



OHIO AUDITOR OF STATE
KEITH FABER



**LORAIN COUNTY METROPOLITAN PARK DISTRICT
LORAIN COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis – For the Year Ended December 31, 2022	5
Government-wide Financial Statements:	
Statement of Net Position – Cash Basis – December 31, 2022	11
Statement of Activities – Cash Basis – For the Year Ended December 31, 2022	12
Statement of Assets and Fund Balance	
Governmental Fund – December 31, 2022	13
Statement of Receipts, Disbursements, and Changes in Fund Balance	
(Cash Basis) - Governmental Fund – For the Year Ended December 31, 2022	14
Statement of Receipts, Disbursements and Changes in	
Fund Balance – Budget and Actual – Budget Basis	
General Fund – For the Year Ended December 31, 2022	15
Notes to the Basic Financial Statements – For the Year Ended December 31, 2022	17
Management's Discussion and Analysis – For the Year Ended December 31, 2021	31
Government-wide Financial Statements:	
Statement of Net Position – Cash Basis – December 31, 2021	37
Statement of Activities – Cash Basis – For the Year Ended December 31, 2021	38
Statement of Cash Basis Position and Fund Balance	
Governmental Fund – December 31, 2021	39
Statement of Receipts, Disbursements, and Changes in Fund Balance	
(Cash Basis) - Governmental Fund – For the Year Ended December 31, 2021	40
Statement of Receipts, Disbursements and Changes in	
Fund Balance – Budget and Actual – Budget Basis	
General Fund – For the Year Ended December 31, 2021	41
Notes to the Basic Financial Statements.....	43
Independent Auditor's Report on Internal Control Over Financial	
Reporting and on Compliance and Other Matters	
Required by <i>Government Auditing Standards</i>	57

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Park Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the cash-basis financial statements of the governmental activities and the major fund of the Lorain County Metropolitan Park District, Lorain County, Ohio (the Park District), as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Park District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities and the major fund of the Lorain County Metropolitan Park District, as of December 31, 2022 and 2021, and the respective changes in cash-basis financial position thereof and the budgetary comparison for the General Fund for the years then ended in accordance with the cash-basis of accounting described in Note 2.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Park District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Park District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Park District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Park District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

We applied no procedures to management's discussion & analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2023, on our consideration of the Park District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Park District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Park District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

November 17, 2023

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LORAIN COUNTY METROPOLITAN PARK DISTRICT
LORAIN COUNTY
Management's Discussion and Analysis
For the Year Ended December 31, 2022

Unaudited

This discussion and analysis of Lorain County Metropolitan Park District, Lorain County, Ohio (the Park District) financial performance provides an overall review of the Park District's financial activities for the year ended December 31, 2022, within the limitations of the Park District's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Park District's financial performance.

Highlights

Key highlights for 2022 are as follows:

Net position of governmental activities decreased (\$705,923) or 7.86%, a change from the prior year.

The Park District's general receipts are primarily property and other local taxes. These receipts represent respectively 69.9 percent of the total cash received for activities during the year.

Using the Basic Financial Statements

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

Report Components

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

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

Basis of Accounting

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

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

Reporting the Park District as a Whole

The statement of net position and the statement of activities reflect how the Park District did financially during 2022, within the limitations of cash basis accounting. The statement of net position presents the cash and cash equivalents of the governmental activities of the Park District at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program.

LORAIN COUNTY METROPOLITAN PARK DISTRICT
LORAIN COUNTY
Management's Discussion and Analysis
For the Year Ended December 31, 2022

Unaudited

General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Park District's general receipts.

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

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

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

Reporting the Park District's Most Significant Funds

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

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

LORAIN COUNTY METROPOLITAN PARK DISTRICT
LORAIN COUNTY
Management's Discussion and Analysis
For the Year Ended December 31, 2022

Unaudited

The Park District as a Whole

Table 1 provides a summary of the Park District's net position for 2021 and 2022. A comparative analysis will be presented.

(TABLE 1)
Net Position

	2021	2022
Assets		
Cash and Cash Equivalents	\$8,979,326	\$8,273,403
<i>Total Assets</i>	\$8,979,326	\$8,273,403
Net Position		
Unrestricted	8,979,326	8,273,403
<i>Total Net Position</i>	\$8,979,326	\$8,273,403

As mentioned previously, net position of governmental activities decreased (\$705,923) or 7.86% during 2022.

LORAIN COUNTY METROPOLITAN PARK DISTRICT
LORAIN COUNTY
Management's Discussion and Analysis
For the Year Ended December 31, 2022

Unaudited

Table 2 reflects the changes in net position in 2021 and 2022. A comparative analysis will be presented.

