. Total fund appropriations may not exceed the current estimated resources as certified by the County Budget Commission. Expenditures may not legally exceed budgeted appropriations at the object level within each fund. The allocation of appropriations within a fund may be modified with the approval of the District Board Commissioners. During 2014, several supplemental appropriations measures were necessary to budget the use of contingency funds. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) for the General Fund are presented on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications of.

4. Lapsing of Appropriations

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

5. Budgetary Basis of Accounting

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

6. Budgetary Basis of Accounting (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund.

	Net Change in Fund Balance
	General Fund
GAAP Basis (as reported)	(\$3,409,470)
Increase (Decrease):	
Accrued Revenues at December 31, 2014 received during 2015	(724,076)
Accrued Revenues at December 31, 2013 received during 2014	696,663
Accrued Expenditures at December 31, 2014 paid during 2015	833,550
Accrued Expenditures at December 31, 2013 paid during 2014	(595,772)
Outstanding Encumbrances	(371,959)
Budget Basis	(\$3,571,064)

F. Cash and Investments

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

The District pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 3, "Cash, Cash Equivalents and Investments."

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the District records all its investments at fair value. See Note 3, "Cash, Cash Equivalents and Investments."

Following Ohio statutes and Board Policy, interest is credited initially to the general fund and reallocated to all eligible funds on a quarterly basis. Interest revenue credited to the General Fund during 2014 amounted to \$123,100 which includes \$49,016 assigned from other funds.

H. Capital Assets and Depreciation

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

1. Property, Plant and Equipment - Governmental Activities

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

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

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets and Depreciation (Continued)

2. Depreciation

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

Description	Governmental and Business-Type Activities Estimated Lives (in Years)
Buildings	40
Land Improvements	20
Machinery and Equipment	7 - 10
Infrastructure	20

I. Long-Term Obligations

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

Obligation	Fund
Compensated Absences	General Fund, Education Fund, Members Fund, GLRI Program Fund, GLRI II – Maumee Corp. Fund

J. Compensated Absences

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

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

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences (Continued)

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

K. Pensions

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

L. Net position

Net position represents the difference between assets, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

M. Interfund Activity

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

N. Interfund Assets/Liabilities

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

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally contractually required to be maintained intact.

Restricted – Restricted fund balance consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the District to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed – Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision making authority. For the District, these constraints consist of resolutions passed by District Board of Commissioners. Committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action (resolution) it employed previously to commit those amounts.

Assigned – Assigned fund balance consists of amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned – Unassigned fund balance consists of amounts that have not been restricted, committed or assigned to specific purposes within the General Fund as well as negative fund balances in all other governmental funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to use unrestricted resources first (committed, assigned and unassigned), then restricted resources as they are needed.

P. Estimates

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

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Operating Revenues and Expenses

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

R. Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. The governmental funds report unavailable amounts for delinquent property taxes, grant monies not received in the period of availability and state levied shared revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

S. Unearned Revenue

The amounts reported as unearned revenue on the government-wide statement of net position and governmental funds balance sheet represent amounts received by the District in advance of services to be performed. Examples of such include deposits for future use of facilities and educational programs. The District will recognize the revenue upon the completion of these events.

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 2 – FUND BALANCE CLASSIFICATION

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

Fund Balances	General	New Capital Construction	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Endowment	\$0	\$0	\$40,000	\$40,000
Total Nonspendable	<u>0</u>	<u>0</u>	<u>40,000</u>	<u>40,000</u>
Restricted:				
Land Acquisition	0	0	1,375,123	1,375,123
Law Enforcement	0	0	2,392	2,392
Endowment Earnings	0	0	46,604	46,604
Capital Improvements	0	0	3,233,600	3,233,600
Total Restricted	<u>0</u>	<u>0</u>	<u>4,657,719</u>	<u>4,657,719</u>
Committed:				
Park Programs	0	0	2,992,998	2,992,998
Membership Activities	0	0	273,852	273,852
Educational Programs	0	0	425,341	425,341
Capital Improvements	0	1,182,614	0	1,182,614
Total Committed	<u>0</u>	<u>1,182,614</u>	<u>3,692,191</u>	<u>4,874,805</u>
Assigned:				
Encumbrances	211,721	0	0	211,721
Unassigned (Deficit)	9,865,857	0	(145,016)	9,720,841
Total Fund Balances	<u>\$10,077,578</u>	<u>\$1,182,614</u>	<u>\$8,244,894</u>	<u>\$19,505,086</u>

