



**Dave Yost • Auditor of State**

**Columbus And Franklin County  
Metropolitan Park District  
Franklin County, Ohio**

**General Purpose External Financial Statements  
For the Year Ended December 31, 2012**





# Dave Yost • Auditor of State

Board of Commissioners  
Columbus and Franklin County Metropolitan Park District  
1069 West Main Street  
Westerville, Ohio 43081

## **Auditor's Compilation Report**

We have compiled the accompanying basic financial statements of the Columbus and Franklin County Metropolitan Park District as of and for the year ended December 31, 2012. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management's Discussion and Analysis is supplementary information required by the Governmental Accounting Standards Board and was prepared by management. We did not compile the information nor do we express an opinion or provide any assurance thereon.

DAVE YOST  
Auditor of State

Unice S. Smith  
Chief of Local Government Services

July 26, 2013

***COLUMBUS AND FRANKLIN COUNTY  
METROPOLITAN PARK DISTRICT  
General Purpose External Financial Statements  
For The Year Ended December 31, 2012***

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**COLUMBUS AND FRANKLIN COUNTY  
METROPOLITAN PARK DISTRICT  
Management's Discussion And Analysis  
For The Year Ended December 31, 2012  
(Unaudited)**

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The discussion and analysis of the Columbus And Franklin County Metropolitan Park District's financial performance provides an overall review of the District's financial activities for the year ended December 31, 2012. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

### **FINANCIAL HIGHLIGHTS**

The District's total net position increased \$10,187,262 during 2012.

General revenues of governmental activities accounted for \$27,184,345 of all governmental revenues. Program specific revenues in the form of charges for services, grants, contributions, and interest accounted for \$1,779,673 of total governmental revenues of \$28,964,018.

The District had \$18,776,756 in expenses related to governmental activities. \$1,779,673 of these expenses were offset by program specific charges for services, grants, contributions, and interest. General revenues (primarily property taxes and grants and entitlements not restricted) of \$27,184,345 were more than adequate to provide for these programs.

### **USING THIS ANNUAL FINANCIAL REPORT**

This annual report consists of a series of financial statements. These statements are organized so that the reader can understand the Columbus And Franklin County Metropolitan Park District's financial situation as a whole and also give a detailed view of the District's financial condition.

The Statement Of Net Position and the Statement Of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. The fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term, as well as the amount of funds available for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column.

### **REPORTING THE DISTRICT AS A WHOLE**

One of the most important questions asked about the District is "How did we do financially during 2012?" The Statement Of Net Position and the Statement Of Activities, which appear first in the District's financial statements, report information on the District as a whole and its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**COLUMBUS AND FRANKLIN COUNTY**  
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These two statements report the District's net position and changes in position. This change in net position is important because it informs the reader that, for the District as a whole, the financial position of the District has improved or diminished. In evaluating the overall financial health, the reader of these financial statements needs to take into account non-financial factors that also impact the District's financial well-being. Some of these factors include the District's tax base and the condition of capital assets.

In the Statement Of Net Position and the Statement Of Activities, the District has only one kind of activity.

Governmental Activities – All of the District's services are reported here including administrative services, education, park operations, park planning, park promotion, rental property, natural resource management, golf course operations, and park safety.

## **REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS**

### *Fund Financial Statements*

The analysis of the District's major funds begins on page seven. Fund financial reports provide detailed information about the District's major funds – not the District as a whole. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's major funds. The District's major funds are the General Fund, the Golf Course Special Revenue Fund, and the Capital Improvement Capital Projects Fund.

**Governmental Funds** – All 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 that are available for spending. 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 to determine whether there are more or fewer financial resources that can be spent in the near future on services provided to our residents. 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.

**COLUMBUS AND FRANKLIN COUNTY  
METROPOLITAN PARK DISTRICT  
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(Unaudited)**

**THE DISTRICT AS A WHOLE**

As stated previously, the Statement Of Net Position provides the perspective of the District as a whole. Table 1 provides a summary of the District's net position for 2012 compared to 2011.

Table 1  
Net Position

	Governmental Activities		Increase (Decrease)
	2012	2011	
<b>Assets</b>			
Current And Other Assets	\$32,665,728	\$37,483,508	(\$4,817,780)
Land, Wetlands, Land Restoration And Construction In Progress	161,050,751	145,777,524	15,273,227
Depreciable Capital Assets, Net	39,918,220	39,061,215	857,005
Total Assets	233,634,699	222,322,247	11,312,452
<b>Liabilities</b>			
Current And Other Liabilities	3,522,516	1,287,234	2,235,282
Long-Term Liabilities:			
Due Within One Year	370,028	376,966	(6,938)
Due In More Than One Year	437,542	511,386	(73,844)
Total Liabilities	4,330,086	2,175,586	2,154,500
<b>Deferred Inflow of Resources</b>			
Property Taxes	17,235,245	18,264,555	(1,029,310)
<b>Net Position</b>			
Invested In Capital Assets	197,965,262	184,838,739	13,126,523
Restricted For:			
Capital Outlay	7,651,527	11,887,920	(4,236,393)
Educational Programs:			
Expendable	156,448	138,810	17,638
Nonexpendable	267,054	267,054	0
Gardens At Inniswood - Nonexpendable	452,558	452,558	0
Unrestricted	5,576,519	4,297,025	1,279,494
Total Net Position	\$212,069,368	\$201,882,106	\$10,187,262

**COLUMBUS AND FRANKLIN COUNTY**  
**METROPOLITAN PARK DISTRICT**  
*Management's Discussion And Analysis*  
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Total assets increased \$11,312,452. Current and other assets decreased \$4,817,780 due to a decrease in cash and cash equivalents. This is due to expenditures exceeding revenues, mostly resulting from the reduction in local government revenues from the State and a reduction in property tax revenues due to a decrease in the assessed value, while expenditures increased slightly from the prior year. Land, wetlands, land restoration and construction in progress increased \$15,273,277 due to land and wetland purchases and construction in progress relating to the completion of, and continuing construction of, various projects. Depreciable capital assets increased \$857,005 mainly due to infrastructure development, including roads and trails.

Current and other liabilities increased \$2,235,282 primarily due to the issuance of land acquisition bond anticipation notes.

Invested in capital assets increased \$13,126,523. This is primarily due to current year capital assets additions exceeding current year depreciation. Land, wetlands, construction in progress, and infrastructure, which includes roads and trails, experienced the largest increases.

Restricted net position for capital outlay decreased \$4,236,393. This is primarily the result of the District expensing resources received in the prior year for the various projects.

Unrestricted net position increased \$1,279,494. This is due to the District carefully monitoring spending due to the decrease in property tax and intergovernmental revenues

Table 2 shows the changes in net position for the years ended December 31, 2012 and 2011.