(Table 2)

Changes in Net Assets

	2021	2022
Receipts		
Program Receipts:		
Charges for Services and Sales	\$ 2,217,620	\$ 2,625,828
Capital Grants and Contributions	127,238	0
Total Program Receipts	2,344,858	2,625,828
General Receipts:		
Property and Other Local Taxes	10,010,692	9,851,042
Grants and Entitlement NOT Restricted to Specific Programs	1,056,256	1,025,385
Interest	26,443	26,837
Unrestricted Gifts and Contributions	779,738	208,236
Other	641,113	357,621
Total General Receipts:	12,514,242	11,469,121
<i>Total receipts</i>	14,859,100	14,094,949
Disbursements		
Current:		
Salaries - Employees	4,715,823	4,999,873
Fringe Benefits	1,685,683	1,842,641
Materials and Supplies	612,089	719,366
Equipment	287,721	589,971
Purchase Services	1,590,150	1,661,560
Capital Outlay	2,798,654	3,975,465
Other	1,450,671	1,011,996
<i>Total Disbursements</i>	13,140,791	14,800,872
<i>Increase (Decrease) in Net Position</i>	1,718,309	(705,923)
<i>Net Position - January 1</i>	7,261,017	8,979,326
<i>Net Position - December 31</i>	\$ 8,979,326	\$ 8,273,403

LORAIN COUNTY METROPOLITAN PARK DISTRICT
LORAIN COUNTY
Management's Discussion and Analysis
For the Year Ended December 31, 2022

Unaudited

Program receipts represent only 18.63 percent of total receipts and are primarily comprised of aquatic facility receipts and golf course fees.

General receipts represent 81.37 percent of the Park District's total receipts, and of this amount, 85.89 percent are property taxes. Other receipts are insignificant and somewhat unpredictable revenue sources.

The most significant disbursements of the Park District include the overhead costs of running the Park District and the support services provided for the other Park District activities. These include the costs of payroll and purchasing.

Governmental Activities

If you look at the Statement of Activities on page 12, you will see that the first column lists the major services provided by the Park District. The next column identifies the costs of providing these services. The major disbursements for governmental activities were for capital improvements in this year, which account for 26.9 percent of all governmental disbursements. The next two columns of the Statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the Park District that must be used to provide a specific service. The net (Disbursements) Receipts and Changes in Net position column compare the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

Governmental Activities

	Total Cost Of Services 2021	Net Cost Of Services 2021	Total Cost Of Services 2022	Net Cost Of Services 2022
Governmental Activities				
Salaries - Employees	4,715,823	(2,498,203)	4,999,873	(2,374,045)
Fringe Benefits	1,685,683	(1,685,683)	1,842,641	(1,842,641)
Materials and Supplies	612,089	(612,089)	719,366	(719,366)
Equipment	287,721	(287,721)	589,971	(589,971)
Purchased Services	1,590,150	(1,590,150)	1,661,560	(1,661,560)
Capital Outlay	2,798,654	(2,671,416)	3,975,465	(3,975,465)
Other	1,450,671	(1,450,670)	1,011,996	(1,011,996)
Total Expenses	13,140,791	(10,795,932)	14,800,872	(12,175,044)

LORAIN COUNTY METROPOLITAN PARK DISTRICT
LORAIN COUNTY
Management's Discussion and Analysis
For the Year Ended December 31, 2022

Unaudited

The dependence upon property tax and other general receipts is apparent as over 80 percent of governmental activities are supported through these general receipts.

The Park District's Funds

Total governmental funds had receipts of \$14,094,949 and disbursements of \$14,800,872. General Fund receipts were less than disbursements by (\$705,923). The fund had a positive fund balance of \$8,273,403 as of December 31, 2022.

General Fund Budgeting Highlights

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

Capital Assets and Debt Administration

Capital Assets

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

Current Issues

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

Contacting the Park District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Park District's finances and to reflect the Park District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Bonnie Burns, Treasurer, Lorain County Metropolitan Park District, 12882 Diagonal Road, Lagrange, Ohio 44050.

Lorain County Metropolitan Park District

Lorain County

Statement of Net Position - Cash Basis

December 31, 2022

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$8,273,403</u>
<i>Total Assets</i>	<u><u>\$8,273,403</u></u>
Net Position	
Unrestricted	<u>\$8,273,403</u>
<i>Total Net Position</i>	<u><u>\$8,273,403</u></u>

See accompanying notes to the basic financial statements

Lorain County Metropolitan Park District
Lorain County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2022

	Cash Disbursements	Program Cash Receipts Charges for Services and Sales	Net (Disbursements) Receipts and Changes in Net Position Governmental Activities
Governmental Activities			
Parks and Recreation:			
Salaries - Employees	\$4,999,873	\$2,625,828	(\$2,374,045)
Fringe Benefits	1,842,641		(1,842,641)
Material and Supplies	719,366		(719,366)
Equipment	589,971		(589,971)
Purchased Services	1,661,560		(1,661,560)
Capital Outlay	3,975,465		(3,975,465)
Other	1,011,996		(1,011,996)
<i>Total Governmental Activities</i>	<u>14,800,872</u>	<u>2,625,828</u>	<u>(12,175,044)</u>
<i>Total Primary Government</i>	<u>\$14,800,872</u>	<u>\$2,625,828</u>	<u>(12,175,044)</u>
		General Receipts:	
		Property Taxes Levied for:	
		General Purposes	9,851,042
		Grants and Entitlements not Restricted to Specific Programs	1,025,385
		Unrestricted Gifts and Contributions	208,236
		Earnings on Investments	26,837
		Miscellaneous	357,621
		<i>Total General Receipts</i>	<u>11,469,121</u>
		Change in Net Position	(705,923)
		<i>Net Position Beginning of Year</i>	<u>8,979,326</u>
		<i>Net Position End of Year</i>	<u>\$8,273,403</u>