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Deposits

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

At year end the carrying amount of the District's deposits was \$17,092,654 and the bank balance was \$17,205,866. The Federal Deposit Insurance Corporation (FDIC) covered \$1,000,000 of the bank balance and \$16,205,866 was uninsured. Of the remaining uninsured bank balance, the District was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the District's name	\$16,205,866
Total Balance	\$16,205,866

B. Investments

The District's investments at December 31, 2014 were as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years)</u>		
			<u>< 1 year</u>	<u>1-3 years</u>	<u>3-5 years</u>
FNMA	\$1,393,930	Aaa ¹ , AA+ ²	\$0	\$1,144,240	\$249,690
FHLMB	1,493,490	Aaa ¹ , AAA ²	0	498,805	994,685
FHLMC	494,450	Aaa ¹ , AA+ ²	0	0	494,450
Total Investments	\$3,381,870		\$0	\$1,643,045	\$1,738,825

¹ Moody's Investor Service

² Standard & Poor's

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments (Continued)

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

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

Concentration of Credit Risk – The District places no limit on the amount the District may invest in one issuer. Of the District’s total investments, 41.2% are FNMA, 44.2% are FHLMB and 14.6% are FHLMC.

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

NOTE 4- PROPERTY TAXES

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the County. Real property taxes (other than public utility) collected during 2014 were levied after October 1, 2013 on assessed values as of January 1, 2013, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2014. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 31; if paid semiannually, the first payment is due February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 4- PROPERTY TAXES (Continued)

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 88 percent of its true value. Public utility property taxes are payable on the same dates as the real property taxes described previously.

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

The full tax rate for the District's operations for the year ended December 31, 2014 was \$2.30 per \$1,000 of assessed value. The assessed value upon which the 2014 property tax receipts were based was \$7,009,816,370. This amount constitutes \$6,754,863,860 in real property assessed and \$254,952,510 in public utility property.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the District's share is .23% (2.30 mills) of assessed value.

NOTE 5 - RECEIVABLES

Receivables at December 31, 2014 consisted of taxes, intergovernmental and advance receivables. All receivables other than those offset by deferred inflows of resources are considered collectable in full.

NOTE 6 - INTERFUND BALANCES

Following is a summary of advances to/from other funds at December 31, 2014:

Fund	Advances to Other Funds	Advances From Other Funds
General Fund	\$433,609	\$0
Other Governmental Funds	0	433,609
Totals	\$433,609	\$433,609

The advances were required due to various project costs being authorized in advance of the revenue proceeds schedule. Funds are scheduled to be returned to the General Fund next year.

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 7 - TRANSFERS

Following is a summary of transfers in and out for all funds for 2014:

Fund	Transfer In	Transfer Out
Governmental Activities:		
General Fund	\$0	\$8,940,500
New Capital Construction Fund	4,710,500	0
Other Governmental Funds	4,230,000	0
Totals	<u>\$8,940,500</u>	<u>\$8,940,500</u>

NOTE 8 - CAPITAL ASSETS

Summary by category of changes in governmental activities capital assets at December 31, 2014:

<i>Historical Cost:</i>	December 31,			December 31,
Class	2013	Additions	Deletions	2014
<i>Capital assets not being depreciated:</i>				
Land	\$59,085,061	\$2,908,396	\$0	\$61,993,457
Antiques and Art	553,061	0	0	553,061
<i>Capital assets being depreciated:</i>				
Buildings	18,627,190	3,046,586	0	21,673,776
Land Improvements	11,006,463	781,381	0	11,787,844
Infrastructure	3,912,254	1,695,561	0	5,607,815
Machinery and Equipment	4,054,101	522,892	0	4,576,993
Total Cost	<u>\$97,238,130</u>	<u>\$8,954,816</u>	<u>\$0</u>	<u>\$106,192,946</u>
<i>Accumulated Depreciation:</i>				
Class	December 31,			December 31,
	2013	Additions	Deletions	2014
Buildings	(\$8,279,231)	(\$408,766)	\$0	(\$8,687,997)
Land Improvements	(7,849,242)	(198,218)	0	(8,047,460)
Infrastructure	(1,196,891)	(133,277)	0	(1,330,168)
Machinery and Equipment	(2,357,184)	(307,017)	0	(2,664,201)
Total Depreciation	<u>(\$19,682,548)</u>	<u>(\$1,047,278)</u>	<u>\$0</u>	<u>(\$20,729,826)</u>
<i>Net Value:</i>	<u>\$77,555,582</u>			<u>\$85,463,120</u>

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 9 – DEFINED BENEFIT PENSION PLANS

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

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

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

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

The ORC provides statutory authority for employee and employer contributions. For 2014, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2014 employer contribution rate for local government employer units was 14.00% of covered payroll, which is the maximum contribution rate set by State statutes. Employer contribution rates are actuarially determined. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. The portion of employer contributions allocated to pension obligations for members in the Traditional and Combined Plans was 12.0% for calendar year 2014. The contribution requirements of plan members and the District are established and may be amended by the OPERS Board. The District's contributions for pension obligations to OPERS for the years ending December 31, 2014, 2013, and 2012 were \$782,816, \$817,846 and \$589,236, respectively, which were equal to the required contributions for each year.

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 10 - POSTEMPLOYMENT BENEFITS

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

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available.

The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45. OPERS' eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the OPERS 2013 CAFR for details.

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by making a written request to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

The OPERS Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional and Combined Plans was 2.0% for calendar year 2014. Effective January 1, 2015, the portion of employer contributions allocated to healthcare remains at 2% for both plans, as recommended by the OPERS actuary. 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.

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

**Notes to the Basic Financial Statements
For the Year Ended December 31, 2014**

NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)

The District's contributions for health care to the OPERS for the years ending December 31, 2014, 2013, and 2012 were \$130,469, \$62,911 and \$235,694, respectively, which were equal to the required contributions for each year.

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 SB 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.

NOTE 11 - LONG-TERM DEBT AND OTHER OBLIGATIONS

Detail of the changes in long-term debt and other long-term obligations of the District for the year ended December 31, 2014 are as follows:

	Balance at December 31, 2013	Additions	Deductions	Balance at December 31, 2014	Amount Due Within One Year
Governmental Activities:					
Compensated Absences	\$1,020,580	\$1,057,806	(\$1,020,580)	\$1,057,806	\$571,400
Capital Lease	0	54,581	(20,000)	34,581	11,121
Total Long-Term Obligations	<u>\$1,020,580</u>	<u>\$1,112,387</u>	<u>(\$1,040,580)</u>	<u>\$1,092,387</u>	<u>\$582,521</u>

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA
LUCAS COUNTY, OHIO

Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 12 -RISK MANAGEMENT

A. General Insurance

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

The District belongs to the Ohio Plan Risk Management, Inc. (the "Plan"), a non-assessable, non-profit providing a formalized, jointly administered self-insurance risk management program and other administrative services to over 770 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except for the 50% casualty and the 10% property portions the Plan retains. The Plan retains the lesser of 50% or \$125,000 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31: 2013 and 2012 (the latest information available):

	<u>2013</u>	<u>2012</u>
Assets	\$13,774,304	\$13,100,381
Liabilities	(7,968,395)	(6,687,193)
Net Position - Unrestricted	<u>\$5,805,909</u>	<u>\$6,413,188</u>

You can read the complete audited financial statements for The Ohio Plan Risk Management at the Plan's website, www.ohioplan.org.