Table 2  
Changes In Net Position

	2012	2011	Increase/ (Decrease)
<b>Revenues</b>			
Program Revenues:			
Charges For Services	\$1,567,712	\$1,242,535	\$325,177
Operating Grants, Contributions, And Interest	211,961	69,968	141,993
Total Program Revenues	<u>1,779,673</u>	<u>1,312,503</u>	<u>467,170</u>
General Revenues:			
Property Taxes	17,114,056	18,313,197	(1,199,141)
Unrestricted Investment Earnings	35,585	55,560	(19,975)
Grants And Entitlements Not Restricted			
To Specific Programs:			
Operating	4,488,540	6,854,408	(2,365,868)
Capital	5,359,675	2,550,553	2,809,122
Contributions And Donations	62,092	263,621	(201,529)
Miscellaneous	124,397	277,092	(152,695)
Total General Revenues	<u>27,184,345</u>	<u>28,314,431</u>	<u>(1,130,086)</u>
Total Revenues	<u>\$28,964,018</u>	<u>\$29,626,934</u>	<u>(\$662,916)</u>

(Continued)



**COLUMBUS AND FRANKLIN COUNTY**  
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	2012	2011	(Decrease)
<b>Program Expenses</b>			
Administration	\$3,061,938	\$2,368,391	\$693,547
Education	2,551,778	2,766,091	(214,313)
Park Operations	8,017,210	7,330,099	687,111
Park Planning	392,370	279,762	112,608
Park Promotion	710,190	776,350	(66,160)
Rental Property	281,640	512,887	(231,247)
Natural Resource Management	303,456	388,963	(85,507)
Golf Course	559,646	1,311,974	(752,328)
Park Safety	2,888,993	2,937,591	(48,598)
Interest and Fiscal Charges	9,535	0	9,535
Total Expenses	<u>18,776,756</u>	<u>18,672,108</u>	<u>104,648</u>
Change In Net Position	10,187,262	10,954,826	(767,564)
Net Position At Beginning Of Year	<u>201,882,106</u>	<u>190,927,280</u>	<u>10,954,826</u>
Net Position At End Of Year	<u><u>\$212,069,368</u></u>	<u><u>\$201,882,106</u></u>	<u><u>\$10,187,262</u></u>

**GOVERNMENTAL ACTIVITIES**

Program revenues, which are primarily represented by charges for District services, fines and charges generated by the golf course, as well as restricted intergovernmental revenues, restricted interest earnings and restricted donations, were \$1,779,673 of total revenues for 2012 and were higher than 2011. The increase is primarily related to an increase in golf cart rental and an increase in rounds of golf played at Blacklick Woods Golf Course.

As previously mentioned, general revenues were \$27,184,345 of total revenues for 2012. This is a \$1,130,086 decrease from the prior year. This decrease is primarily related to cuts in funding received from the State of Ohio and decreases in property tax revenue due to the decrease in the appraised values being realized in 2012.

Governmental program expenses as a percentage of total governmental expenses for 2012 are expressed as follows:

Administration	16.31%
Education	13.59
Park Operations	42.70
Park Planning	2.09
Park Promotion	3.78
Rental Property	1.50
Natural Resource Management	1.62
Golf Course	2.98
Park Safety	15.38
Interest and Fiscal Charges	0.05
	<u><u>100.00%</u></u>

**COLUMBUS AND FRANKLIN COUNTY**  
**METROPOLITAN PARK DISTRICT**  
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The above chart clearly indicates that the District's major source of expenses, 42.7 percent, is related to park operations. All other forms of governmental operations represent 57.3 percent of expenses.

### **THE DISTRICT'S FUNDS**

Information about the District's major governmental funds begins on page 12. All governmental funds had total revenues of \$28,882,448 and expenditures of \$34,990,604.

The General Fund balance increased \$1,904,317, due to the District carefully monitoring spending due to revenue decreases.

The Golf Course Special Revenue Fund balance increased \$1,240 which is immaterial.

The Capital Improvement Capital Projects Fund balance decreased \$8,036,696, as a result of the District expensing prior year fund balance in order to continue the capital acquisitions and improvements the District undertakes each year.

### **GENERAL FUND BUDGETING HIGHLIGHTS**

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of receipts, disbursements, and encumbrances. The District's budget is adopted on a fund basis. Before the budget is adopted, the Board reviews detailed budget worksheets of each program within the General Fund and then adopts the budget on a fund basis.

Original and final General Fund budgeted revenues were \$25,571,833. Actual revenues and other financing sources were less than final budgeted revenues and other financing sources by \$2,457,343, which is mostly due to actual property tax and intergovernmental revenues being less than the budgeted amounts. The decrease in property taxes is related the decrease in the appraised value being realized in 2012. The decrease in intergovernmental revenue is due to the State of Ohio cutting Local Government revenues by 50 percent, the accelerated phase out of tangible personal property taxes, and no additional funding for conservation programs in the Clean Ohio Fund.

During 2012, the General Fund operated on one appropriation measure. Actual expenditures were less than the final budgeted expenditures by \$1,159,643 due to the District reducing actual expenditures in several areas. This was a result of the District carefully monitoring spending due to revenue decreases.

The General Fund's ending fund balance was \$1,296,166 below the final budgeted amount.

### **DEBT**

At December 31, 2013, the District had \$2,507,705 in outstanding short-term Land Acquisition Bond Anticipation Notes, which included premium on the notes.

**COLUMBUS AND FRANKLIN COUNTY**  
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*Management's Discussion And Analysis*  
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**CAPITAL ASSETS**

At the end of 2012, the District had \$200,968,971 invested in capital assets (net of accumulated depreciation) for governmental activities, an increase of \$16,130,232 from the prior year. The increase in capital assets is primarily related to an increase in land and wet land additions, construction in progress for various projects, equipment and vehicle additions, and the continuing development of infrastructure additions and improvements, including roads and trails.

See Note 9 of the Notes To The Basic Financial Statements for more detailed capital assets information.

**CURRENT ISSUES**

In 2012, the District has been able to accomplish many goals in spite of significant decreases in revenue. In addition to a primary goal of maintaining clean and safe parks, the District was able to stay focused on also fulfilling the commitments that were made to the voters in 2009.

As anticipated, revenue was lost due to the State of Ohio's decisions to 1) reduce Local Government Funds, and 2) eliminate tangible personal property tax revenue for local governments. Revenue was further reduced when property values dropped, reducing property tax income by about 5.5%. The budget for 2013 is 62 percent of the budget for 2011 and 76 percent of the budget for 2012.

Although most financial news was negative, there are a couple of positive signs. The State did reauthorize funding for the Clean Ohio program for the first time in several years, and the District is in line to receive a \$900,000 grant through this program.

The District is continuing with many of the steps implemented to streamline the already efficient operations. However, it will not be possible to absorb any further cuts of this magnitude without impacting the services provided. Thus far these impacts have primarily affected planned park improvements. The District has been able to maintain existing parks and facilities and even make some progress on park improvements, most notably with the completion of the Battelle Darby Creek Nature Center. But other plans for new parks, new trails, and enhanced educational offerings have been scaled back.

**The Year in Review – 2012**

More than 7,000,000 visitors enjoyed time in the Metro Parks this year as attendance continues to grow. This total does not include the millions of people who utilize the Greenway Trails since the District does not have a good method to count those users yet. Importantly, the parks, trails and facilities continue to be clean, safe and well maintained.

The opening of the Battelle Darby Creek Nature Center is certainly a highlight for the year. With its living stream, fun exhibits, and focus on education, this nature center will be a regional draw for decades to come. Its location overlooking the bison and in close proximity to prairies, wetlands, Darby Creek, and archeological sites enhances the inside features and draws visitors out to explore the park. Educational activities continue to be enhanced in all of the parks and an increased emphasis on programming for seniors has been implemented.