See accompanying notes to the basic financial statements

Lorain County Metropolitan Park District
Lorain County
Statement of Assets and Fund Balance - Modified Cash Basis
Governmental Fund
December 31, 2022

	<u>General</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$8,273,403</u>
<i>Total Assets</i>	<u><u>\$8,273,403</u></u>
Fund Balances	
Unassigned	<u>8,273,403</u>
<i>Total Fund Balances</i>	<u><u>\$8,273,403</u></u>

See accompanying notes to the basic financial statements

Lorain Country Metropolitan Park District
Lorain County
Statement of Receipts, Disbursements and Changes Fund Balance - Cash Basis
Governmental Fund
For the Year Ended December 31, 2022

	General
Receipts	
Property and Other Local Taxes	\$9,851,042
Intergovernmental	1,025,385
Charges for Services	2,332,190
Licenses, Permits and Fees	293,638
Earnings on Investments	26,837
Donations	208,236
Miscellaneous	357,621
	14,094,949
<i>Total Receipts</i>	
Disbursements	
Parks and Recreation:	
Salaries	4,999,873
Fringe Benefits	1,842,641
Materials and Supplies	719,366
Equipment	589,971
Purchased Services	1,661,560
Capital Outlay	3,975,465
Other	1,011,996
	14,800,872
<i>Total Disbursements</i>	
<i>Excess of Receipts Over (Under) Disbursements</i>	(705,923)
<i>Net Change in Fund Balances</i>	(705,923)
<i>Fund Balances Beginning of Year</i>	8,979,326
<i>Fund Balances End of Year</i>	\$8,273,403

See accompanying notes to the basic financial statements

Lorain County Metropolitan Park District
Lorain County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2022

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$10,224,979	\$10,224,979	\$9,851,042	(\$373,937)
Intergovernmental	1,025,385	1,025,385	1,025,385	0
Charges for Services	1,723,000	1,723,000	2,332,190	609,190
Licenses, Permits and Fees	51,000	51,000	293,638	242,638
Earnings on Investments	20,000	20,000	26,837	6,837
Other	779,000	779,000	565,857	(213,143)
<i>Total Receipts</i>	<u>13,823,364</u>	<u>13,823,364</u>	<u>14,094,949</u>	<u>271,585</u>
Disbursements				
Parks and Recreation:				
Salaries	5,492,900	5,492,900	4,999,873	493,027
Fringe Benefits	2,161,330	2,161,330	1,842,641	318,689
Materials and Supplies	823,000	823,000	719,366	103,634
Equipment	775,000	775,000	589,971	185,029
Purchased Services	1,868,557	1,868,557	1,661,560	206,997
Capital Outlay	9,666,715	9,666,715	3,975,465	5,691,250
Other	2,015,188	2,015,188	1,011,996	1,003,192
<i>Total Disbursements</i>	<u>22,802,690</u>	<u>22,802,690</u>	<u>14,800,872</u>	<u>8,001,818</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(8,979,326)</u>	<u>(8,979,326)</u>	<u>(705,923)</u>	<u>8,273,403</u>
<i>Net Change in Fund Balance</i>	<u>(8,979,326)</u>	<u>(8,979,326)</u>	<u>(705,923)</u>	<u>8,273,403</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>8,979,326</u>	<u>8,979,326</u>	<u>8,979,326</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$8,273,403</u>	<u>\$8,273,403</u>

See accompanying notes to the basic financial statements

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Lorain County Metropolitan Park District

Lorain County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Note 1 - Reporting Entity

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

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

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

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

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

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

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

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

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

Lorain County Metropolitan Park District

Lorain County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2022*

Note 1 - Reporting Entity (Continued)

The Park District received \$1250.00 during the fiscal period January 1, 2022 through December 31, 2022 from the Corporation. Financial Statements can be obtained from Ms. Ruth Horvath, Treasurer, 12882 Diagonal Rd, LaGrange, OH 44050.

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

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

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

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

Lorain County Metropolitan Park District

Lorain County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Note 2 - Summary of Significant Accounting Policies (Continued)

B. Fund Accounting

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

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

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

C. Basis of Accounting

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

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

D. Budgetary Process

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

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

Lorain County Metropolitan Park District

Lorain County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Note 2 - Summary of Significant Accounting Policies (Continued)

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

E. Cash and Investments

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

F. Capital Assets

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

G. Accumulated Leave

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

H. Employer Contributions to Cost-Sharing Pension Plans

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

I. Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Park District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. The Park District has no net position that is restricted.

Lorain County Metropolitan Park District

Lorain County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Note 2 - Summary of Significant Accounting Policies (Continued)

J. Fund Balance

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

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

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

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

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

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

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

Lorain County Metropolitan Park District

Lorain County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Note 3 - Change in Accounting Principle

For 2022, the Park District has implemented GASB Statement No. 87, “Leases”.

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance the relevance and consistency of information of the government’s leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The implementation of GASB Statement No. 87 did not have an effect on the financial statements of the Park District.

Note 4 - Deposits and Investments

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

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

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

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

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

1. United State Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any Federal Government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall by direct issuances of federal Government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;

Lorain County Metropolitan Park District

Lorain County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2022*

Note 4 - Deposits and Investments (Continued)

5. Time certificates of deposit or savings or deposit accounts including, but not limited to Passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that Investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

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

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

Deposits with Financial Institutions

At December 31, 2022 the carrying amount of all Park District deposits was \$8,273,476. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2022, \$8,247,666 of the Park District's bank balance of \$8,497,666 was not exposed to custodial risk because the collateralized statements are held by a third part administrator, while \$250,000 was covered by the FDIC.