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

***Notes to the Basic Financial Statements
For the Year Ended December 31, 2014***

NOTE 12 -RISK MANAGEMENT (Continued)

B. Health Insurance

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

C. Workers Compensation

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

NOTE 13 -CONTINGENT LIABILITIES

The District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at December 31, 2014.

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

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2014**

FEDERAL GRANTOR	Pass Through Entity Number	Federal CFDA Number	Expenditures
<u>Pass Through Grantor/Program Title</u>			
<u>U.S. Department of Commerce:</u>			
<i>National Oceanic & Atmospheric Administration</i>			
<i>Pass through the Partners for Clean Streams</i>			
Maumee Corps: Putting People to Work Restoring Habitat in the Maumee AOC	NOAA-NMFS_NCOP- 2012-2003267-SAI	11.463	\$ 139,513
<i>Pass Through ODNR</i>			
Maumee AOC-Oak Openings Habitat Corridor Grant	NA12NOS4630170	11.463	212,000
Total U.S. Department of Commerce			351,513
<u>U.S. Department of Interior:</u>			
<i>Fish & Wildlife Service</i>			
<i>Passed through the Nature Conservancy</i>			
Great Lakes Restoration Initiative: Restoration of Habitat in the Oak Openings	GLRI-METRO- WOOD	15.662	71,928
<u>U.S. Environmental Protection Agency:</u>			
<i>Passed through the Ohio EPA</i>			
Great Lakes Restoration Initiative: Blue Creek Conservation Area Ditch Restoration	12-GLRI-LUCA-25	66.469	79,755
Great Lakes Restoration Initiative: Blue Creek Conservation Area Wetland Restoration	12-GLRI-LUCA-10	66.469	48,225
Total U.S. Environmental Protection Agency			127,980
Total Federal Awards Expenditures			\$ 551,421

The accompanying notes are an integral part of this schedule.

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

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – MATCHING REQUIREMENTS

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

Charles E. Harris & Associates, Inc.
Certified Public Accountants

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

Metropolitan Park District of the Toledo Area
Lucas County
5100 W. Central Avenue
Toledo, OH 43615

To the Board of Park Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Metropolitan Park District of the Toledo Area, Lucas County, (the District) as of and for the year ended December 31, 2014, and the related notes to the financial statements, and have issued our report thereon dated July 9, 2015.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the 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 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 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.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining 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 District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
July 9, 2015

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Metropolitan Park District of the Toledo Area
Lucas County
5100 W. Central Avenue
Toledo, OH 43615

To the Board of Park Commissioners:

Report on Compliance for the Major Federal Program

We have audited the Metropolitan Park District of the Toledo Area's (the District) 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 each of the District's major federal program for the year ended December 31, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for the 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 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 District's major program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on the Major Federal Program

In our opinion, the Metropolitan Park of Toledo Area 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, 2014.

Report on Internal Control Over Compliance

The 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 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 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 a 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.



Charles E. Harris & Associates, Inc.
July 9, 2015

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
DECEMBER 31, 2014**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unmodified
(d)(1)(ii)	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any significant deficiencies reported at the financial statement level statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any reported material non-compliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any significant deficiencies reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
(d)(1)(vi)	<i>Are there any reportable findings under Section .510</i>	No
(d)(1)(vii)	<i>Major Programs:</i>	CFDA # 11.463 Putting People to Work Restoring Habitat in the Maumee AOC-Oak Opening Habitat
(d)(1)(viii)	<i>Dollar Threshold: Type A\B Programs</i>	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	<i>Low Risk Auditee?</i>	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

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

**SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2014**

The prior audit, for the year ended December 31, 2013, reported no material citations or recommendations.

This page intentionally left blank.



Dave Yost • Auditor of State

METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA

LUCAS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 8, 2015**