**COLUMBUS AND FRANKLIN COUNTY**  
**METROPOLITAN PARK DISTRICT**  
*Management's Discussion And Analysis*  
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Other major construction efforts this year focused on the trail systems. The Ohio to Erie Trail is now complete from Battelle Darby Creek to Cincinnati, and the District is currently constructing the next segment, which will bring the trail to Galloway. On the east side, the District completed a significant stretch of the Blacklick Creek Greenway Trail between Pickerington Ponds and Blacklick Woods. Improvements were made on other sections of the Greenway Trails throughout the county.

At Scioto Audubon Metro Park, the rehabilitation of the former impound lot is now complete. Work is now underway to add additional facilities that will open next summer. The District is partnering with the Columbus Rotary Club to install an obstacle course that should add to the park's attractiveness to young professionals. The Grange Insurance Audubon Center continues to attract a diverse audience and is implementing many operational improvements.

The District grew by over 650 acres this year. These additional purchases bring the District's total conserved holdings to over 27,000 acres. Grants and contributions from governmental partners were an important component of the funding for most of these acquisitions, and the District is very grateful for this support.

As an important part of the mission, the District strives to protect and improve habitat for wildlife. This improved habitat creates new opportunities for people to observe and enjoy wildlife, and leads to improved water quality that is important to everyone. The re-introduction of bison continues to be a huge hit with the public. The effort to reinforce the populations of the federally endangered riffle shell mussel in Big Darby Creek, in cooperation with several conservation partners, received additional attention. 300 acres of habitat restoration projects were completed that will enhance the ability to sustain wildlife populations for decades to come. Sandhill cranes expanded their local populations in the restored wetlands.

#### **CONTACTING THE DISTRICT'S FINANCE DEPARTMENT**

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact William Ruff, Finance Director, Columbus And Franklin County Metropolitan Park District, 1069 West Main Street, Westerville, Ohio 43081.

**COLUMBUS AND FRANKLIN COUNTY  
METROPOLITAN PARK DISTRICT**  
*Statement Of Net Position  
December 31, 2012*

	<b>Governmental Activities</b>
<b><u>Assets:</u></b>	
Equity In Pooled Cash And Cash Equivalents	\$9,785,315
Property Tax Receivable	19,023,150
Due From Other Governments (See Note 8)	3,303,372
Prepaid Items	70,528
Cash And Cash Equivalents With Fiscal Agents	483,363
Land, Wetlands, Land Restoration And Construction In Progress (See Note 9)	161,050,751
Depreciable Capital Assets, Net (See Note 9)	39,918,220
	<b>233,634,699</b>
 <b><u>Liabilities:</u></b>	
Accounts Payable	78,719
Accrued Wages Payable	311,628
Contracts Payable	129,994
Matured Compensated Absences Payable	3,634
Retainage Payable	365,965
Due To Other Governments	121,451
Accrued Interest Payable	3,375
Notes Payable (See Note 17)	2,507,750
Long-Term Liabilities:	
Due Within One Year (See Note 13)	370,028
Due In More Than One Year (See Note 13)	437,542
	<b>4,330,086</b>
 <b><u>Deferred Inflows of Resources:</u></b>	
Property Taxes	17,235,245
	<b>17,235,245</b>
 <b><u>Net Position:</u></b>	
Net Investment In Capital Assets	197,965,262
Restricted For:	
Capital Outlay	7,651,527
Educational Programs:	
Expendable	156,448
Nonexpendable	267,054
Gardens At Inniswood - Nonexpendable	452,558
Unrestricted	5,576,519
	<b>5,576,519</b>
<b>Total Net Position</b>	<b>\$212,069,368</b>

See Auditor's Compilation Report  
See Accompanying Notes To The Basic Financial Statements



**COLUMBUS AND FRANKLIN COUNTY**  
**METROPOLITAN PARK DISTRICT**  
*Balance Sheet*  
**Governmental Funds**  
**December 31, 2012**

	<i>General</i>	<i>Golf Course</i>	<i>Capital Improvement</i>	<i>Nonmajor Governmental Funds</i>	<i>Total Governmental Funds</i>
<b><u>Assets:</u></b>					
Equity In Pooled Cash And Cash Equivalents	\$2,795,497	\$7,244	\$6,286,359	\$696,215	\$9,785,315
Cash And Cash Equivalents With Fiscal Agents	5,000	0	0	478,363	483,363
Receivables:					
Property Taxes	19,023,150	0	0	0	19,023,150
Due From Other Governments (See Note 8)	2,233,347	0	1,070,025	0	3,303,372
Prepaid Items	70,528	0	0	0	70,528
<b>Total Assets</b>	<b>\$24,127,522</b>	<b>\$7,244</b>	<b>\$7,356,384</b>	<b>\$1,174,578</b>	<b>\$32,665,728</b>
<b><u>Liabilities:</u></b>					
Accounts Payable	\$69,219	\$9,500	\$0	\$0	\$78,719
Accrued Wages Payable	290,921	20,707	0	0	311,628
Contracts Payable	0	0	129,994	0	129,994
Matured Compensated Absences Payable	3,634	0	0	0	3,634
Retainage Payable	0	0	365,965	0	365,965
Due To Other Governments	114,306	7,145	0	0	121,451
Accrued Interest Payable	0	0	3,375	0	3,375
Notes Payable (See Note 17)	0	0	2,507,750	0	2,507,750
<b>Total Liabilities</b>	<b>478,080</b>	<b>37,352</b>	<b>3,007,084</b>	<b>0</b>	<b>3,522,516</b>
<b><u>Deferred Inflows of Resources:</u></b>					
Property Taxes	17,235,245	0	0	0	17,235,245
Unavailable Revenue	3,837,402	0	1,070,025	0	4,907,427
<b>Total Deferred Inflows of Resources</b>	<b>21,072,647</b>	<b>0</b>	<b>1,070,025</b>	<b>0</b>	<b>22,142,672</b>
<b><u>Fund Balances:</u></b> (See Note 18)					
Nonspendable	70,528	0	0	719,612	790,140
Restricted	0	0	0	454,966	454,966
Assigned	0	0	3,279,275	0	3,279,275
Unassigned	2,506,267	(30,108)	0	0	2,476,159
<b>Total Fund Balances (Deficit)</b>	<b>2,576,795</b>	<b>(30,108)</b>	<b>3,279,275</b>	<b>1,174,578</b>	<b>7,000,540</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$24,127,522</b>	<b>\$7,244</b>	<b>\$7,356,384</b>	<b>\$1,174,578</b>	<b>\$32,665,728</b>

See Auditor's Compilation Report  
See Accompanying Notes To The Basic Financial Statements

**COLUMBUS AND FRANKLIN COUNTY  
METROPOLITAN PARK DISTRICT  
Reconciliation Of Total Governmental Fund Balances To  
Net Position Of Governmental Activities  
December 31, 2012**

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<b>Total Governmental Fund Balances</b>	\$7,000,540
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*Amounts reported for governmental activities in the Statement Of Net Position are different because:*

Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	132,600,439	
Wetlands	2,746,748	
Land Restoration	10,251,311	
Construction In Progress	15,452,253	
Other Capital Assets	73,067,476	
Accumulated Depreciation	(33,149,256)	
<b>Total</b>	<b>200,968,971</b>	200,968,971

Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:

Property Taxes	1,787,905	
Due From Other Governments	3,119,522	
<b>Total</b>	<b>4,907,427</b>	4,907,427

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Compensated Absences		(807,570)
		(807,570)

<b>Net Position Of Governmental Activities</b>	<b>\$212,069,368</b>
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See Auditor's Compilation Report  
See Accompanying Notes To The Basic Financial Statements



**COLUMBUS AND FRANKLIN COUNTY**  
**METROPOLITAN PARK DISTRICT**  
*Statement Of Revenues, Expenditures And Changes In Fund Balances*  
**Governmental Funds**  
*For The Year Ended December 31, 2012*

	<u>General</u>	<u>Golf Course</u>	<u>Capital Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>Revenues:</u></b>					
Property Taxes	\$17,251,055	\$0	\$0	\$0	\$17,251,055
Intergovernmental	5,058,386	0	4,539,570	0	9,597,956
Charges For Services	89,376	223,091	3,185	0	315,652
Golf Course	0	561,989	0	0	561,989
Fines And Forfeitures	2,448	0	0	0	2,448
Investment Earnings	4,130	0	45,328	12,315	61,773
Rent	424,255	263,368	0	0	687,623
Contributions And Donations	36,149	25,000	187,721	30,685	279,555
Miscellaneous	123,138	1,259	0	0	124,397
<b>Total Revenues</b>	<b>22,988,937</b>	<b>1,074,707</b>	<b>4,775,804</b>	<b>43,000</b>	<b>28,882,448</b>
<b><u>Expenditures:</u></b>					
Current Operations And Maintenance:					
Administration:					
Salaries And Benefits	1,247,620	872,608	0	0	2,120,228
All Other	880,232	6,498	0	0	886,730
Education	2,198,210	0	0	0	2,198,210
Park Operations	6,760,226	34,750	0	17,183	6,812,159
Park Planning	207,777	0	0	0	207,777
Park Promotion	711,971	0	0	0	711,971
Rental Property	256,906	0	0	0	256,906
Natural Resource Management	307,872	0	0	0	307,872
Golf Course	24,993	347,482	0	0	372,475
Park Safety	2,764,492	0	0	0	2,764,492
Capital Outlay	387,155	52,129	17,902,965	0	18,342,249
Debt Service:					
Interest And Fiscal Charges	0	0	9,535	0	9,535
<b>Total Expenditures</b>	<b>15,747,454</b>	<b>1,313,467</b>	<b>17,912,500</b>	<b>17,183</b>	<b>34,990,604</b>
Excess Of Revenues					
Over (Under) Expenditures	7,241,483	(238,760)	(13,136,696)	25,817	(6,108,156)
<b><u>Other Financing Sources (Uses):</u></b>					
Proceeds From Sale Of Capital Assets	2,834	0	0	0	2,834
Transfers - In (See Note 16)	0	240,000	5,100,000	0	5,340,000
Transfers - Out (See Note 16)	(5,340,000)	0	0	0	(5,340,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(5,337,166)</b>	<b>240,000</b>	<b>5,100,000</b>	<b>0</b>	<b>2,834</b>
<b>Net Change In Fund Balances</b>	<b>1,904,317</b>	<b>1,240</b>	<b>(8,036,696)</b>	<b>25,817</b>	<b>(6,105,322)</b>
<b>Fund Balances (Deficit) At Beginning Of Year</b>	<b>672,478</b>	<b>(31,348)</b>	<b>11,315,971</b>	<b>1,148,761</b>	<b>13,105,862</b>
<b>Fund Balances (Deficit) At End Of Year</b>	<b>\$2,576,795</b>	<b>(\$30,108)</b>	<b>\$3,279,275</b>	<b>\$1,174,578</b>	<b>\$7,000,540</b>

See Auditor's Compilation Report  
See Accompanying Notes To The Basic Financial Statements

**COLUMBUS AND FRANKLIN COUNTY**  
**METROPOLITAN PARK DISTRICT**  
*Reconciliation Of The Statement Of Revenues, Expenditures And Changes  
In Fund Balances Of Governmental Funds To The Statement Of Activities  
For The Year Ended December 31, 2012*

**Net Change In Fund Balances - Total Governmental Funds** (\$6,105,322)

*Amounts reported for governmental activities in the Statement Of Activities are different because:*

Governmental funds report capital outlays as expenditures. However, in the Statement Of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Assets Additions	18,163,833	
Depreciation	(2,030,767)	
Excess Of Capital Outlay Over Depreciation Expense	16,133,066	16,133,066

The proceeds from the sale of capital assets are reported as revenue in the governmental funds. However, the cost of capital assets is removed from the capital assets account in the Statement Of Net Position and offset against the proceeds from the sale of capital assets resulting in a loss on the disposal of capital assets in the Statement Of Activities.

Proceeds From Sale Of Capital Assets		(2,834)
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Revenue in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Property Taxes	(136,999)	
Intergovernmental	250,259	
Accrued Interest	(31,690)	
	81,570	81,570

Some items reported as expenses in the Statement Of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:

Decrease In Compensated Absences		80,782
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**Change In Net Position Of Governmental Activities** \$10,187,262

See Auditor's Compilation Report

See Accompanying Notes To The Basic Financial Statements

**COLUMBUS AND FRANKLIN COUNTY  
METROPOLITAN PARK DISTRICT**  
*Statement Of Revenues, Expenditures And Changes In  
Fund Balance - Budget And Actual (Budget Basis)  
General Fund  
For The Year Ended December 31, 2012*

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Revenues:</u></b>				
Property Taxes	\$18,264,555	\$18,264,555	\$17,251,055	(\$1,013,500)
Intergovernmental	6,123,418	6,123,418	5,181,105	(942,313)
Charges For Services	158,310	158,310	89,376	(68,934)
Fines And Forfeitures	0	0	2,448	2,448
Investment Earnings	82,024	82,024	4,130	(77,894)
Rent	865,426	865,426	424,255	(441,171)
Contributions And Donations	35,884	35,884	36,149	265
Miscellaneous	42,216	42,216	6,595	(35,621)
<b>Total Revenues</b>	<b>25,571,833</b>	<b>25,571,833</b>	<b>22,995,113</b>	<b>(2,576,720)</b>
<b><u>Expenditures:</u></b>				
Current Operations And Maintenance:				
Administration:				
Salaries And Benefits	1,357,280	1,357,280	1,255,289	101,991
All Other	1,005,098	1,005,098	904,089	101,009
Education	2,358,007	2,358,007	2,217,230	140,777
Park Operations	7,010,325	7,010,325	6,783,984	226,341
Park Planning	216,628	216,628	209,156	7,472
Park Promotion	876,755	876,755	712,666	164,089
Rental Property	499,334	499,334	243,979	255,355
Natural Resource Management	396,430	396,430	366,304	30,126
Golf Course	30,750	30,750	27,278	3,472
Park Safety	2,901,404	2,901,404	2,780,971	120,433
Capital Outlay	410,222	410,222	401,644	8,578
<b>Total Expenditures</b>	<b>17,062,233</b>	<b>17,062,233</b>	<b>15,902,590</b>	<b>1,159,643</b>
Excess Of Revenues Over (Under) Expenditures	8,509,600	8,509,600	7,092,523	(1,417,077)
<b><u>Other Financing Sources (Uses):</u></b>				
Proceeds From Sale Of Capital Assets	0	0	2,834	2,834
Refund Of Prior Year Receipts	(7,200)	(7,200)	(5,666)	1,534
Refund Of Prior Year Expenditures	0	0	116,543	116,543
Transfers - Out	(5,300,000)	(5,340,000)	(5,340,000)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(5,307,200)</b>	<b>(5,347,200)</b>	<b>(5,226,289)</b>	<b>120,911</b>
<b>Net Change In Fund Balance</b>	<b>3,202,400</b>	<b>3,162,400</b>	<b>1,866,234</b>	<b>(1,296,166)</b>
<b>Fund Balance At Beginning Of Year</b>	<b>311,177</b>	<b>311,177</b>	<b>311,177</b>	<b>0</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>448,116</b>	<b>448,116</b>	<b>448,116</b>	<b>0</b>
<b>Fund Balance At End Of Year</b>	<b>\$3,961,693</b>	<b>\$3,921,693</b>	<b>\$2,625,527</b>	<b>(\$1,296,166)</b>

See Auditor's Compilation Report  
See Accompanying Notes To The Basic Financial Statements

**COLUMBUS AND FRANKLIN COUNTY**  
**METROPOLITAN PARK DISTRICT**  
*Statement Of Revenues, Expenditures And Changes In*  
**Fund Balance - Budget And Actual (Budget Basis)**  
**Golf Course Special Revenue Fund**  
**For The Year Ended December 31, 2012**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Budgetary Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Revenues:</u></b>				
Charges For Services	\$92,200	\$92,200	\$223,183	\$130,983
Golf Course	834,900	834,900	561,989	(272,911)
Rent	272,900	272,900	263,368	(9,532)
Contributions and Donations	25,000	25,000	25,000	0
Miscellaneous	0	0	1,259	1,259
<i>Total Revenues</i>	<u>1,225,000</u>	<u>1,225,000</u>	<u>1,074,799</u>	<u>(150,201)</u>
<b><u>Expenditures:</u></b>				
Current Operations And Maintenance:				
Administration	920,316	920,316	880,611	39,705
Park Operations	36,395	36,395	34,750	1,645
Golf Course	360,400	360,400	360,396	4
Capital Outlay	52,200	52,200	52,129	71
<i>Total Expenditures</i>	<u>1,369,311</u>	<u>1,369,311</u>	<u>1,327,886</u>	<u>41,425</u>
Excess Of Revenues Under Expenditures	(144,311)	(144,311)	(253,087)	(108,776)
<b><u>Other Financing Sources:</u></b>				
Transfers - In	0	240,000	240,000	0
<i>Net Change In Fund Balance</i>	(144,311)	95,689	(13,087)	(108,776)
<i>Fund Balance (Deficit) At Beginning Of Year</i>	(50,047)	(50,047)	(50,047)	0
<i>Prior Year Encumbrances Appropriated</i>	<u>51,812</u>	<u>51,812</u>	<u>51,811</u>	<u>1</u>
<i>Fund Balance (Deficit) At End Of Year</i>	<u>(\$142,546)</u>	<u>\$97,454</u>	<u>(\$11,323)</u>	<u>(\$108,775)</u>

See Auditor's Compilation Report  
See Accompanying Notes To The Basic Financial Statements

**COLUMBUS AND FRANKLIN COUNTY**  
**METROPOLITAN PARK DISTRICT**  
*Notes To The Basic Financial Statements*  
*For The Year Ended December 31, 2012*

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**NOTE 1 - DESCRIPTION OF THE DISTRICT AND REPORTING ENTITY**

The Columbus and Franklin County Metropolitan Park District (the “District”) is a body politic established to exercise the rights and privileges conveyed to it under the authority of Section 1545.01, Ohio Revised Code.

The District’s governing body is a three member Board of Commissioners appointed by the probate judge of Franklin County. The District is classified as a related organization of Franklin County.

The District acquires land for conversion into forest reserves and for the conservation of natural resources, including streams, lakes, submerged lands and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve, protect and promote the use of same as the Board deems conducive to the general welfare. These activities are directly controlled by the Board through the budgetary process and are included within this report.

In evaluating how to define the District for financial reporting purposes, management has considered all agencies, departments and organizations making up the Columbus and Franklin County Metropolitan Park District and its potential component units consistent with *Governmental Accounting Standards Board Statement No. 14, “The Financial Reporting Entity.”*

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District, in that the District approves the organization’s budget, the issuance of its debt, or the levying of its taxes. The District has no component units.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District’s accounting policies are described below.

**BASIS OF PRESENTATION**

The District’s basic financial statements consist of government-wide statements, including a Statement Of Net Position and a Statement Of Activities, and fund financial statements which provide a more detailed level of financial information.

**COLUMBUS AND FRANKLIN COUNTY**  
**METROPOLITAN PARK DISTRICT**  
*Notes To The Basic Financial Statements*  
*For The Year Ended December 31, 2012*

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*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 all financial activities of the District. The statements usually distinguish between those activities of the District that are governmental in nature and those that are considered business-type activities. The District, however, has no activities that are classified as business-type.

The Statement Of Net Position presents the financial condition of the governmental activities of the District at year-end. The Statement Of Activities presents a comparison between direct expenses and program revenues for each program or function 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, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support 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 governmental function is self-financing or draws from the general revenues of the District.

*FUND FINANCIAL STATEMENTS*

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

**FUND ACCOUNTING**

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

Governmental funds are those through which most governmental functions are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

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

Golf Course – This fund accounts for and reports committed revenues associated with the operation of the Blacklick Woods Golf Course.

**COLUMBUS AND FRANKLIN COUNTY**  
**METROPOLITAN PARK DISTRICT**  
*Notes To The Basic Financial Statements*  
*For The Year Ended December 31, 2012*

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Capital Improvement – This fund accounts for and reports assigned revenues which are used by the District for various acquisition, construction and improvement projects. These revenues consist of tax dollars, local resources and federal and State grants.

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

**MEASUREMENT FOCUS**

*GOVERNMENT-WIDE FINANCIAL STATEMENTS*

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the Statement Of Net Position. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

*FUND FINANCIAL STATEMENTS*

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the Balance Sheet. The Statement Of Revenues, Expenditures And Changes In Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide 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.

**BASIS OF ACCOUNTING**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

*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. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. “Measurable” means that the amount of the transaction can be determined and “available” means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the District, available means expected to be received within 31 days of year-end.

**COLUMBUS AND FRANKLIN COUNTY**  
**METROPOLITAN PARK DISTRICT**  
*Notes To The Basic Financial Statements*  
*For The Year Ended December 31, 2012*

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Non-exchange 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 year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the 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 the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: state-levied locally shared taxes and grants.

***DEFERRED INFLOWS OF RESOURCES***

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes and unavailable revenue.

***EXPENSES/EXPENDITURES***

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**CASH AND CASH EQUIVALENTS**

To improve cash management, cash received by the District is pooled. Monies for all funds, except for money held by Franklin County and the Inniswood Permanent Fund, are maintained in this pool. Individual fund integrity is maintained through the District's records. Interest in the pool is presented as "Equity In Pooled Cash And Cash Equivalents" on the financial statements. The District also has an amount with Franklin County, who processes the District's payroll, to cover any payroll adjustments. The cash in the Inniswood Permanent Fund is held by the Columbus Foundation. The balances in these accounts are presented on the financial statements as "Cash And Cash Equivalents With Fiscal Agents."

During 2012, the District's investments were limited to the State Treasury Asset Reserve of Ohio (STAROhio) and PNC Government Mortgage Fund-Class I Mutual Fund. Investments in the mutual fund are reported at fair value which is based on the fund's quoted market price.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during 2012. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's net asset value per share, which is the price the investment could be sold for on December 31, 2012.



**COLUMBUS AND FRANKLIN COUNTY**  
**METROPOLITAN PARK DISTRICT**  
*Notes To The Basic Financial Statements*  
*For The Year Ended December 31, 2012*

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Interest income is distributed to the funds according to Ohio constitutional and statutory requirements. Interest revenue credited to the General Fund during 2012 amounted to \$4,130, which includes \$2,945 assigned from other funds.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are reported as cash equivalents on the financial statements.

**PREPAID ITEMS**

Payments made to vendors for services that will benefit periods beyond December 31, 2012 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which the services are consumed.

**CAPITAL ASSETS**

General capital assets are capital assets that are associated with and generally rise from governmental activities. These assets generally result from expenditures in governmental funds. These assets are reported in the governmental activities column of the government-wide Statement Of Net Position but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values on the date donated. The District maintains a capitalization threshold of \$1,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All reported capital assets, except Land, Wetlands, Land Restoration, and Construction In Progress, are depreciated. The District has elected to report Wetlands and Land Restoration as separate, non-depreciable capital assets. The value of Wetlands is the cost the District incurred to restore or create Wetlands on District property. Land Restoration is the cost incurred to restore acquired land back to its natural habitat by removing levees and planting trees and grasses. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for Infrastructure were estimated based on the District's historical records of necessary improvements and replacements.

**COLUMBUS AND FRANKLIN COUNTY**  
**METROPOLITAN PARK DISTRICT**  
*Notes To The Basic Financial Statements*  
*For The Year Ended December 31, 2012*

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Depreciation is computed using the straight-line method over the following useful lives:

<u>Descriptions</u>	<u>Estimated Life</u>
Land Improvements	10 - 25 years
Buildings	40 years
Equipment	7 years
Furnishings	5 years
Radios	5 years
Vehicles	5 years
Computer Equipment	6 years
Infrastructure:	
Roads	10-50 years
All Purpose Trails	50 years
Other Paved Areas	5-30 years

In the case of the initial capitalization of general infrastructure assets, the District chose to include all such items regardless of their acquisition date.

**ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as liabilities in the fund financial statements only to the extent that they are due for payment during the current year.

**COMPENSATED ABSENCES**

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based upon the District's past experience of making termination payments.

The entire compensated absences liability is reported on the government-wide financial statements. On governmental fund financial statements, compensated absences are reported as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations or retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the funds from which the employees are paid.

**COLUMBUS AND FRANKLIN COUNTY**  
**METROPOLITAN PARK DISTRICT**  
*Notes To The Basic Financial Statements*  
*For The Year Ended December 31, 2012*

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**FUND BALANCE RESERVES**

Fund balance is divided into five classifications 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 classifications are as follows:

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District. Those committed amounts cannot be used for any other purpose unless the District’s Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District’s for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Directors delegated that authority ordinance or by State statute. State statute authorizes the finance director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

**INTERNAL ACTIVITY**

Transfers within governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

**COLUMBUS AND FRANKLIN COUNTY**  
**METROPOLITAN PARK DISTRICT**  
*Notes To The Basic Financial Statements*  
*For The Year Ended December 31, 2012*

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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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**NET POSITION**

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. A portion of certain governmental long-term liabilities is not related to governmental activities because, although the entire debt is being paid from governmental activities, part of the proceeds were used to purchase assets used in the business-type activities. The unrelated portion of these liabilities is included in the calculation of unrestricted net position,

Net position is reported as restricted when there are limitations imposed on their use either 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 is available.

**BUDGETARY PROCESS**

All funds of the District are legally required to be budgeted and appropriated. 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 tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board at the fund level. The Finance Director has been authorized to allocate appropriations to the function and object level within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts reflect the amounts on the amended certificate in effect at the time final appropriations were passed by the Board.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year, including all supplemental appropriations.

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 these estimates.

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**NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES**

For 2012, the District has implemented Governmental Accounting Standard Board (GASB) *Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”* and *Statement No. 65, “Items Previously Reported as Assets and Liabilities,”*

*GASB Statement No. 63* provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related note disclosures. These changes were incorporated in the District’s 2012 financial statements; however, there was no effect on beginning net position/fund balance.

*GASB Statement No. 65* properly classifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognizes certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). These changes were incorporated in the District’s 2012 financial statements; however, there was no effect on beginning net position/fund balance.

**NOTE 4 – ACCOUNTABILITY**

At December 31, 2012, the Golf Course Special Revenue fund had a deficit fund balance of \$30,108. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement Of Revenues, Expenditures And Changes In Fund Balance – Budget And Actual (Budget Basis) is presented for the General Fund and the Golf Course Special Revenue Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- (c) Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed, or assigned fund balance (GAAP basis).

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The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis for the General Fund and the Golf Course Special Revenue Fund are as follows:

Net Change in Fund Balance		
	General Fund	Golf Course Fund
GAAP Basis	\$1,904,317	\$1,240
Increases (Decreases) Due To:		
Revenue Accruals	122,719	92
Expenditure Accruals	14,168	4,148
Encumbrances	(174,970)	(18,567)
Budget Basis	\$1,866,234	(\$13,087)

**NOTE 6 - DEPOSIT AND INVESTMENTS**

State statutes classify monies held by the District into three categories.

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

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

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

Interim monies may be deposited or invested in the following securities:

1. 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 and interest by the United States;
2. 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;

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3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to 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;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) 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;
7. The State Treasurer's investment pool (STAROhio); and
8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time.

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

*Deposits:* Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end, \$750,000 of the District's \$9,009,331 bank balance was FDIC insured and not exposed to custodial credit risk. The remaining \$8,259,331 was not insured but collateralized with securities held by the pledging financial institution. This \$8,259,331 is exposed to custodial credit risk because the collateralized securities are not held by a third party administrator.

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or protected by eligible securities pledged to and deposited either with the District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledge to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of the deposits being secured.

*Investments:* As of December 31, 2012, the District had the following investments. All investments, except the PNC Government Mortgage Fund-Class I, are in an internal investment pool.

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	Fair Value	Investment Maturities (in Years)	
		Less than 1	1 - 2
STAROhio	\$901,099	\$901,099	\$0
PNC Government Mortgage Fund - Class I	476,397	0	476,397
Totals	<u>\$1,377,496</u>	<u>\$901,099</u>	<u>\$476,397</u>

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

*Credit Risk:* STAROhio carries a rating of AAAM by Standard and Poor's. The PNC Government Mortgage Fund-Class I Mutual Fund also carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service and that the Mutual Fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The District has no policy regarding credit risk.

**NOTE 7 - PROPERTY TAX**

Property taxes include amounts levied against all real and public utility property located in the District. Property tax revenue received during 2012 for real and public utility property taxes represents collections of 2011 taxes.

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

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2012 public utility property taxes which became a lien December 31, 2011, are levied after October 1, 2012, and are collected in 2013 with real property taxes.



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The full tax rate for all District operations for the year ended December 31, 2012, was \$0.75 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2012 property tax receipts were based are as follows:

Category	Assessed Value
Real Property:	
Agricultural/Residential	\$17,831,612,990
Commercial/Industrial/Mineral	7,804,202,230
Public Utility Real	12,285,330
Tangible Personal Property:	
Public Utility Personal	654,908,400
Total	\$26,303,008,950

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the District. The County Auditor periodically remits to the District its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2012, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2012 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

The District has a .75 mill property tax levy that started in 2009 and runs through 2018, for the purpose of conserving natural resources; developing, improving, maintaining, and operating the various parks and other properties of the District; and for acquiring, developing, improving, maintaining and operating additional lands. The District records all of the levy monies in the General Fund. Transfers to the Capital Improvement Capital Projects Fund will be made when funds are needed to complete projects.

**NOTE 8 - RECEIVABLES**

Receivables at December 31, 2012, consisted of Property Taxes and Due From Other Governments. All receivables are considered fully collectible and will be collected within one year, with the exception of Property Taxes. Property Taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

A summary of the principal items due from other governments follows:

	Amount
<u>Governmental Activities</u>	
Local Government	\$1,268,175
Homestead And Rollback	965,172
Blacklick Creek Bike Path	152,077
Ohio EPA Grant - Blacklick Creek Repair/Restoration	10,448
Falter Property Acquisition	907,500
Total Due From Other Governments	\$3,303,372

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**NOTE 9 - CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2012, was as follows:

	Balance At 12/31/2011	Additions	Deletions	Balance At 12/31/2012
<u>Governmental Activities</u>				
Capital Assets, Not Being Depreciated:				
Land	\$125,184,790	\$7,415,649	\$0	\$132,600,439
Wetlands	2,746,748	0	0	2,746,748
Land Restoration	10,141,072	110,239	0	10,251,311
Construction In Progress	7,704,914	10,316,439	(2,569,100)	15,452,253
Total Capital Assets, Not Being Depreciated	<u>145,777,524</u>	<u>17,842,327</u>	<u>(2,569,100)</u>	<u>161,050,751</u>
Depreciable Capital Assets:				
Land Improvements	7,341,276	341,707	0	7,682,983
Buildings	21,029,711	491,963	0	21,521,674
Equipment	4,181,978	151,023	(46,092)	4,286,909
Furnishings	153,514	10,925	0	164,439
Radios	461,360	0	(3,356)	458,004
Vehicles	1,694,547	187,361	(104,810)	1,777,098
Computer Equipment	269,532	20,450	(15,667)	274,315
Infrastructure	35,214,877	1,687,177	0	36,902,054
Total Depreciable Capital Assets	<u>70,346,795</u>	<u>2,890,606</u>	<u>(169,925)</u>	<u>73,067,476</u>
Less Accumulated Depreciation:				
Land Improvements	(3,073,204)	(676,181)	0	(3,749,385)
Buildings	(8,873,797)	(523,096)	0	(9,396,893)
Equipment	(3,496,221)	(218,476)	43,537	(3,671,160)
Furnishings	(137,579)	(11,824)	0	(149,403)
Radios	(272,900)	(49,890)	3,356	(319,434)
Vehicles	(1,428,114)	(135,473)	104,810	(1,458,777)
Computer Equipment	(222,420)	(20,533)	15,388	(227,565)
Infrastructure	(13,781,345)	(395,294)	0	(14,176,639)
Total Accumulated Depreciation	<u>(31,285,580)</u>	<u>(2,030,767) *</u>	<u>167,091</u>	<u>(33,149,256)</u>
Depreciable Capital Assets, Net	<u>39,061,215</u>	<u>859,839</u>	<u>(2,834)</u>	<u>39,918,220</u>
Governmental Activities Capital Assets, Net	<u>\$184,838,739</u>	<u>\$18,702,166</u>	<u>(\$2,571,934)</u>	<u>\$200,968,971</u>

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\* Depreciation expense was charged to governmental programs as follows:

Administration	\$72,190
Education	385,541
Park Operations	1,210,003
Rental Property	24,734
Natural Resource Management	2,875
Golf Course	193,748
Park Safety	141,676
Total Depreciation Expense	<u>\$2,030,767</u>

**NOTE 10 - DEFINED BENEFIT PENSION PLAN**

**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM**

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

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

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll. For the year ended December 31, 2012, members in state and local divisions contributed 10 percent of covered payroll. For 2012, member and employer contribution rates were consistent across all three plans.

The District's 2012 contribution rate was 14.0 percent. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 4.0 percent for 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2012. Employer contribution rates are actuarially determined.

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The District's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2012, 2011, and 2010 were \$904,091, \$877,374, and \$748,937, respectively. For 2012, 96.12 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

**NOTE 11 - POSTEMPLOYMENT BENEFITS**

**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM**

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2012, state and local employers contributed at a rate of 14.0 percent of covered payroll. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0 percent for 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2012. Effective January 1, 2013, the portion of employer contributions allocated to healthcare was lowered to 1 percent for both plans, as recommended by the OPERS Actuary.

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The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The District's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2012, 2011, and 2010, were \$361,637, \$350,950, and \$416,076, respectively. For 2012, 96.12 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2011 and 2010.

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 12 - EMPLOYEE BENEFITS**

**COMPENSATED ABSENCES**

Vacation leave accumulates at the completion of each two-week payroll cycle, reflecting hours worked and longevity, beginning with the full-time employees' first payroll period. Part-time employees are eligible to earn vacation at a rate of .025 for each hour worked. Vacation can be accumulated up to a maximum of two years for full-time employees and up to 40 hours for part-time employees. Employees are paid for earned, unused vacation leave at the time of termination of employment.

Sick leave is earned bi-weekly at the rate of 2.3077 hours for each week worked, beginning with the date of appointment to a full-time position, and can be accumulated without limit. Employees with 10 or more years of continuous full-time employment with the District who voluntarily leave employment, retire, or die, are paid for one-fourth of the sick leave balance accrued through the last date of service up to a maximum of 30 days.

Full-time hourly employees working in excess of designated work hours can choose between paid overtime or compensatory time, while part-time and seasonal employees working in excess of designated work hours will be paid for overtime. Compensatory time may be accumulated up to 240 hours. Employees who accumulate in excess of 240 hours will be paid for the excess hours at the next pay date. Employees are paid for earned, unused compensatory time at the time of termination of employment. Bargaining unit employees (full-time rangers) working in excess of designated work hours can choose between paid overtime or compensatory time. Compensatory time for bargaining unit employees may be accumulated up to 120 hours. Bargaining unit employees are paid for earned, unused compensatory time at the time of termination of employment.

Holiday time may be accumulated by full-time employees, but must be used prior to year-end.

**INSURANCE**

The District provides hospitalization and surgical insurance through United Healthcare of Ohio, Inc. The prescription drug plan is provided through Express Scripts, Inc. Dental insurance is provided through Aetna Dental. Vision insurance is provided through Vision Service Plus. Life insurance is provided through The Standard Life Insurance Company.

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**DEFERRED COMPENSATION**

District employees may participate in the Ohio Public Employees Deferred Compensation Plan or the County Commissioners Association of Ohio Deferred Compensation Plan. These plans were created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to both plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

**NOTE 13 - LONG-TERM OBLIGATIONS**

The change in the District's long-term obligations during the year consisted of the following:

<u>Types / Issues</u>	<u>Balance 12/31/11</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/12</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>					
Compensated Absences	\$888,352	\$359,715	\$440,497	\$807,570	\$370,028

Compensated absences will be paid from the General Fund and the Golf Course Special Revenue Fund.

**NOTE 14 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2012, the District contracted with several companies for various types of insurance coverage as follows:

Selective Insurance	Property (\$1,000 deductible)	\$23,348,137	
	Inland Marine (\$5,000 deductible)	3,702,670	
	Electronic Data Processing - Computer Coverage (\$500 deductible)	35,791	
	Boiler and Machinery (\$1,000 deductible)	23,348,137	
	Crime (\$500 deductible)	10,000	
	General Liability - Occurrence	1,000,000	
	- Aggregate	3,000,000	
	Public Officials (\$10,000 deductible)	1,000,000	
	Employment Practices (\$10,000 deductible)	1,000,000	
	Automobile Liability	1,000,000	
	Umbrella	10,000,000	
	Ohio Farmers	Bond for Finance Director	500,000

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

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. There has been no significant change in coverage from last year.

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**NOTE 15 - CONTRACTUAL COMMITMENTS**

At December 31, 2012, the District's significant contractual commitments consisted of:

Projects	Contract Amount	Amount Completed	Balance at 12/31/2012
District-Wide Picnic Area Trees	\$29,306	\$23,003	\$6,160
Blacklick Creek Greenway Phase 10	1,831,682	1,830,983	699
Blacklick Creek Greenway Repair/Restoration	329,592	327,528	2,064
Big Walnut Creek Greenways Phase 1	185,342	184,035	1,307
Camp Chase Trail Galloway Road to Sullivant Avenue	731,134	666,189	64,945
Camp Chase Trail Kropp Road to Galloway Road	2,530,379	762,579	1,767,800
Battelle Darby Creek Nature Center	6,547,498	6,506,193	41,305
Alkire Road Bridge Trail	1,308,338	630,358	677,980
Kuhlwein Wetland Phase 2	184,584	184,501	83
Headquarter Improvements	22,739	17,520	5,219
Morgan Run Water Resource Restoration			
Sponsorship Program	620,407	620,124	283
Heritage Park Dog Park	63,862	33,283	30,579
Environmental Remediation	709,332	638,078	71,253
Scioto Impound Lot Facility Development	816,086	132,634	683,452
Office Renovations	367,069	340,836	26,233
Development of Buckeye Area	888,556	789,124	99,432
Totals	<u>\$17,165,906</u>	<u>\$13,686,968</u>	<u>\$3,478,794</u>

**NOTE 16 - INTERFUND ACTIVITY**

The transfer made during the year ended December 31, 2012, was as follows:

Transfer To	Transfer From General Fund
Golf Course	\$240,000
Capital Improvement Fund	5,100,000
Total	<u>\$5,340,000</u>

The transfer from the General Fund to the Capital Improvement Fund was made to fund capital projects of the District. Transfers made from the General Fund to the Golf Course fund were made to help fund operations of the Golf Course.

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**NOTE 17 – SHORT-TERM DEBT**

A summary of the short-term note transactions for the year ended December 31, 2012, follows:

Types / Issues	Balance 12/31/11	Issued	Retired	Balance 12/31/12
2012 - 1.25% Land Acquisition				
Bond Anticipation Notes \$2,500,000	\$0	\$2,500,000	\$0	\$2,500,000

On December 4, 2012, the District issued \$2,500,000 in Land Acquisition Bond Anticipation Notes. The notes were issued at an interest rate of 1.25 percent with a final maturity date of August 14, 2013. The District will pay off the bond anticipation notes at maturity.

**NOTE 18 - FUND BALANCES**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or 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	Golf Course	Capital Improvement	Nonmajor Funds	Total
<b><i>Nonspendable</i></b>					
Prepays	\$70,528	\$0	\$0	\$0	\$70,528
Inniswood Capital Improvements	0	0	0	452,558	452,558
E. S. Thomas Educational Fund	0	0	0	253,880	253,880
J. C. Hambleton Memorial Fund	0	0	0	13,174	13,174
<b><i>Total Nonspendable</i></b>	<b>70,528</b>	<b>0</b>	<b>0</b>	<b>719,612</b>	<b>790,140</b>
<b><i>Restricted for</i></b>					
A. F. Beck	0	0	0	19,883	19,883
Inniswood Capital Improvements	0	0	0	25,805	25,805
M & A Thomas Inniswood	0	0	0	278,635	278,635
E. S. Thomas Educational Fund	0	0	0	118,855	118,855
J. C. Hambleton Memorial Fund	0	0	0	11,788	11,788
<b><i>Total Restricted</i></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>454,966</b>	<b>454,966</b>
<b><i>Assigned to</i></b>					
Capital Improvements	0	0	3,279,275	0	3,279,275
<b><i>Unassigned (Deficit)</i></b>	<b>2,506,267</b>	<b>(30,108)</b>	<b>0</b>	<b>0</b>	<b>2,476,159</b>
<b><i>Total Fund Balances (Deficit)</i></b>	<b>\$2,576,795</b>	<b>(\$30,108)</b>	<b>\$3,279,275</b>	<b>\$1,174,578</b>	<b>\$7,000,540</b>



**COLUMBUS AND FRANKLIN COUNTY**  
**METROPOLITAN PARK DISTRICT**  
*Notes To The Basic Financial Statements*  
*For The Year Ended December 31, 2012*

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**NOTE 19 - CONTINGENT LIABILITIES**

**FEDERAL AND STATE GRANTS**

For the period January 1, 2012, to December 31, 2012, the District received federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the District believes such disallowance, if any, would be immaterial.

**LITIGATION**

The District is not party to any legal proceedings.

**NOTE 20 - DONOR RESTRICTED ENDOWMENTS**

The District's permanent funds include donor restricted endowments of \$719,612. Endowments in the amount of \$719,612 represent the principal portion. The amount of net appreciation in donor restricted investments that is available for expenditures by the District is \$130,643 and is included as held in trust for educational programs. State law permits the District to appropriate, for purposes consistent with the endowment's intent, net appreciation, realized and unrealized, unless the endowment terms specify otherwise. The endowments indicate that the interest should be used to provide educational programs.