Deposits

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

Investments

As of December 31, 2022, the Park District had the following investments.

Lorain County Metropolitan Park District

Lorain County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2022*

Note 4 - Deposits and Investments (Continued)

	<u>Carrying Value</u>	<u>Market Value</u>	Investment Maturities <u>Less than 1 year</u>	<u>Moody's Rating</u>
Various mutual funds - equity and bond	\$ 583,157	\$ 817,274	N/A-1	BBB or better

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

Interest Rate Risk

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

Credit Risk

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

Custodial Credit Risk

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

Concentration of Credit Risk

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

Note 5 - Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). The Park District had no encumbrances outstanding at year end December 31, 2022 for the General Fund.

Lorain County Metropolitan Park District

Lorain County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Note 6 - Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Park District. Property tax revenue received during 2022 for real and public utility property taxes represents collections of 2021 taxes.

2022 real property taxes are levied after October 1 of each year, on the assessed value as of January 1 of each year, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2022 real property taxes are collected in and intended to finance 2023.

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. 2022 public utility property taxes became a lien December 31, 2021, and are levied after October 1, 2022 and are collected in 2023, respectively, with real property taxes.

The full tax rate for all Park District operations for the year ended December 31, 2022, was \$1.60 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2022 property tax receipts were based are as follows:

Real Property	\$8,305,847,210
Public Utility Personal Property	<u>569,433,920</u>
Total	<u><u>\$8,875,281,130</u></u>

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

Note 7 - Risk Management

The Park District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2022, the Park District contracted with a company for various types of insurance as follows:

Type of Coverage	Coverage
General Liability	\$ 1,000,000 per occurrence
General Liability	\$ 3,000,000 Aggregate
Public Officials Errors & Omissions	\$ 1,000,000 per occurrence and aggregate
Police Professional Liability	\$ 1,000,000 per occurrence and aggregate
Automobile Liability & Physical Damage	\$ 1, 000,000 per occurrence and aggregate

Lorain County Metropolitan Park District

Lorain County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Note 7 - Risk Management (Continued)

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

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

The Park District provides employee medical and dental insurance, both of which are provided by Medical Mutual of Ohio. The risk of loss transfers entirely to the insurance carriers. The Park District pays 85 percent of the premiums for health and dental insurance thru 12/31/22. These rates are per the Union agreement which Management follows as well.

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

Note 8 - Defined Benefit Pension Plans

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - Park District employees, participate 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 and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Park District employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three-member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS ACFR referenced above for additional information):

Lorain County Metropolitan Park District

Lorain County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2022*

Note 8 - Defined Benefit Pension Plans (Continued)

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

Lorain County Metropolitan Park District

Lorain County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Note 8 - Defined Benefit Pension Plans (Continued)

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2022 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %
2022 Actual Contribution Rates			
Employer:			
Pension	13.0 %	17.1 %	17.1 %
Post-employment Health Care Benefits	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Park District's contractually required contributions for pension obligations to the Traditional Pension and Combined Plans for the year ended December 31, 2022 were \$589,731 and \$134,203, respectively.

Note 9 - 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.

Lorain County Metropolitan Park District

Lorain County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2022*

Note 9 - Postemployment Benefits (Continued)

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

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

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 Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. Rates for law enforcement and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rates increases allowed additional funds to be allocated to the health care plan.

Note 10 - Fund Balances

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

Fund Balances	December 31, 2022 General Fund
Unassigned	8,273,403
Total Fund Balances	8,273,403

Note 11 - Construction and Contractual Commitments

The Park District was not involved in any contractual agreements at the end of 2022.

Lorain County Metropolitan Park District

Lorain County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2022*

Note 12 - Contingent Liabilities

A. Litigation

The Park District is not involved in any material litigation.

B. Federal and State Grants

The Park District received no Federal and Local grants for specific purposes that are subject to review and audit by the grantor agencies or their designees.

Note 13 - Jointly Governed Organizations

North Coast Regional Council of Park Districts was established on July 8, 1998, under Ohio Revised Code 167 and is exempt from state sales tax and federal tax. The North Coast Regional Council of Park Districts (The Council) was formed in part to designate sites within the jurisdiction of the members of the Council to be acquired, improved, restored, enhanced, administered and/or preserved with funds received under the In-Lieu Fee Agreement (ILFA). The ILFA allows the development of certain wetlands provided the developers contribute certain sums of money which are then used as described above. The Council is a jointly governed organization which currently includes five members. Each member shall have two representatives on the Board, consisting of the appointed director of such member and the Chairman of the Board of Park Commissioners. The Park District made no contributions to the Council during 2022. Financial statements can be obtained from Bonnie Burns, Treasurer at 12882 Diagonal Rd, LaGrange, OH 44050.

The Lorain County Metro Park Endowment Fund of the Community Foundation of Greater Lorain County was created to benefit and assist the endeavors of the Lorain County Metropolitan Park District (The Park District), including but not limited to the general public and statutory purposes of the preservation and conservation of the environment and all-natural resources within the jurisdiction of the Metropolitan Park District. This fund was created November 18th, 1993 by agreement of both parties. The Community Foundation of Greater Lorain County (the Foundation) is made up of over 200 separate funds each one created for its specific purpose. The Foundation was organized under Section 501 (c) (3) of the Internal Revenue Code. The Park District received \$32,082.49 during the fiscal period January 1, 2022 through December 31, 2022. The Fund balance as of December 31, 2021 was \$2,596,579. Audited financial statements can be obtained from Holly Spitz, Chief Financial/Administrative Officer of the CFGLC at 9080 Leavitt Rd, Elyria, OH 44035

LORAIN COUNTY METROPOLITAN PARK DISTRICT
LORAIN COUNTY
Management's Discussion and Analysis
For the Year Ended December 31, 2021

Unaudited

This discussion and analysis of Lorain County Metropolitan Park District, Lorain County, Ohio (the Park District) financial performance provides an overall review of the Park District's financial activities for the year ended December 31, 2021, within the limitations of the Park District's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Park District's financial performance.

Highlights

Key highlights for 2021 are as follows:

Net position of governmental activities increased \$1,718,309 or 23.66%, a change from the prior year.

The Park District's general receipts are primarily property and other local taxes. These receipts represent respectively 67.4 percent of the total cash received for activities during the year.

Using the Basic Financial Statements

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

Report Components

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

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

Basis of Accounting

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

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

Reporting the Park District as a Whole

The statement of net position and the statement of activities reflect how the Park District did financially during 2021, within the limitations of cash basis accounting. The statement of net position presents the cash and cash equivalents of the governmental activities of the Park District at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program.

LORAIN COUNTY METROPOLITAN PARK DISTRICT
LORAIN COUNTY
Management's Discussion and Analysis
For the Year Ended December 31, 2021

Unaudited

General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Park District's general receipts.

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

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

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

Reporting the Park District's Most Significant Funds

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

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

LORAIN COUNTY METROPOLITAN PARK DISTRICT
LORAIN COUNTY
Management's Discussion and Analysis
For the Year Ended December 31, 2021

Unaudited

The Park District as a Whole

Table 1 provides a summary of the Park District's net position for 2020 and 2021. A comparative analysis will be presented.

(TABLE 1)
Net Position

	2020	2021
Assets		
Cash and Cash Equivalents	\$7,261,017	\$8,979,326
<i>Total Assets</i>	\$7,261,017	\$8,979,326
Net Position		
Unrestricted	7,261,017	8,979,326
<i>Total Net Assets</i>	\$6,265,218	\$8,979,326

As mentioned previously, net position of governmental activities increased \$1,718,309 or 23.66% during 2021.

LORAIN COUNTY METROPOLITAN PARK DISTRICT
LORAIN COUNTY
Management's Discussion and Analysis
For the Year Ended December 31, 2021

Unaudited

Table 2 reflects the changes in net position in 2020 and 2021. A comparative analysis will be presented.

(Table 2)
Changes in Net Position

	2020	2021
Receipts		
Program Receipts:		
Charges for Services and Sales	\$ 1,537,201	\$ 2,217,620
Capital Grants and Contributions	1,964,438	127,238
Total Program Receipts	3,501,639	2,344,858
General Receipts:		
Property and Other Local Taxes	9,689,466	10,010,692
Grants and Entitlement NOT Restricted to Specific Programs	1,043,379	1,056,256
Interest	42,793	26,443
Unrestricted Gifts and Contributions	426,256	779,738
Other + Carryover	340,555	641,113
Total General Receipts:	11,542,449	12,514,242
<i>Total receipts</i>	<u>15,044,088</u>	<u>14,859,100</u>
Disbursements		
Current:		
Salaries - Employees	4,527,086	4,715,823
Fringe Benefits	1,599,230	1,685,683
Materials and Supplies	480,522	612,089
Equipment	349,767	287,721
Purchase Services	1,354,295	1,590,150
Capital Outlay	5,788,761	2,798,654
Other	896,891	1,450,671
<i>Total Disbursements</i>	<u>14,996,552</u>	<u>13,140,791</u>
<i>Increase (Decrease) in Net Position</i>	<u>47,536</u>	<u>1,718,309</u>
<i>Net Position - January 1</i>	<u>7,213,481</u>	<u>7,261,017</u>
<i>Net Position - December 31</i>	<u>\$ 7,261,017</u>	<u>\$ 8,979,326</u>

LORAIN COUNTY METROPOLITAN PARK DISTRICT
LORAIN COUNTY
Management's Discussion and Analysis
For the Year Ended December 31, 2021

Unaudited

Program receipts represent only 15.78 percent of total receipts and are primarily comprised of aquatic facility receipts and golf course fees.

General receipts represent 84.22 percent of the Park District's total receipts, and of this amount, 79.99 percent are property taxes. Other receipts are insignificant and somewhat unpredictable revenue sources.

The most significant disbursements of the Park District include the overhead costs of running the Park District and the support services provided for the other Park District activities. These include the costs of payroll and purchasing.

Governmental Activities

If you look at the Statement of Activities on page 10, you will see that the first column lists the major services provided by the Park District. The next column identifies the costs of providing these services. The major disbursements for governmental activities were for capital improvements in this year, which account for 21.3 percent of all governmental disbursements. The next two columns of the Statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the Park District that must be used to provide a specific service. The net (Disbursements) Receipts and Changes in Net position column compare the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

Governmental Activities

	Total Cost Of Services 2020	Net Cost Of Services 2020	Total Cost Of Services 2021	Net Cost Of Services 2021
Governmental Activities				
Salaries - Employees	4,527,086	(2,989,885)	4,715,823	(2,498,203)
Fringe Benefits	1,599,230	(1,599,230)	1,685,683	(1,685,683)
Materials and Supplies	480,522	(480,522)	612,089	(612,089)
Equipment	349,767	(349,767)	287,721	(287,721)
Purchased Services	1,354,295	(1,354,295)	1,590,150	(1,590,150)
Capital Outlay	5,788,761	(3,824,323)	2,798,654	(2,671,416)
Other	896,891	(896,891)	1,450,671	(1,450,670)
Total Expenses	14,996,552	(11,494,913)	13,140,791	(10,795,932)

LORAIN COUNTY METROPOLITAN PARK DISTRICT
LORAIN COUNTY
Management's Discussion and Analysis
For the Year Ended December 31, 2021

Unaudited

The dependence upon property tax and other general receipts is apparent as over 80 percent of governmental activities are supported through these general receipts.

The Park District's Funds

Total governmental funds had receipts of \$14,859,099 and disbursements of \$13,140,790. General Fund receipts were more than disbursements by \$1,718,309. The fund had a positive fund balance of \$8,979,326 as of December 31, 2021.

General Fund Budgeting Highlights

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

Capital Assets and Debt Administration

Capital Assets

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

Current Issues

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

Contacting the Park District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Park District's finances and to reflect the Park District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Bonnie Burns, Treasurer, Lorain County Metropolitan Park District, 12882 Diagonal Road, Lagrange, Ohio 44050.

Lorain County Metropolitan Park District

Lorain County

Statement of Net Position - Cash Basis

December 31, 2021

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$8,979,326</u>
<i>Total Assets</i>	<u><u>\$8,979,326</u></u>
Net Position	
Unrestricted	<u>\$8,979,326</u>
<i>Total Net Position</i>	<u><u>\$8,979,326</u></u>

See accompanying notes to the basic financial statements

Lorain County Metropolitan Park District
Lorain County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2021

	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Position
		Charges for Services and Sales	Capital Grants and Contributions	Governmental Activities
Governmental Activities				
Parks and Recreation:				
Salaries - Employees	\$4,715,823	\$2,217,620		(\$2,498,203)
Fringe Benefits	1,685,683			(1,685,683)
Material and Supplies	612,089			(612,089)
Equipment	287,721			(287,721)
Purchased Services	1,590,150			(1,590,150)
Capital Outlay	2,798,654		\$127,238	(2,671,416)
Other	1,450,671			(1,450,671)
<i>Total Governmental Activities</i>	<u>13,140,791</u>	<u>2,217,620</u>	<u>127,238</u>	<u>(10,795,933)</u>
<i>Total Primary Government</i>	<u>\$13,140,791</u>	<u>\$2,217,620</u>	<u>\$127,238</u>	<u>(10,795,933)</u>
		General Receipts:		
		Property Taxes Levied for:		
		General Purposes		10,010,692
		Grants and Entitlements not Restricted to Specific Programs		1,056,256
		Unrestricted Gifts and Contributions		779,738
		Earnings on Investments		26,443
		Miscellaneous		641,113
		<i>Total General Receipts</i>		<u>12,514,242</u>
		Change in Net Position		1,718,309
		<i>Net Position Beginning of Year</i>		<u>7,261,017</u>
		<i>Net Position End of Year</i>		<u>\$8,979,326</u>

See accompanying notes to the basic financial statements

Lorain County Metropolitan Park District
Lorain County
Statement of Assets and Fund Balance - Cash Basis
Governmental Fund
December 31, 2021

	<u>General</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$8,979,326</u>
<i>Total Assets</i>	<u><u>\$8,979,326</u></u>
Fund Balances	
Unassigned	<u>8,979,326</u>
<i>Total Fund Balances</i>	<u><u>\$8,979,326</u></u>

See accompanying notes to the basic financial statements

Lorain Country Metropolitan Park District
Lorain County
Statement of Receipts, Disbursements and Changes Fund Balance - Cash Basis
Governmental Fund
For the Year Ended December 31, 2021

	General
Receipts	
Property and Other Local Taxes	\$10,010,692
Intergovernmental	1,183,494
Charges for Services	1,976,807
Licenses, Permits and Fees	240,813
Earnings on Investments	26,443
Donations	138,583
Miscellaneous	1,282,268
	14,859,100
<i>Total Receipts</i>	
Disbursements	
Parks and Recreation:	
Salaries	4,715,823
Fringe Benefits	1,685,683
Materials and Supplies	612,089
Equipment	287,721
Purchased Services	1,590,150
Capital Outlay	2,798,654
Other	1,450,671
	13,140,791
<i>Total Disbursements</i>	
<i>Excess of Receipts Over (Under) Disbursements</i>	1,718,309
 <i>Net Change in Fund Balances</i>	 1,718,309
 <i>Fund Balances Beginning of Year</i>	 7,261,017
 <i>Fund Balances End of Year</i>	 \$8,979,326

See accompanying notes to the basic financial statements

Lorain County Metropolitan Park District
Lorain County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property and Other Local Taxes	\$10,047,095	\$10,047,095	\$10,010,692	(\$36,403)
Intergovernmental	1,056,256	1,056,256	1,183,494	127,238
Charges for Services	1,445,500	1,445,500	1,976,807	531,307
Licenses, Permits and Fees	51,000	51,000	240,813	189,813
Earnings on Investments	40,000	40,000	26,443	(13,557)
Other	1,103,000	1,103,000	1,420,851	317,851
<i>Total Receipts</i>	<u>13,742,851</u>	<u>13,742,851</u>	<u>14,859,100</u>	<u>1,116,249</u>
Disbursements				
Parks and Recreation:				
Salaries	5,352,900	5,352,900	4,715,823	637,077
Fringe Benefits	1,881,330	1,881,330	1,685,683	195,647
Materials and Supplies	747,542	747,542	612,089	135,453
Equipment	425,000	425,000	287,721	137,279
Purchased Services	1,784,007	1,784,007	1,590,150	193,857
Capital Outlay	8,482,876	8,482,876	2,798,654	5,684,222
Other	2,330,213	2,330,213	1,450,671	879,542
<i>Total Disbursements</i>	<u>21,003,868</u>	<u>21,003,868</u>	<u>13,140,791</u>	<u>7,863,077</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(7,261,017)</u>	<u>(7,261,017)</u>	<u>1,718,309</u>	<u>8,979,326</u>
<i>Net Change in Fund Balance</i>	<u>(7,261,017)</u>	<u>(7,261,017)</u>	<u>1,718,309</u>	<u>8,979,326</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>7,261,017</u>	<u>7,261,017</u>	<u>7,261,017</u>	<u>0</u>
<i>Unencumbered Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$8,979,326</u></u>	<u><u>\$8,979,326</u></u>

See accompanying notes to the basic financial statements

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Lorain County Metropolitan Park District

Lorain County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Note 1 - Reporting Entity

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

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

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

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

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

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

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

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

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

Lorain County Metropolitan Park District

Lorain County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

Note 1 - Reporting Entity (Continued)

The Park District received \$0.00 during the fiscal period January 1, 2021 through December 31, 2021 from the Corporation. Financial Statements can be obtained from Ms. Ruth Horvath, Treasurer, 12882 Diagonal Rd, LaGrange, OH 44050.

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

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

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

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

Lorain County Metropolitan Park District

Lorain County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Note 2 - Summary of Significant Accounting Policies (Continued)

B. Fund Accounting

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

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

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

C. Basis of Accounting

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

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

D. Budgetary Process

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

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

Lorain County Metropolitan Park District

Lorain County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Note 2 - Summary of Significant Accounting Policies (Continued)

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

E. Cash and Investments

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

F. Capital Assets

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

G. Accumulated Leave

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

H. Employer Contributions to Cost-Sharing Pension Plans

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

I. Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Park District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. The Park District has no net position that is restricted.

Lorain County Metropolitan Park District

Lorain County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Note 2 - Summary of Significant Accounting Policies (Continued)

J. Fund Balance

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

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

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

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

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

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

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

Lorain County Metropolitan Park District

Lorain County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Note 3 - Deposits and Investments

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

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

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

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

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

1. United State Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any Federal Government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal Government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to Passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that Investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Lorain County Metropolitan Park District

Lorain County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Note 3 - Deposits and Investments (Continued)

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

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

Deposits with Financial Institutions

At December 31, 2020 the carrying amount of all Park District deposits was \$6,706,889. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2020, \$6,758,099 of the Park District's bank balance of \$7,261,017 was not exposed to custodial risk because the collateralized statements are held by a third part administrator, while \$502,018 was covered by the FDIC.

Deposits

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

Investments

As of December 31, 2021, the Park District had the following investments.

	<u>Carrying Value</u>	<u>Market Value</u>	Investment Maturities <u>Less than 1 year</u>	<u>Moody's Rating</u>
Various mutual funds - equity and bond	<u>\$ 567,207</u>	<u>\$ 1,012,193</u>	N/A-1	BBB or better

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

Lorain County Metropolitan Park District

Lorain County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

Note 3 - Deposits and Investments (Continued)

Interest Rate Risk

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

Credit Risk

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

Custodial Credit Risk

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

Concentration of Credit Risk

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

Note 4 - Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). The Park District had no encumbrances outstanding at year end December 31, 2021 for the General Fund.

Note 5 - Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Park District. Property tax revenue received during 2021 for real and public utility property taxes represents collections of 2022 taxes.

2021 real property taxes are levied after October 1 of each year, on the assessed value as of January 1 of each year, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2021 real property taxes are collected in and intended to finance 2022.

Lorain County Metropolitan Park District

Lorain County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Note 5 - Property Taxes (Continued)

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. 2021 public utility property taxes became a lien December 31, 2020, and are levied after October 1, 2021 and are collected in 2022, respectively, with real property taxes.

The full tax rate for all Park District operations for the year ended December 31, 2021, was \$1.60 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2021 property tax receipts were based are as follows:

Real Property	\$7,269,852,060
Public Utility Personal Property	<u>551,648,650</u>
Total	<u><u>\$7,821,500,710</u></u>

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

Note 6 - Risk Management

The Park District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2021, the Park District contracted with a company for various types of insurance as follows:

Type of Coverage	Coverage	
General Liability	\$ 1,000,000	per occurrence
General Liability	\$ 3,000,000	Aggregate
Public Officials Errors & Omissions	\$ 1,000,000	per occurrence and aggregate
Police Professional Liability	\$ 1,000,000	per occurrence and aggregate
Automobile Liability & Physical Damage	\$ 1,000,000	per occurrence and aggregate
Property (Building & Contents)	\$ 29,911,612	Limit
Inland Marine Coverage (Scheduled Equipment)	\$ 3,477,654	Limit
Inland Marine Coverage (Miscellaneous Equipment)	\$ 255,480	Limit

Lorain County Metropolitan Park District

Lorain County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Note 6 - Risk Management (Continued)

Umbrella Coverage (applies to General, Automobile,
Employee Benefits, Public Officials, Police
Professional, and Stop Gap liabilities; excludes
Uninsured/Underinsured Motorist Liability) \$ 9,000,000 Limit

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

The Park District provides employee medical and dental insurance, both of which are provided by Medical Mutual of Ohio. The risk of loss transfers entirely to the insurance carriers. The Park District pays 85 percent of the premiums for health and dental insurance thru 12/31/21. These rates are per the Union agreement which Management follows as well.

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

Note 7 - Defined Benefit Pension Plans

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - Park District employees, participate 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 and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Park District employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three-member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS ACFR referenced above for additional information):

Lorain County Metropolitan Park District

Lorain County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Note 7 - Defined Benefit Pension Plans (Continued)

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

Lorain County Metropolitan Park District

Lorain County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2021

Note 7 - Defined Benefit Pension Plans (Continued)

	State and Local	Public Safety	Law Enforcement
2021 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %
 2021 Actual Contribution Rates			
Employer:			
Pension	13.0 %	17.1 %	17.1 %
Post-employment Health Care Benefits	1.0	1.0	1.0
Total Employer	14.0 %	18.1 %	18.1 %
Employee	10.0 %	12.0 %	13.0 %

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Park District's contractually required contributions for pension obligations to the Traditional Pension and Combined Plans for the year ended December 31, 2021 were \$571,431 and \$122,589, respectively.

Note 8 - 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.

Lorain County Metropolitan Park District

Lorain County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

Note 8 - Postemployment Benefits (Continued)

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

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

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 Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. Rates for law enforcement and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rates increases allowed additional funds to be allocated to the health care plan.

Note 9 - Fund Balances

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

Fund Balances	December 31, 2021 General Fund
Unassigned	8,979,326
Total Fund Balances	8,979,326

Lorain County Metropolitan Park District

Lorain County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2021*

Note 10 - Construction and Contractual Commitments

The Park District was not involved in any contractual agreements at the end of 2021.

Note 11 - Contingent Liabilities

A. Litigation

The Park District is not involved in any material litigation.

B. Federal and State Grants

The Park District received no Federal and Local grants for specific purposes that are subject to review and audit by the grantor agencies or their designees.

Note 12 - Jointly Governed Organizations

North Coast Regional Council of Park Districts was established on July 8, 1998, under Ohio Revised Code 167 and is exempt from state sales tax and federal tax. The North Coast Regional Council of Park Districts (The Council) was formed in part to designate sites within the jurisdiction of the members of the Council to be acquired, improved, restored, enhanced, administered and/or preserved with funds received under the In-Lieu Fee Agreement (ILFA). The ILFA allows the development of certain wetlands provided the developers contribute certain sums of money which are then used as described above. The Council is a jointly governed organization which currently includes five members. Each member shall have two representatives on the Board, consisting of the appointed director of such member and the Chairman of the Board of Park Commissioners. The Park District made no contributions to the Council during 2020. Financial statements can be obtained from Bonnie Burns, Treasurer at 12882 Diagonal Rd, LaGrange, OH 44050.

The Lorain County Metro Park Endowment Fund of the Community Foundation of Greater Lorain County was created to benefit and assist the endeavors of the Lorain County Metropolitan Park District (The Park District), including but not limited to the general public and statutory purposes of the preservation and conservation of the environment and all-natural resources within the jurisdiction of the Metropolitan Park District. This fund was created November 18th, 1993 by agreement of both parties. The Community Foundation of Greater Lorain County (the Foundation) is made up of over 200 separate funds each one created for its specific purpose. The Foundation was organized under Section 501 (c) (3) of the Internal Revenue Code. The Park District received \$21,000 during the fiscal period January 1, 2021 through December 31, 2021. The Fund balance as of December 31, 2021 was \$2,952,976. Audited financial statements can be obtained from Holly Spitz, Chief Financial/Administrative Officer of the CFGLC at 9080 Leavitt Rd, Elyria, OH 44035

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

To the Board of Park Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the cash-basis financial statements of the governmental activities and the major fund of the Lorain County Metropolitan Park District, Lorain County, (the Park District) as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Park District's basic financial statements and have issued our report thereon dated November 17, 2023, wherein we noted the Park District uses a special purpose framework other than generally accepted accounting principles.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Park District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Park District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Park District's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Park District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Park District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Park District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

November 17, 2023

OHIO AUDITOR OF STATE KEITH FABER



LORAIN COUNTY METROPOLITAN PARK DISTRICT

LORAIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/7/2023

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov