

**HURON-CLINTON METROPOLITAN AUTHORITY,
MICHIGAN**



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**For the Year Ended
December 31, 2012**

**SUBMITTED TO THE
HURON-CLINTON METROPOLITAN AUTHORITY
BOARD OF COMMISSIONERS**

**Anthony V. Marrocco - Chairman - Macomb County
John E. La Belle - Vice Chairman - Livingston County
Vacant - Treasurer - Oakland County
John C. Hertel - Secretary - Governor Appointee
Harry E. Lester - Wayne County
Robert W. Marans - Washtenaw County
Timothy J. McCarthy - Governor Appointee**

**Prepared by the Huron-Clinton Metropolitan Authority
Controller's Department**

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Huron-Clinton Metropolitan Authority Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Moynell

President

Jeffrey R. Emer

Executive Director

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May 7, 2013

To the Board of Commissioners, Director and Citizens of the Huron-Clinton Metropolitan Authority Park District:

State law requires that all local governmental units, including authorities such as the Huron-Clinton Metropolitan Authority, publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Huron-Clinton Metropolitan Authority for the fiscal year ended December 31, 2012. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. GASB 34 requires that management provide a narrative introduction, overview, and analysis to accompany the Basic Financial Statements in the form of a Management’s Discussion & Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The financial reporting entity of the Huron-Clinton Metropolitan Authority includes all funds of the Huron-Clinton Metropolitan Authority. The Authority is a special district form of government operating independently of all other governmental agencies. It provides a full range of recreational activities in the five-county region surrounding the city of Detroit.

GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK

The Huron-Clinton Metropolitan Authority was sanctioned by Public Act 147 of Public Acts 1939. This Act provided for the incorporation of the Huron-Clinton Metropolitan Authority to permit the counties of Livingston, Macomb, Oakland, Washtenaw and Wayne to join in a metropolitan district for planning, promoting and/or acquiring, constructing, owning, developing, maintaining and operating, either within or without their limits, parks, connecting drives and/or limited access highways; to provide for the assessment, levy and collection of property taxes on both real and personal properties located within its boundaries. A referendum was held on November 5, 1940 and the citizens of the five-county district approved the creation of the Huron-Clinton Metropolitan Authority.

Delhi | Dexter-Huron | Hudson Mills | Huron Meadows | Indian Springs | Kensington | Lake Erie | Lake St. Clair | Lower Huron | Oakwoods | Stony Creek | Willow | Wolcott Mill

Board of Commissioners						
John C. Hertel Governor Appointee	John E. La Belle Livingston County	Harry E. Lester Wayne County	Robert W. Marans Washtenaw County	Anthony V. Marrocco Macomb County	Timothy J. McCarthy Governor Appointee	John P. McCulloch Oakland County

The governing body of the Huron-Clinton Metropolitan Authority is a seven member Board of Commissioners. Two Commissioners serve as representatives at large and are appointed by the Governor of Michigan for four-year terms. The other five commissioners are appointed by their respective county Board of Commissioners and they serve a six-year staggered term. Public meetings of the Board of Commissioners are held on the second Thursday of each month. The Board of Commissioners is responsible for setting policy, adopting the budget, setting fees, approving contracts, land acquisition and expenditures, planning of new parks and facilities and appointing the Director, Executive Secretary and Controller.

The Director is responsible for carrying out the policies of the Board of Commissioners, for overseeing the day-to-day operations of the park system, hiring all full time employees and approving all purchase commitments of the Authority. The Executive Secretary is the official custodian of all Authority records and keeps minutes of all Board of Commissioner meetings. He also certifies all disbursements prior to approval by the Board of Commissioners. The Controller is responsible for maintaining all financial accounting records, collecting all revenues due, investing all funds, issuing payment vouchers for goods, services and payrolls, maintaining property/casualty insurances and serves as the Pension Plan Trustee and Retiree Health Trust Plan Administrator.

The Authority's main endeavor is to provide a variety of quality recreational opportunities through the development of natural resources along the Huron and Clinton Rivers for the benefit of the 4.4 million citizens of the five-county park district located in southeastern Michigan. Since its inception, the Authority has created thirteen Metroparks covering nearly 25,000 acres within the 1,600 square mile watershed area of the Huron and Clinton Rivers. The Authority, named after the two longest rivers within its boundaries, is a dynamic and changing organization striving to provide it's services while minimizing disruption to existing land use.

The characteristics of the Metroparks are different from recreation supplied by most other units of government or by the private sector. Generally, Metroparks are fairly large in size and offer a blend of natural resources such as lake, river, woods or wildlife area with constructed facilities that provide for more intensive recreational pursuits such as swimming, golfing, bicycling, cross-country skiing or other outdoor recreation. These Metroparks are within an hour's drive for most of the residents of the region and are considered "day use" parks.

The Metroparks range in size from 53 acres at Delhi Metropark to over 4,400 acres at Stony Creek Metropark. The larger Metroparks are designed to accommodate crowds of 35,000 or more on peak use days. In 2012, the Metropark system provided recreation for 8.9 million park visitors.

The Authority's centralized Administrative Office coordinates the development and operation of all thirteen Metroparks. The following departments are housed at the Administrative Office: (1) Executive; (2) Controller; (3) Engineering; (4) Planning; (5) Human Resources; (6) Graphic Design; (7) Communications/Marketing; (8) Purchasing; (9) Information Systems; and (10) Police.

The day-to-day administration, operation and maintenance of each Metropark is coordinated through three district park superintendents. These district park superintendents oversee all on-site park activities, operations and maintenance of buildings, roads and grounds.

Michigan's prolonged economic distress has finally started to ease and we are beginning to see positive signs. The auto companies are reporting profits, and the banking industry, after receiving millions of dollars of federal funding, is beginning to loan again. Michigan's unemployment rate fell to 8.9% by the end of the year but it is still above the national average rate of 7.8%. Less unemployment is one of the first steps on the road to economic recovery in Michigan.

The magnitude of job losses in southeast Michigan from 2007 to 2009 created a significant increase in home foreclosures. With a large supply of homes on the market vastly exceeding demand, there was a dramatic drop in real estate values. The property assessed values used to determine the Authority's tax revenues lag real estate values by approximately two years. This means that the real estate market decline in 2008 and 2009 has impacted Authority tax revenues in 2010-2012. Authority tax revenues declined by \$3.8 million in 2011 and another \$2.3 million in 2012. The number of foreclosures in the five-county Metropark district is still significant by historical levels, but the number is dropping. As the jobless rate improves and housing foreclosures decline, the negative impact on Authority tax revenues is expected to moderate. This is reflected in 2013 budgeted Authority tax revenues, which are projected to drop by a smaller amount - \$500,000. However, two-thirds of the Authority's revenue is derived from property taxes and Michigan property values can only increase at a rate of 5% or the rate of inflation, whichever is less, according to the limits of Proposal A. As a result of this limitation, it will take years for the Authority to experience the tax revenue levels of 2008.

Given all these variables in the Metroparks' local economy, it is believed that southeast Michigan will remain a busy recreational playground due to the natural features and water resources. The adherence to long term financial planning and to maintaining a healthy Fund Balance positions the Authority to continue to provide top notch public recreational opportunities for years to come.

A recent report by the Southeast Michigan Council of Governments (SEMCOG), a regional planning agency, indicates that there will be a major shift in the age mix of the population served by the Metropark system. It is predicted that over one-third of the population in southeast Michigan will be over 55 by year 2030. The 2010 United States Census Bureau counts show that the five-county population stands at 4,412,000 residents. The Authority hopes to serve more of these residents as they age.

MAJOR INITIATIVES

The Authority's staff, following directions from the Board of Commissioners and the Director, has been involved in a variety of capital projects throughout the year. These projects reflect the Authority's ongoing commitment to providing quality public recreational facilities and services in a well-maintained and safe environment to the citizens of southeast Michigan. Many of these projects relate to the Authority's emphasis of the Five-Year Plan on replacing/renovating worn out, outdated recreation facilities. The major activities and accomplishments during 2012 included:

1. Completing the Golf Starter Building at Kensington Metropark which was started last year with expenditures totaling \$163,000 in 2012. This project removed the old starter building and replaced it with a new 4,500 square foot building, plaza, walks, landscaping and utilities.
2. Completing a 1.1 mile Hike/Bike Trail Connector between the Milford Township bike trail spur and the main eight mile loop trail around Kent Lake at Kensington Metropark which was started in 2011. 2011 expenditures on this trail totaled \$487,000 and \$39,150 in 2012.
3. Reconstructing the golf parking lot at Stony Creek Metropark at a cost of \$107,900.

4. Adding play structure at Eastwood Beach in Stony Creek Metropark at a cost of \$558,000.
5. Replacing sewage treatment plant at Kensington Metropark at a cost of \$1,683,000.
6. Replacing at Willow Metropark, an underground storage tank with an above ground tank for \$159,000.
7. Reconstructing the Gladeview parking lot at Stony Creek Metropark at a cost of \$118,800.
8. The Planning and Engineering Departments worked on the initial phases of projects that will be let for construction in 2013. The main “in progress” improvement projects are:
 - a. Reconstruction of the main parking lot at Lake St. Clair Metropark;
 - b. Par 3 Maintenance Building replacement at Lake St. Clair Metropark;
 - c. Redevelopment of East Boardwalk at Lake St. Clair Metropark;
 - d. Martindale Beach parking lot reconstruction at Kensington Metropark;
 - e. Hudson Mills to Dexter Non-Motorized Trail.
9. In total, the Authority invested in park facilities to the extent of nearly \$1.9 million, as work was done on 27 individual projects. These capitalized projects will help ensure that Metropark facility offerings to our public are in good working order and relevant to today's recreational interests. The vast majority of the 2012 capital improvement expenditures continue to relate to the 3-R's (repair, renovate and replace). Due to the age of the Metropark facilities, it is essential that these types of projects continue to be the primary focus.

FINANCIAL INFORMATION

Management of the Authority is responsible for establishing and maintaining internal controls designed to ensure that the assets of the Authority are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

FEDERAL FINANCIAL ASSISTANCE

The Authority did not receive any Federal financial assistance during 2012 that required the independent auditor to issue a Single Audit Report.

BUDGET

The annual budget serves as the foundation for the Huron-Clinton Metropolitan Authority's financial planning and control. The Authority employs a Five-Year Plan for long-range financial planning, which provides general guidance for each year's annual budget. 2012 represented the fifth year of the Authority's Five-Year Plan covering the years 2008 to 2012. The annual budget process is multi-faceted, involving all units of the Authority. The Authority's Planning and Engineering Departments, in conjunction with park operating units, develop capital improvement, equipment and major maintenance project listings that are reviewed and finalized by mid-October. All park operating units are required to submit park operation budget requests to the Controller's office near the end of October. The Controller utilizes these requests, along with capital budget requests, as the starting point for developing a proposed General Fund budget. The Controller conducts budget review meetings and presents the proposed budget at a public hearing and then to the Board of Commissioners at the December Board meeting. The appropriated budget is a line item budget prepared by fund, category (i.e., capital improvements, park operations), department/park (i.e., Metro Beach, Kensington), sub-department/activity (i.e., golf course, regulatory) and object (i.e., full time wages, utilities). The Director is authorized to make budgetary transfers between line item appropriations. All General Fund budget amendments are approved by the Board of Commissioners on a quarterly basis. The Authority maintains an encumbrance accounting system and a work order system for capital construction type projects to assist in maintaining budgetary control.

LONG-TERM FINANCIAL PLANNING

The Huron-Clinton Metropolitan Authority employs a Five-Year Regional Recreation Plan to provide long term recreational and financial planning for the Metropark system. In 2007, a new Five-Year Plan covering the years 2008 to 2012 was approved by the Board of Commissioners. The development of the Five-Year Plan is a planning process that is a joint effort involving the general public, park staff, Administrative Office staff, Planning staff, Engineering staff and the Board of Commissioners. The foundation of this Five-Year Plan was a Park User/Non-User Survey of the five-county area which was conducted by Market Strategies, Inc. The Board of Commissioners, after much discussion and meetings, approved this plan in May 2007. Due to the large amount of aging infrastructure within the Metropark system, an emphasis was placed on renovation/redevelopment/restoration type projects rather than new park developments. Eighty percent of the plan's funds were allocated to these types of projects.

Due to the economic downturn and the impact on the Authority's 2012 tax revenues, the Board of Commissioners and staff revised this Five-Year Plan. In order to position the Authority to be as recession resistant as possible, the Board of Commissioners, in July 2009, approved a "revised" Five-Year Plan covering 2011 to 2012. The "revised" Five-Year Plan was further updated in May 2010 to account for 2011 and 2012 tax revenue declines being more than forecasted. The revised Five-Year Plan: (1) defers a number of planned capital improvement projects and (2) builds up Fund Balance in an attempt to offset anticipated material tax revenue declines in future years. The revised Five-Year Plan represents a balanced plan that attempts to address these issues:

- ◆ Continuation of high standards of maintenance and service levels for existing park operations.
- ◆ Continuation of funding for major maintenance projects at an average of \$1.15 million annually.
- ◆ Maintenance of a functional fleet of equipment plus equipping new facilities.
- ◆ Funding the replacement of major facilities.

- ◆ Funding the redevelopment of major assets.
- ◆ Funding for the continuation of reconstructing/resurfacing of Authority roads, parking lots and hike/bike trails.
- ◆ Maintaining contributions to the Authority's Retiree Health Care Trust Fund and Pension Trust Fund.

The updated revised Five-Year Plan provided general guidance for the development of the Authority's annual budget each year. Adjustments are made to the Five-Year Plan as dictated by ongoing economic conditions.

DEBT

The Authority has not issued any bonded debt. The Authority's Enabling Act restricts debt issues to only revenue bonds. Over the years, the Authority has never felt it necessary to issue revenue bonds as a means of financing recreational facilities.

OTHER INFORMATION

Independent Audit

State statute requires an annual audit by an independent certified public accountant. The accounting firm of Rehmann Robson was selected by the Board of Commissioners. The audit is conducted in accordance with generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The audit will meet the requirements set forth by State statute and will include tests of the accounting records of the Authority and other procedures necessary for Rehmann Robson to express an opinion on the financial statements.

The auditor's report on the financial statements, required supplementary information and supplemental schedules are included in the FINANCIAL SECTION of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Huron-Clinton Metropolitan Authority for its comprehensive annual financial report for the year ended December 31, 2011. This was the tenth consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it again to the GFOA to determine its eligibility for this award.

Acknowledgements

The preparation of this comprehensive annual financial report is a major undertaking and I want to acknowledge the extraordinary efforts of our Finance Department, and especially Chief Accountant Rebecca Franchock and new Internal Auditor/Accountant Rebecca Baaki. Their assistance was absolutely essential and appreciated in submitting this report. The input and guidance from our independent auditors, Rehmann Robson, was also appreciated to direct us through the compilation of our comprehensive annual financial report.

In my first year as Controller for the Metroparks, I have relied on the Board of Commissioners, Director, Mr. John McCulloch, and Executive Secretary, Mr. George Phifer, to provide historical and procedural information as I continue to serve in this new position. I am grateful for their assistance and their leadership of the Metroparks.

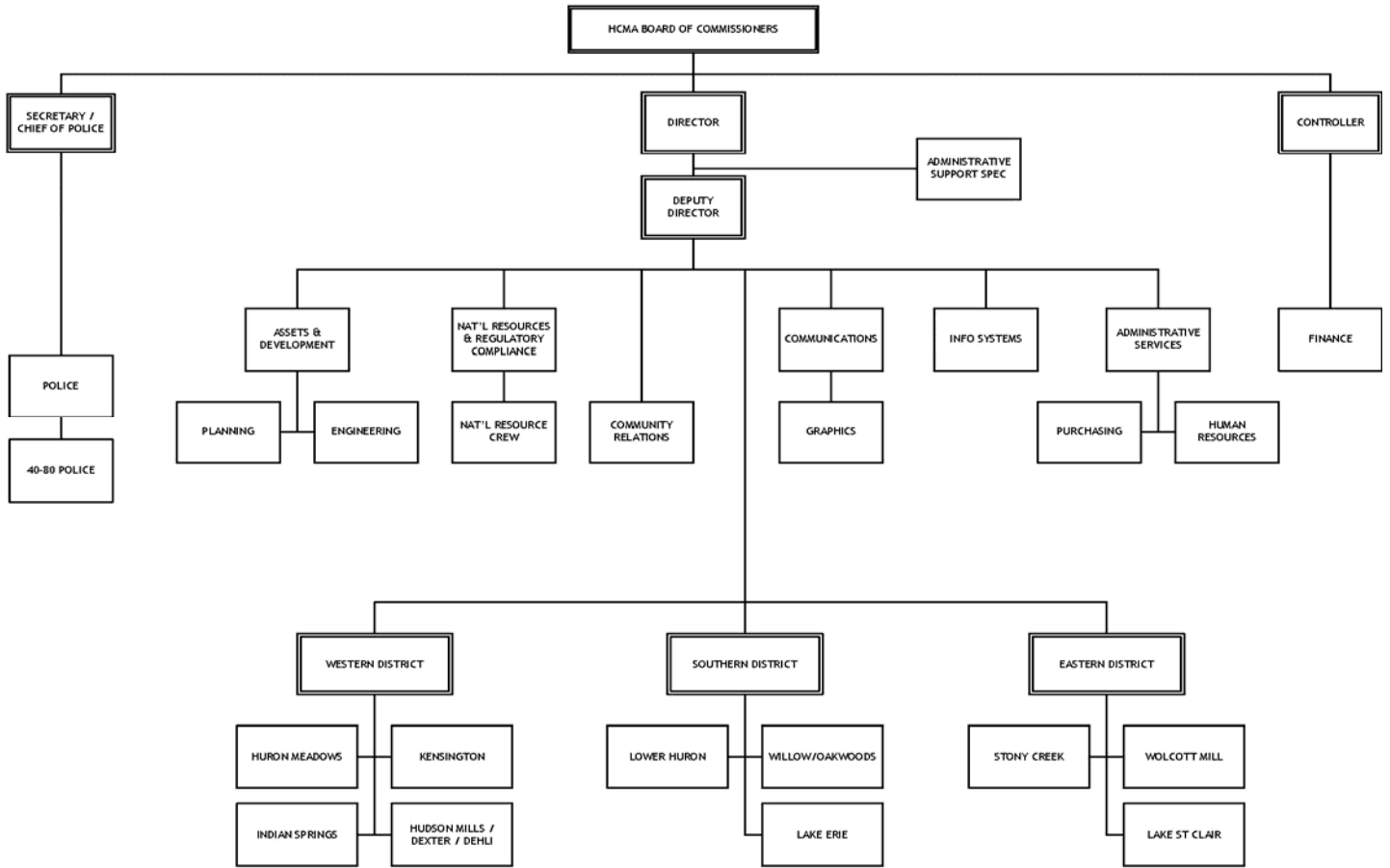
Respectfully submitted,

Lisa Dolan

Lisa Dolan, Controller

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HURON-CLINTON METROPOLITAN AUTHORITY
2012 TABLE OF ORGANIZATION



**HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN
2012
PRINCIPAL OFFICERS**

<u>UNIT - TITLE</u>	<u>NAME OF OFFICIAL</u>
Administrative Staff	
Director	John P. McCulloch
Deputy Director	Gregory J. Almas
Executive Secretary-Chief of Police	George Phifer
Controller	Lisa M. Dolan
Supervising Graphic Designer	LaChelle Barton
Information Systems Manager	Nolan L. Clark
Chief Planner	Susan H. Nyquist
Supervising Park Planner	James A. Kropp
Chief Accountant	Rebecca L. Franchock
Chief Engineer	Laura L. Martin
Supervising Field Engineer	Thomas R. Asiala
Chief of Natural Resources	Paul J. Muelle
Purchasing Manager	Scott W. Michael
Chief of Interpretive Services	C. Michael George
Community Relations Administrator	Jack C. Liang
Chief of Communications	Denise H. Semion
 EASTERN DISTRICT	
District Park Manager	Michael G. Lyons
District Maintenance Supervisor	Mark V. Lietaert
District Interpretive Supervisor	Julie C. Champion
Park Operations Manager - Stony Creek, Wolcott Mill Metroparks	Gary G. Hopp
Park Operations Manager - Lake St. Clair Metropark	Thomas J. Knuth
 WESTERN DISTRICT	
District Park Manager	Kimberly A. Jarvis
District Maintenance Supervisor	David B. Kirbach
District Interpretive Supervisor	Robert W. Hotaling
Park Operations Manager - Kensington, Indian Springs Metroparks	Jeffrey D. Linn
Park Operations Manager - Hudson Mills, Dexter- Huron, Delhi and Huron Meadows Metroparks	Jerome M. Cyr
 SOUTHERN DISTRICT	
District Park Manager	James W. Pershing
District Maintenance Supervisor	Joseph B. Jolly
District Interpretive Supervisor	Kevin J. Arnold
Park Operations Manager - Lower Huron, Willow, Oakwoods Metroparks	Jeffrey W. Schuman
Park Operations Manager - Lake Erie Metropark	Tonja M. Jolly

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

May 7, 2013

To the Board of Commissioners
Huron-Clinton Metropolitan Authority
Brighton, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the *Huron-Clinton Metropolitan Authority* (the "Authority"), as of and for the year ended December 31, 2012, (except for the Pension and Other Postemployment Benefit Trust Funds which are as of and for the year ended September 30, 2012) and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Huron-Clinton Metropolitan Authority, as of December 31, 2012 (except for the Pension and Other Postemployment Benefit Trust Funds, which are as of and for the year ended September 30, 2012) and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedules of Funding Progress and Employer Contributions for the pension and other postemployment benefit plans listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section, the combining fiduciary fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fiduciary fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fiduciary fund financial statements are fairly stated, in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued, our report dated May 7, 2013, on our consideration of the Huron-Clinton Metropolitan Authority'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 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 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 Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lehmann Lobson". The signature is written in a cursive, flowing style.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Management's Discussion and Analysis

As management of the Huron-Clinton Metropolitan Authority, we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Huron-Clinton Metropolitan Authority for the year ended December 31, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, the financial statements and the notes to the financial statements.

Financial Highlights

The assets of the Authority exceeded its liabilities at the end of 2012 by \$230,634,190 (net position). Of this amount, \$36,231,166 (unrestricted net position) may be used to meet the Authority's ongoing obligations to provide park and recreation services to the citizens of the five-county Metropark system.

The Authority's total net position increased by \$1,568,540.

The emphasis of the Authority's revised Five-Year Plan is to renovate, reconstruct and replace worn out, outdated recreational facilities. 2012 capital improvement expenditures reflect this emphasis as indicated by the following projects:

- At Lake St. Clair Metropark, engineering and planning began efforts to redevelop the northerly half of the 42 acre main parking lot at a cost of \$178,000 in 2012, total project costs estimated to be \$3.3 million. The U.S. Environmental Protection Agency will be contributing \$1.5 million toward this project.
- At Stony Creek Metropark, the golf course parking lot and the Gladeview parking lot were reconstructed at a cost of \$227,000.
- At Willow Metropark, an underground storage tank was removed and replaced with above ground storage tank for a cost of \$159,000.
- At Kensington Metropark, under the Authority's Capital Projects Fund, a \$2.4 million contract was let for the decommissioning and replacement of the park sewage treatment plant, 2012 expenditures totaled \$1,683,000.

Not only were existing Metropark assets renovated, but new assets were added, with the following 2012 capital improvement expenditures:

- At Kensington Metropark, a 1.2 mile Hike/Bike Trail Connector between Kensington main loop trail and the Milford Township spur was completed in 2012 with \$39,150 of expenditures.
- At Kensington Metropark, a new Golf Starter Building was started in 2011 (\$1,521,000) and completed in 2012. Total cost to complete this project in 2012 was \$163,000.
- At Lake St. Clair Metropark, a new Boardwalk picnic shelter was completed at a cost of \$8,481.
- At Stony Creek Metropark, construction was completed on a new play structure at Eastwood Beach, total costs for 2012 were \$558,000.

Repairs and renovation of Authority infrastructure continued to be a high priority. Major repairs to Authority buildings, roadways, hike/bike trails, irrigation systems, bridges and walkways ran \$1.5 million during 2012.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Management's Discussion and Analysis

The Authority did not purchase any new public land holdings during the year.

The Authority continued to meet the actuarially determined Pension Plan contribution of \$2,315,472 for the Plan year ended September 30, 2012.

The Authority established the Retiree Health Care Plan and Trust in October 2005 for the exclusive purpose of prefunding retiree health care benefits for eligible retirees and spouses. The Authority exceeded the funding required by the Annual Required Contribution (ARC) by transferring \$3,460,000 from the General Fund to the Retiree Health Care Trust for the Plan year ended September 30, 2012. This created an asset of \$817,000.

Authority General Fund revenues at \$44.6 million fell short of 2012 final budget targets by \$1.0 million (2.3 percent).

Authority General Fund operating expenditures at \$38.8 million were under amended 2012 budget amounts by \$1.5 million (3.8 percent).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Authority's finances in a manner similar to private-sector business.

The *statement of net position* presents information on all of the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the assets and deferred outflows and the liabilities and deferred inflows reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *statement of activities* presents information showing how the Authority's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result only in cash flows in future years (i.e., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Authority that are principally supported by taxes and program revenues. The sole governmental activity of the Authority consists of providing regional park and recreation services in the five-county metropolitan Detroit area. The Authority is a single purpose governmental agency.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Authority can be divided into two categories: governmental funds and fiduciary funds.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Management's Discussion and Analysis

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Authority maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General and Capital Projects funds, each of which are considered to be major funds.

The Authority adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided herein to demonstrate compliance with this budget.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Authority's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Authority uses a fiduciary fund to account for (1) its single employer, defined benefit pension plan, which accumulates resources for pension benefit payments to qualified Authority employees, and (2) its Retiree Health Care Plan and Trust, which accumulates resources for health care benefit payments to qualified Authority retirees. These funds are based on the Plan's September 30 fiscal year ends.

The Defined Benefit Pension Plan is administrated by a third party. An actuarial valuation determines the funding required annually. The annual required contribution determined and contributed was \$2,315,472 for this plan year ending September 30, 2012. Total estimated actuarial accrued liability was \$64,836,000, and actuarial value of Plan Assets was \$43,992,000. The percentage of liabilities funded was 67.9 percent, compared to 70.1 percent one year earlier.

The Retiree Health Care Plan and Trust was established October 1, 2005 pursuant to Section 115 of the Internal Revenue Code of 1986 and under the authority of the Public Employee Health Care Fund Investment Act, Public Act 149 of 1999. It provides funding for eligible retiree and spousal health care, life and dental benefits. An actuarial valuation is required every two years and the last valuation was done as of October 1, 2011 which determined estimated actuarial accrued liability to be \$35,840,000. At the end of the Plan's sixth fiscal year, the actuarial value of Trust assets totaled \$13,821,000 (39 percent) and unfunded actuarial accrued liability totaled \$22,019,000.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Management's Discussion and Analysis

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This information is limited to schedules concerning the Authority's progress in funding its obligation to provide pension and other postemployment benefits to its employees.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Huron-Clinton Metropolitan Authority, assets exceeded liabilities by \$230,634,190 at the close of the year.

By far the largest portion of the Authority's net position (84 percent) reflect its investment in capital assets (i.e., land, buildings, infrastructure, roads, park improvements, vehicles and equipment). The Authority uses these capital assets to provide park and recreation services to citizens; consequently, these assets are *not* available for future spending.

The Authority does not have any bonded debt.

	Net Position	
	Governmental Activities	
	2012	2011
Current and other assets	\$ 69,834,792	\$ 69,603,132
Capital assets, net	194,403,024	194,800,234
Total assets	264,237,816	264,403,366
Long-term liabilities	2,830,376	3,543,666
Other liabilities	2,859,332	2,665,599
Total liabilities	5,689,708	6,209,265
Deferred inflows of resources	27,913,918	29,128,451
Net position:		
Net investment in capital assets	194,403,024	194,800,234
Unrestricted	36,231,166	34,265,416
Total net position	\$ 230,634,190	\$ 229,065,650

No portion of the Authority's net position represent resources that are subject to external restrictions on how they may be used. The *unrestricted net position* may be used to meet the Authority's ongoing obligations for park and recreation facilities and services to citizens and creditors.

At the end of the current year, the Authority is able to report a positive balance in net position. The same situation held true for the prior fiscal year.

The Authority's net position increased by \$1,568,540 during the current year. Nearly all of this increase represents a reduction in Authority liabilities.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Management's Discussion and Analysis

	Change in Net Position	
	Governmental Activities	
	2012	2011
Program revenues:		
Park charges for services	\$ 15,027,250	\$ 14,151,725
Operating grants	234,463	33,359
Capital grants	175,075	318,053
General revenues:		
Property taxes	28,293,295	30,640,135
Oil and gas revenues	595,017	368,959
Donations	127,231	110,423
Interest	161,587	324,511
Proceeds from sale of capital assets	105,279	35,473
Miscellaneous	437,173	28,460
Total revenues	<u>45,156,370</u>	<u>46,011,098</u>
Expenses:		
General government	41,656,918	44,946,226
Capital projects	1,930,912	1,078,344
Total expenses	<u>43,587,830</u>	<u>45,158,189</u>
Change in net position	1,568,540	852,909
Net position:		
Beginning of year	229,065,650	228,212,741
End of year	<u>\$ 230,634,190</u>	<u>\$ 229,065,650</u>

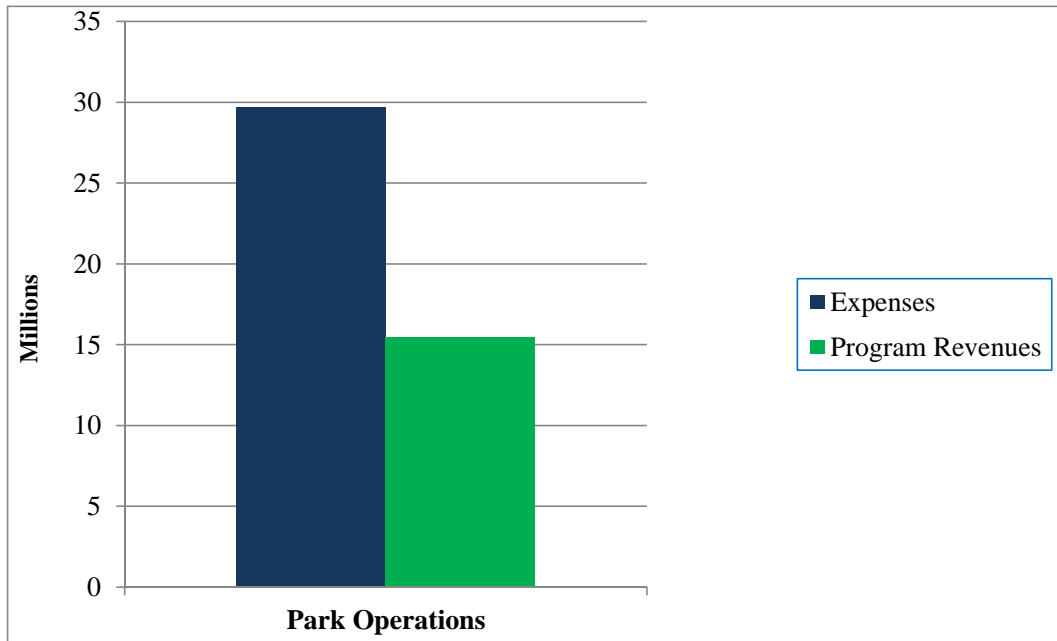
Governmental activities. Governmental activities increased the Authority's net position by \$1,568,540, as total 2012 revenues of \$45.2 million exceeded total operating expenses of \$43.6 million by \$1.6 million. These excess funds are used for Authority capital outlays and retained in the Authority's unassigned fund balance.

The change in net position for 2012 is approximately \$700,000 more than the change in net position for 2011. This is primarily due to the significant decrease in general government expenses and increase in park operating revenue.

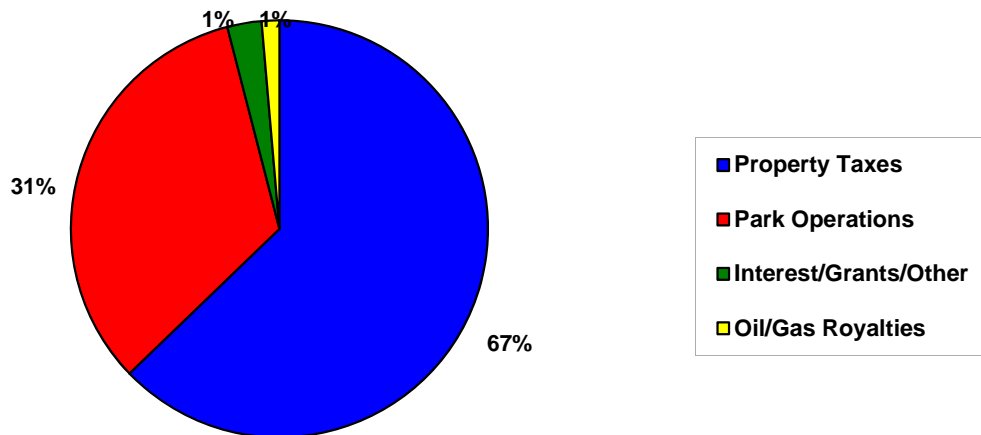
HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Management's Discussion and Analysis

2012 Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Management's Discussion and Analysis

Financial Analysis of the Government's Funds

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Authority's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the Authority's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of the current year, the Authority's governmental funds reported a combined ending fund balance of \$38,979,150, an increase of \$1,029,838 compared to 2011. Approximately 13 percent of this total amount (\$5.0 million) constitutes "*unassigned*" fund balance. Approximately .6% of this total amount (\$232 thousand) is considered nonspendable. Approximately 40% of this total amount (\$15.6 million) is considered assigned. The remainder of fund balance (\$18.1 million) is "*committed*" to indicate that it is not available for new spending because it has already been committed for: (1) capital improvement projects-\$11.8 million, (2) encumbered expenses-\$4 million, (3) a contingency fund for uninsured insurance claims-\$5 million, and (4) future land purchases-\$5.4 million.

The general fund is the primary operating fund of the Authority. At the end of the current year, unassigned fund balance of the general fund was \$5,014,458, while total fund balance was \$34,198,914. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to expenditures. The Authority's goal is to maintain the unassigned fund balance at a minimum of 5% of general fund expenditures, and at year end the unassigned fund balance was 12% of general fund operating expenditures of \$38.8 million. The Board of Commissioners has approved a systematic build up of fund balance with the knowledge of our declining tax revenue.

The fund balance of the Authority's general fund increased by \$2,337,330.

The following paragraphs present a summary of general fund revenues, which totaled \$44,799,208 for 2012, an overall decrease of \$927,602 from 2011. Revenues by source were as follows:

Revenue	2012 Amount	Percent of Total	2011 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
Property taxes	\$28,384,628	63.4%	\$30,691,073	\$ (2,306,445)	-7.5%
Park operations	15,027,250	33.5%	14,151,725	875,525	6.2%
Interest	133,184	0.3%	266,837	(133,653)	-50.1%
Grants	409,538	0.9%	351,412	58,126	16.5%
Donations	127,231	0.3%	110,423	16,808	15.2%
Proceeds from sale of capital assets	204,213	0.5%	126,880	77,333	60.9%
Miscellaneous	513,164	1.1%	28,460	484,704	1703.1%
Totals	\$44,799,208	100.0%	\$45,726,810	\$ (927,602)	-2.0%

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Management's Discussion and Analysis

The Authority's millage rate continued to be rolled back to .2146 mills in 2012 while "taxable values" continued to decline. The impact of the downturn in southeast Michigan's residential/ commercial/industrial market continued to negatively impact the Authority's "taxable value" numbers which were established based on real estate data from two years ago. There is a two year lag between market value declines and impact on "taxable values." The 2012 impact of these issues translated into a \$2.3 million (7.5 percent) drop in 2012 property tax collections. This is a significant decline in property taxes for the Authority, both in dollar and percentage terms, but an improvement from last year's double-digit decline of 11%. We expect "taxable values" to continue to decline, although not as significantly, until the real estate market stabilizes.

The \$15,027,250 of 2012 park operating revenues exceeded the 2012 Budget goal of \$14,516,500 by \$510,000 (3.5 percent). The \$15,027,250 generated in 2012 represented a \$875,525 (6.2 percent) increase from 2011 revenues. The nature of Authority park operating revenue activities are largely predicated on weather patterns. The good spring weather of 2012 was reflected in the Authority's two leading sources of revenue - tolling and golf. From 2011 levels, tolling experienced a \$364,000 increase and golf increased \$477,000. In addition, interpretive programs, watercraft rentals, livestock/crop sales, boat rentals, and disc golf all experienced growth over 2011 levels.

Interest income derived from investments in Certificates of Deposit and U.S. Agency issues fell further to \$133,000 in 2012. This was a \$134,000 (50 percent) drop from 2011 interest income, as interest rates fell to historic low levels.

The Authority recognized \$410,000 in grant revenue in 2012. This represents several grants awarded to the Metroparks. The two main Department of Natural Resource (DNR) grants that represented a majority of these funds were: (1) \$120,000 to finish the construction of the 1.1 mile hike/bike trail connecting the Authority's main loop trail at Kensington Metropark to the Milford trail, and (2) \$178,000 for the phragmite control and management of the marsh at Lake St. Clair Metropark.

General fund expenditures were \$42,461,878 for 2012, a decrease of \$2,484,348 from 2011's expenditures. A detailed breakdown of expenditures by major category is as follows:

Expenditure	2012 Amount	Percent of Total	2011 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
Engineering and planning	\$ 622,220	1.5%	\$ 444,112	\$ 178,108	40.1%
Capital improvements	1,869,223	4.4%	3,012,780	(1,143,557)	-38.0%
Equipment	1,170,104	2.8%	965,066	205,038	21.2%
Land acquisition	2,350	0.0%	565,997	(563,647)	-99.6%
Major maintenance	1,553,104	3.7%	1,164,673	388,431	33.4%
Administrative offices	5,960,101	14.0%	5,590,120	369,981	6.6%
General planning and engineering	1,578,084	3.7%	1,485,499	92,585	6.2%
Park operations	29,706,692	70.0%	31,717,979	(2,011,287)	-6.3%
Totals	\$42,461,878	100.0%	\$44,946,226	\$ (2,484,348)	-5.5%

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Management's Discussion and Analysis

Engineering and planning department expenses are divided between capital outlays and general operating expenditures (non-capitalized). The capitalized engineering and planning expenditures reflect expenses incurred on specific capital projects while they are planned and designed, prior to the awarding of a construction contract. These costs totaled \$622,000 in 2012, up from 2011's level of \$444,000. The non-capitalized general planning and engineering operating expenditures reflect planning and engineering expenses of a general nature that are not specifically tied to a capital improvement project. These expenditures include general planning studies, conceptual studies, community relations, Administrative Office overhead personnel, departmental fringe benefits and leave time. These expenses totaled \$1,578,084 in 2012, compared to \$1,485,499 in 2011.

Capital improvement outlays cover construction projects that exceed the Authority's \$10,000 capitalization limit. Throughout 2012, the Authority spent nearly \$1.9 million on capital improvement projects within the Metropark system. This represents a \$1.1 million decrease from 2011 expenditures of \$3 million. The \$1.9 million level of expenditures represents the third consecutive year that capital improvement expenditures have fallen below the \$6.0 million mark. The vast majority of 2012 projects continue to relate to the 3-R's type projects (repair, renovate and replace) in accordance with the Board of Commissioner approved revised Five-Year Plan. These projects enhanced the Authority's recreational facilities offered the public in terms of park roads, hike/bike trails, parking lots, buildings, utilities, landscaping, golf courses and other improvements. Many of the more significant 2012 capital improvement projects have been previously highlighted under the MAJOR INITIATIVES section of this report.

Equipment having an individual value in excess of \$1,000 is capitalized. During 2012, a total of \$1,170,000 was spent equipping the Metropark system, up from the 2011 amount of \$965,000. Heavy equipment (mowers, tractors, golf cars, etc.) purchases accounted for \$486,000 of equipment expenditures. Auto and truck acquisitions totaled \$552,000.

The final area of capital expenditures relates to land acquisition in which \$2,350 was spent in 2012. This amount spent related to land appraisal and surveying only.

The Authority classifies all non-recurring repair/maintenance-type projects that exceed \$10,000 as Major Maintenance expenses. These projects do not substantially improve or alter an existing facility and, therefore, are not capitalized. During 2012, Metropark facilities were renovated with 40 separate projects at a cost of \$1,553,000.

General Administration expenses reflect the cost of running the Authority's centralized Administrative Office, which ran \$5,960,000 in 2012, up 6.6 percent from 2011. This covers the cost of 33 full time employees, 154 retired employees (health care benefit contributions), materials, supplies and outside consultants utilized in managing the entire Metropark system. Personnel costs increased to \$4,737,000, up \$190,000 (4 percent) from 2011 levels due largely to retirement payouts. Outlays for materials/supplies/outside consulting services associated with the operation of the Administrative Office increased to \$1,223,000.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Management's Discussion and Analysis

The direct operating costs associated with operating and maintaining the 13 Metroparks to serve 8.9 million visitors consumed \$29.7 million of Authority funds. Comparing this \$29.7 million of park operating costs to 2011 expenditures of \$31.7 million shows that overall park operating costs fell by \$2 million (6.4 percent). Personnel related costs, which comprise 77 percent of park operating expenses, dropped from \$24,626,000 to \$22,829,000 - down \$1,797,000 (7.3 percent). Noteworthy factors to highlight related to 2012 personnel expenditures include: (A) a net decline of \$626,000 (3.9 percent) in full time wages due primarily to an early retirement incentive program in which 33 employees retired, (B) part time wages were slightly reduced by \$110,000 (2 percent) in the efforts to consolidate, (C) a \$586,000 (22 percent) decrease in employee group insurance costs due to retirements and a change in the health care plan with BCBS, and (D) retiree health care cost decreased \$768,000 (43 percent) due to a change to Medicare Advantage program for retirees. The other 23 percent of park operating expenditures relate to material/supply/outside contractual services, which incurred \$6,878,000 of expenses, down \$214,000 (3 percent). Significant factors contributing to this decline include: (A) communication costs declined by \$111,000 (29 percent), (B) operating supplies decreased \$34,000 (18 percent), (C) repairs and maintenance-facilities reduced \$39,000 (8 percent), and (D) a reduction in marketing of \$34,000 (42 percent). Partially offsetting these expenditure reductions were various increases in expenditures including a \$94,000 (19 percent) increase in repairs and maintenance-equipment.

The capital projects fund is utilized by the Authority to record supplemental major maintenance projects that are non-recurring expenditures to repair/replace existing Metropark infrastructure. During 2012, \$595,000 of royalty payments were received, with generated investment income totaling \$28,000. At the end of the current year, total fund balance committed in the capital projects fund was \$4,780,236.

The fund balance of the Authority's capital projects fund decreased by \$1,307,492.

The following paragraph presents a summary of capital projects fund revenues, which totaled \$623,420 for 2012, an overall increase of \$196,787 from 2011. Revenues by source were as follows:

Revenue	2012 Amount	Percent of Total	2011 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
Oil and Gas Royalties	\$ 595,017	95.4%	\$ 368,959	\$ 226,058	61.3%
Interest	28,403	4.6%	57,674	(29,271)	-50.8%
Totals	\$ 623,420	100.0%	\$ 426,633	\$ 196,787	46.1%

The revenues from oil and gas royalty payments at Kensington Metropark increased by \$226,000 from 2011 levels as production was increased. Interest income derived from investments in money market funds and U.S. Agency issues continued to decline, falling from \$58,000 to \$28,000 in 2012 as interest rates remain at historically low levels.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Management's Discussion and Analysis

Capital Project fund expenditures were \$1,930,912 for 2012, a significant increase from 2011's expenditures of \$1,078,344. Breakdown of expenditures by major category is as follows:

Expenditure	2012 Amount	Percent of Total	2011 Amount	Amount of Increase (Decrease)
Major Maintenance	\$ -	0.0%	\$ 322,219	\$ (322,219)
Capital Improvements	1,930,912	100.0%	756,125	1,174,787
Totals	\$ 1,930,912	100.0%	\$ 1,078,344	\$ 852,568

A significant project under contract in 2012 was the decommissioning of Kensington Metropark's sewage treatment plant. Expenditures for this project were \$1,683,000. An additional project in the Capital Project Fund was the replacement of the main water line serving Stony Creek Metropark at Eastwood Beach for \$218,000.

General Fund Budgetary Highlights

Over the course of the year, the Authority's Board of Commissioners revised the Authority budget several times.

- Increases in appropriations to prevent overruns for capital or operating expenditures.
- Amendments made shortly after the beginning of the year to reflect carryover capital appropriations.
- Amendments made to increase expenditure budgets for events that were not properly anticipated when the budget was compiled.

Differences between the original budget and the final amended budget were generally minor with the following exception:

- The \$5.4 million decrease in land acquisitions in which land purchases were set up in fund balance as a committed balance, and \$2.5 million decrease in capital improvements to defer capital projects to the following year.

During the year, general fund revenues were over final budgetary estimates in total by \$1,023,882, mainly because of park operation revenues. All operating and capital expenditure categories were well within amended budgeted amounts.

Capital expenditures were under budget by \$4,703,973, resulting mainly from capital improvement projects that were in progress or carried over and rebudgeted at year end totaling \$4.5 million.

Capital Asset and Debt Administration

Capital assets. The Authority's investment in capital assets for its governmental-type activities as of December 31, 2012 amounted to \$194,403,024 (net of accumulated depreciation). This investment in capital assets includes land, land improvements (golf courses, etc.), buildings, roads, bridges, sewer/water systems, park facilities and equipment. The total decrease in the Authority's investment in capital assets (net of depreciation) for the year was a minimal decrease of \$397,210 (0.2 percent).

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Management's Discussion and Analysis

Major capital asset events during the current year included the following:

• Golf Starter Building Replacement	Kensington	\$ 163,000
• Milford Bike Trail Connector	Kensington	39,150
• Wetland Restoration	Lake St. Clair	35,250
• Play Structure at Eastwood Beach	Stony Creek	558,000
• Autos/Trucks	All Parks	552,000
• Heavy Equipment	All Parks	486,000

	Capital Assets (Net of Depreciation)	
	Governmental Activities	
	2012	2011
Land	\$ 46,466,656	\$ 46,464,306
Land improvements	34,648,297	34,319,479
Construction in progress	2,953,373	3,141,842
Buildings	37,538,377	36,912,695
Equipment	8,245,496	8,962,236
Other Improvements	39,169,293	39,492,272
Infrastructure	25,381,532	25,507,404
Total capital assets, net	<u>\$ 194,403,024</u>	<u>\$ 194,800,234</u>

Additional information on the Authority’s capital assets can be found in Note 7 in the Notes to Financial Statements.

Long-term debt. The Authority has recognized \$3,645,977 in accrued compensated absences.

The Authority has no bonded debt or capital leases.

Additional information on the Authority’s long-term debt can be found in Note 8 in the Notes to Financial Statements.

Economic Factors and Next Year’s Budget and Rates

The following factors guided the preparation of the Authority’s 2013 Budget:

- The Board of Commissioners approved a new rolling Five-Year Plan for 2013-2017 on September 19, 2012 providing general guidance on the allocation of Authority funds, both capital and operational.
- Property tax revenues were based on a rolled back millage rate of .2146 mills. The 2013 Budget was based on “net” tax levy revenues of \$27.9 million after factoring out estimated captured tax revenues from tax abatement programs. This decline in tax revenues reflects a continuing decline in real estate taxable values in the Authority’s five-county tax district, although at a slower rate than in 2012.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Management's Discussion and Analysis

Requests for Information

This financial report is designed to provide a general overview of the Huron-Clinton Metropolitan Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Controller, Huron-Clinton Metropolitan Authority, 13000 High Ridge Drive, Brighton, Michigan, 48114-9058.

BASIC FINANCIAL STATEMENTS

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Statement of Net Position December 31, 2012

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 4,023,202
Investments	37,797,289
Receivables, net	26,964,670
Inventory	203,144
Prepaid expense	29,219
Net other postemployment benefit asset	817,268
Capital assets not being depreciated	84,068,326
Capital assets being depreciated, net	<u>110,334,698</u>
Total assets	<u>264,237,816</u>
Liabilities	
Accounts payable and accrued payroll and benefits payable	1,861,010
Other liabilities	109,345
Unearned revenue	73,376
Noncurrent liabilities:	
Due within one year	815,601
Due after one year	<u>2,830,376</u>
Total liabilities	<u>5,689,708</u>
Deferred inflows of resources	
Taxes levied for a subsequent period	<u>27,913,918</u>
Net position	
Net investment in capital assets	194,403,024
Unrestricted	<u>36,231,166</u>
Total net position	<u><u>\$ 230,634,190</u></u>

The accompanying notes are an integral part of these financial statements.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Statement of Activities

For the year ended December 31, 2012

Functions /Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Governmental activities:					
General government	\$ 41,656,918	\$ 15,027,250	\$ 234,463	\$ 175,075	\$(26,220,130)
Capital projects	1,930,912	-	-	-	(1,930,912)
Total governmental activities	<u>\$ 43,587,830</u>	<u>\$ 15,027,250</u>	<u>\$ 234,463</u>	<u>\$ 175,075</u>	<u>(28,151,042)</u>
General revenues					
Property taxes					28,293,295
Oil and gas royalties					595,017
Donations					127,231
Interest					161,587
Gain on sale of capital assets					105,279
Miscellaneous					437,173
Total general revenues					<u>29,719,582</u>
Change in net position					1,568,540
Net position, beginning of year					<u>229,065,650</u>
Net position, end of year					<u>\$230,634,190</u>

The accompanying notes are an integral part of these financial statements.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Balance Sheet

Governmental Funds

December 31, 2012

	General Fund	Capital Projects	Total
Assets			
Cash and cash equivalents	\$ 1,652,640	\$ 2,370,562	\$ 4,023,202
Investments	35,293,622	2,503,667	37,797,289
Receivables:			
Property taxes receivable, net	26,780,113	-	26,780,113
Accounts receivable	75,028	38,671	113,699
Due from other governmental units	70,858	-	70,858
Due from other funds	32,441	-	32,441
Inventory	203,144	-	203,144
Prepaid expense	29,219	-	29,219
Total assets	\$ 64,137,065	\$ 4,912,900	\$ 69,049,965
Liabilities			
Accounts payable	\$ 962,075	\$ -	\$ 962,075
Accrued payroll and benefits payable	898,935	-	898,935
Other liabilities	9,122	100,223	109,345
Due to other funds	-	32,441	32,441
Unearned revenue	73,376	-	73,376
Total liabilities	1,943,508	132,664	2,076,172
Deferred inflows of resources			
Unavailable revenue - taxes	80,725	-	80,725
Taxes levied but intended for subsequent period	27,913,918	-	27,913,918
Total deferred inflows of resources	27,994,643	-	27,994,643
Fund balances			
Nonspendable	232,363	-	232,363
Committed	13,334,981	4,780,236	18,115,217
Assigned	15,617,112	-	15,617,112
Unassigned	5,014,458	-	5,014,458
Total fund balances	34,198,914	4,780,236	38,979,150
Total liabilities, deferred inflows of resources and fund balances	\$ 64,137,065	\$ 4,912,900	\$ 69,049,965

The accompanying notes are an integral part of these financial statements.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
to Net Position of Governmental Activities
December 31, 2012

Fund balances - total governmental funds	\$ 38,979,150
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the Authority as a whole.	
Cost of capital assets	270,861,810
Accumulated depreciation	(76,458,786)
The focus of governmental funds is on short-term financing. Accordingly, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred inflows in the governmental funds, and thus are not included in fund balance.	
Deferred property taxes receivable	80,725
Certain liabilities, such as compensated absences, are not due and payable in the current period, and therefore are not reported in the funds.	
Compensated absences	(3,645,977)
Other postemployment benefit asset	817,268
Net position of governmental activities	<u>\$ 230,634,190</u>

The accompanying notes are an integral part of these financial statements.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the year ended December 31, 2012

	General Fund	Capital Projects	Total
Revenues			
Property taxes	\$ 28,384,628	\$ -	\$ 28,384,628
Oil and gas royalties	-	595,017	595,017
Park charges for services	15,027,250	-	15,027,250
Operating grants	234,463	-	234,463
Capital grants	175,075	-	175,075
Donations	127,231	-	127,231
Interest	133,184	28,403	161,587
Miscellaneous	513,164	-	513,164
Total revenues	44,594,995	623,420	45,218,415
Expenditures			
Operating:			
Park operations	29,706,692	-	29,706,692
Major maintenance	1,553,104	-	1,553,104
Administrative offices	5,960,101	-	5,960,101
General planning and engineering	1,578,084	-	1,578,084
Total operating	38,797,981	-	38,797,981
Capital:			
Engineering and planning	622,220	-	622,220
Capital improvements	1,869,223	1,930,912	3,800,135
Equipment	1,170,104	-	1,170,104
Land acquisitions	2,350	-	2,350
Total capital	3,663,897	1,930,912	5,594,809
Total expenditures	42,461,878	1,930,912	44,392,790
Revenues over (under) expenditures	2,133,117	(1,307,492)	825,625
Other financing sources			
Proceeds from sale of capital assets	204,213	-	204,213
Net change in fund balances	2,337,330	(1,307,492)	1,029,838
Fund balance, beginning of year	31,861,584	6,087,728	37,949,312
Fund balance, end of year	\$ 34,198,914	\$ 4,780,236	\$ 38,979,150

The accompanying notes are an integral part of these financial statements.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the year ended December 31, 2012

Net change in fund balances - total governmental funds	\$ 1,029,838
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	5,636,319
Depreciation expense	(5,934,595)
Capital asset disposals	(98,934)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.	
Net change in deferred loans receivable	(74,731)
Net change in deferred property taxes receivable	(91,333)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Change in accrual for compensated absences	982,085
Change in other postemployment benefit asset	119,891
	<hr/>
Change in net position of governmental activities	<u>\$ 1,568,540</u>

The accompanying notes are an integral part of these financial statements.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - General Fund For the year ended December 31, 2012

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Property taxes	\$ 29,095,636	\$ 28,384,613	\$ 28,384,628	\$ 15
Park operations	14,312,000	14,516,500	15,027,250	510,750
Operating grants	-	15,000	234,463	219,463
Capital grants	250,000	120,000	175,075	55,075
Donations	-	110,000	127,231	17,231
Interest	200,000	200,000	133,184	(66,816)
Miscellaneous	25,000	475,000	513,164	38,164
Total revenues	43,882,636	43,821,113	44,594,995	773,882
Expenditures				
Operating:				
Park operations	31,869,300	30,978,900	29,706,692	(1,272,208)
Major maintenance	2,743,000	1,623,900	1,553,104	(70,796)
Administrative offices	6,030,200	6,126,800	5,960,101	(166,699)
General planning and engineering	1,366,000	1,578,209	1,578,084	(125)
Total operating	42,008,500	40,307,809	38,797,981	(1,509,828)
Capital:				
Engineering and planning	823,600	741,609	622,220	(119,389)
Capital improvements	8,842,000	6,338,222	1,869,223	(4,468,999)
Equipment	1,397,000	1,274,971	1,170,104	(104,867)
Land acquisitions	5,428,900	13,068	2,350	(10,718)
Total capital	16,491,500	8,367,870	3,663,897	(4,703,973)
Total expenditures	58,500,000	48,675,679	42,461,878	(6,213,801)
Revenues (under) over expenditures	(14,617,364)	(4,854,566)	2,133,117	6,987,683
Other financing sources				
Proceeds from sale of capital assets	100,000	200,000	204,213	4,213
Net change in fund balances	(14,517,364)	(4,654,566)	2,337,330	6,991,896
Fund balances, beginning of year	31,861,584	31,861,584	31,861,584	-
Fund balances, end of year	\$ 17,344,220	\$ 27,207,018	\$ 34,198,914	\$ 6,991,896

The accompanying notes are an integral part of these financial statements.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Statement of Fiduciary Net Position

Pension and Other Postemployment Benefit Trust Funds

September 30, 2012

Assets

Cash and cash equivalents	\$ 545,785
Investments, fair value:	
U.S. agencies	1,012,960
Immediate participation contracts	3,179,698
Mutual funds	43,467,832
Guaranteed investment contracts	12,849,142
Prepaid expense	97,081

Total assets/net position

Held in trust for pension and postemployment benefits	<u>\$ 61,152,498</u>
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The accompanying notes are an integral part of these financial statements.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Statement of Changes in Fiduciary Net Position Pension and Other Postemployment Benefit Trust Funds For the Year Ended September 30, 2012

Additions	
Contributions:	
Employer contributions	\$ 5,615,472
Medicare subsidy	<u>163,320</u>
Total contributions	<u>5,778,792</u>
Investment income (expense):	
Net increase in fair value of investments	5,874,908
Interest	1,164,806
Investment expense	<u>(88,065)</u>
Net investment income	<u>6,951,649</u>
Total additions	12,730,441
Deductions	
Benefits	<u>3,765,593</u>
Change in net position	8,964,848
Net position, beginning of year	<u>52,187,650</u>
Net position, end of year	<u><u>\$ 61,152,498</u></u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Notes To Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Huron-Clinton Metropolitan Authority (“the Authority”) was created in 1939 as a special district form of government to provide recreational facilities and services to residents of Livingston, Macomb, Oakland, Washtenaw, and Wayne Counties. The Authority is governed by a Board of Commissioners, which consists of a Commissioner appointed by the Board of Commissioners from each of the five participating counties, and two Commissioners appointed by the Governor of Michigan. Principal funding for the Authority is derived from a property tax levy assessed in each of the five participating counties.

The Authority has determined that no entities should be consolidated into its basic financial statements as component units. The criteria for including a component unit include entities for which the government is considered to be financially accountable. Therefore, the reporting entity consists only of the primary government.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of the interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Notes To Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Authority.

The Authority reports the following major governmental funds:

The *general fund* is the Authority's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *capital projects fund* is used to record supplemental major maintenance projects of the Authority, which are nonrecurring expenditures to repair or replace existing park facilities. As designated by the Authority, oil and gas revenues received are earmarked to fund these projects.

In addition, the government reports the following fund types:

The *pension and other postemployment benefit trust funds* account for the Authority's single employer, defined benefit pension plan and other postemployment benefits, which accumulate resources for pension benefit and other postemployment benefit payments to qualified Authority employees. The funds are based on the Plans' September 30th fiscal year ends.

As a general rule the effect of interfund activity has been eliminated from the government wide financial statements.

Amounts reported as program revenues include: (1) charges to park customers, and (2) capital and operating grants. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes along with oil and gas royalties.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity

Deposits and Investments

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers' acceptances, and mutual funds composed of otherwise legal investments. The State's Pension Investment Act, as amended, authorizes the pension trust fund to invest in common stocks, real estate, and various other investment instruments, subject to certain limitations.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Notes To Financial Statements

Investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Investments that do not have established market values are reported at estimated fair value as determined by the custodians. Cash deposits are reported at carrying amounts, which reasonably approximates fair value.

Unrealized appreciation or depreciation on pension trust fund investments due to changes in fair value is recognized each year.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of inter-fund loans) or “advances to/from other funds” (i.e., the non current portion of inter-fund loans). All other outstanding balances between funds are reported as “due to/from other funds”.

All property tax receivables are shown net of an allowance for uncollectible amounts. The allowance is estimated based upon the original year of the assessment and uses a graduated percentage ranging from 10 to 100 percent of the balance outstanding.

Real and personal property taxes are levied on December 1 on the taxable value of property located in the Counties as of the preceding December 31 (lien date). Taxable values are established annually by municipalities and are equalized by the Counties and State at 50 percent of estimated current market value or less. The Authority’s operating tax rate for the 2011 levy (2012 property tax revenue) was .2146 mills. Taxes are receivable on the levy date and become delinquent on March 1 the following year. Property tax revenues are recognized as revenues in the operating year in which the levy is intended to fund to the extent that they are measurable and available, and collected within sixty days after year end.

Inventories and Prepaid Items

Inventory maintained by the general fund is valued at average cost. Inventory consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed.

Certain payments made to vendors are for services applicable to future accounting periods and are included as other asset items in both the government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, buildings, equipment, other improvements and infrastructure (e.g., roads, bridges, paved pathways and water/sewer lines), are reported in the statement of net position in the basic financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$1,000 for equipment and \$10,000 for all other assets, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Notes To Financial Statements

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

	Years
Buildings	30 - 50
Infrastructure	15 - 50
Other improvements	15 - 60
Equipment	3 - 25

Compensated Absences

The Authority allows employees to earn annual leave benefits and sick leave termination bonuses based, in part, on length of service. Annual leave is fully vested when earned and sick leave termination bonuses vest upon completion of ten years of service. Upon termination, employees are paid their accumulated sick leave termination bonuses and annual leave depending upon the nature of separation (death, retirement, or termination). All vacation pay is accrued when incurred in the government-wide fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues, which arises only under a modified accrual basis of accounting, from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, deferred inflows of resources are reported in the government-wide and governmental fund financial statements for property taxes levied during the year that were intended to finance future periods.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Notes To Financial Statements

Fund Equity

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Commissioners. A formal resolution of the Board of Commissioners is required to establish, modify, or rescind a fund balance commitment. The Authority assigned fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Commissioners has delegated the authority to assign fund balance to the Authority's Controller. Unassigned fund balance is the residual classification for the general fund.

When the government incurs an expenditure for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Reclassifications

Certain prior year comparative amounts have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the previously reported net position or fund balances.

2. BUDGETARY INFORMATION

A budget for the general fund is adopted, on a basis consistent with generally accepted accounting principles (GAAP), and is adopted on a category level. An operating budget including major maintenance, park operations and general administration categories lapses at year end. Capital outlay budgets including engineering and general planning, capital improvements, equipment and land acquisition categories do not lapse at year-end.

Adoption and amendments of budgets used by the Authority are governed by Public Act 621. The governing body must approve the budget and amendments, including supplemental appropriations at the category level. The Authority's management can transfer appropriations between line items within a category without governing body approval.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Notes To Financial Statements

3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

During the year ended December 31, 2012, the Authority incurred no expenditures that were in excess of the budgetary amounts.

4. DEPOSIT AND INVESTMENTS

Summary of Deposit and Investment Balances

Following is a reconciliation of deposit and investment balances as of December 31, 2012 for the governmental activities and as of September 30, 2012 for the pension and other postemployment benefit trust funds:

	Primary Government
Statement of Net Position	
Cash and cash equivalents	\$ 4,023,202
Investments	37,797,289
Statement of Fiduciary Net Position	
Cash and cash equivalents	545,785
Investments	<u>60,509,632</u>
 Total	 <u><u>\$ 102,875,908</u></u>
 Deposits and investments	
Demand deposit accounts	\$ 30,710,084
Certificates of deposit, due within one year	6,111,706
Investments, at fair value	
U.S. agencies	6,512,960
Guaranteed interest contracts	12,849,142
Immediate participation contract	3,179,698
Mutual funds	43,467,832
Cash on hand	<u>44,486</u>
 Total	 <u><u>\$ 102,875,908</u></u>

Statutory Authority

The Authority is authorized by statute to invest surplus funds in the following:

- Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Notes To Financial Statements

- Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.
- Bankers' acceptances of United States banks.
- Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- Mutual funds registered under the Investment Company Act of 1940, limited to mutual fund securities whose intention is to maintain a net asset value of \$1.00 per share.
- External investment pools as authorized by Public Act 20 as amended through December 31, 1997.
- In addition, the trust funds can invest in common stock, real estate, and various other investments.

The Board of Commissioners is authorized to designate depositories for the Authority's funds, and to determine that the funds are invested in accordance with State of Michigan statutory authority.

The Authority's deposits are in accordance with statutory authority.

Credit Risk. State law limits investments to specific government securities, certificates of deposit and bank accounts with qualified institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments above. In compliance with State law, the Authority's investment policy limits investments to the top two ratings issued by nationally recognized statistical rating organizations. The Authority's investment policy does not have specific limits in excess of state law on investment credit risk. As of December 31, 2012, the Authority's investments in corporate bonds and corporate asset-backed securities were within these guidelines.

The Authority's investments are categorized below to give an indication of the level of credit risk assumed by the entity at December 31, 2012.

	Investment Type				Total
	U.S. Agencies	Guaranteed Interest Contracts	Immediate Participation Contract	Mutual Funds	
AAA	\$ 6,512,960	\$ -	\$ -	\$ -	\$ 6,512,960
Aa3	-	2,466,365	-	-	2,466,365
A2	-	2,464,790	3,179,698	-	5,644,488
Baa1	-	7,917,987	-	-	7,917,987
Not rated	-	-	-	43,467,832	43,467,832
Total	\$ 6,512,960	\$ 12,849,142	\$ 3,179,698	\$ 43,467,832	\$ 66,009,632

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Notes To Financial Statements

Investment and Deposit Risk

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the above list of authorized investments. The Authority’s investment policy does not have specific limits in excess of State law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At year-end, maturities of the Authority’s investments were as follows:

	Investment Type				Total
	U.S. Agencies	Guaranteed Interest Contracts	Immediate Participation Contract	Mutual Funds	
Less than 1 year	\$ 1,000,000	\$ 12,849,142	\$ -	\$ -	\$ 13,849,142
1 to 5 years	5,512,960	-	-	-	5,512,960
No maturity	-	-	3,179,698	43,467,832	46,647,530
Total fair value	\$ 6,512,960	\$ 12,849,142	\$ 3,179,698	\$ 43,467,832	\$ 66,009,632

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Authority’s deposits may not be returned. State law does not require and the Authority does not have a policy for deposit custodial credit risk. As of year-end, \$34,626,484 of the Authority’s bank balance of \$36,277,346 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the Authority does not have a policy for investment custodial credit risk. On the investments listed above, there is no custodial credit risk, as these investments are either uninsured, unregistered, and held by a counterparty in the Authority’s name or are uncategorized as to credit risk.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments above. The Authority’s investment policy does not have specific limits in excess of state law on concentration of credit risk. The investments that exceed 5 percent of the Authority’s total investments are in mutual funds, investment pools, and U.S. Agencies securities. All investments held at year-end are reported above.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Notes To Financial Statements

5. RECEIVABLES

Receivables as of year-end for the governmental activities in the aggregate, are as follows:

Taxes	\$ 26,780,113
Accounts receivable	113,699
Due from other governments	<u>70,858</u>
	<u>\$ 26,964,670</u>

Taxes receivable consist of the 2012 levy to be received in 2013 as well as delinquent personal property taxes. They are shown net of an allowance for doubtful accounts of \$30,000.

6. INTERFUND RECEIVABLES AND PAYABLES

	Due to	Due from
General fund	\$ 32,441	\$ -
Capital projects fund	<u>-</u>	<u>32,441</u>
	<u>\$ 32,441</u>	<u>\$ 32,441</u>

The outstanding balance between funds results mainly from the time lag between the dates that: (1) interfund goods and services are provided, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Notes To Financial Statements

7. CAPITAL ASSETS

Capital asset activity for the governmental activities for the year ended December 31, 2012, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 46,464,306	\$ 2,350	\$ -	\$ -	\$ 46,466,656
Land improvements	34,319,479	-	-	328,818	34,648,297
Construction in progress	3,141,842	3,811,330	(23,756)	(3,976,043)	2,953,373
	<u>83,925,627</u>	<u>3,813,680</u>	<u>(23,756)</u>	<u>(3,647,225)</u>	<u>84,068,326</u>
Capital assets, being depreciated:					
Buildings	54,452,290	-	-	1,713,713	56,166,003
Equipment	24,305,451	1,170,103	(577,243)	-	24,898,311
Other improvements	56,897,638	652,536	(216,331)	620,214	57,954,057
Infrastructure	46,461,815	-	-	1,313,298	47,775,113
	<u>182,117,194</u>	<u>1,822,639</u>	<u>(793,574)</u>	<u>3,647,225</u>	<u>186,793,484</u>
Less accumulated depreciation for:					
Buildings	(17,539,595)	(1,088,031)	-	-	(18,627,626)
Equipment	(15,343,215)	(1,811,665)	502,065	-	(16,652,815)
Other improvements	(17,405,366)	(1,595,729)	216,331	-	(18,784,764)
Infrastructure	(20,954,411)	(1,439,170)	-	-	(22,393,581)
	<u>(71,242,587)</u>	<u>(5,934,595)</u>	<u>718,396</u>	<u>-</u>	<u>(76,458,786)</u>
Total capital assets being depreciated, net	<u>110,874,607</u>	<u>(4,111,956)</u>	<u>(75,178)</u>	<u>3,647,225</u>	<u>110,334,698</u>
Governmental activities capital assets, net	<u>\$ 194,800,234</u>	<u>\$ (298,276)</u>	<u>\$ (98,934)</u>	<u>\$ -</u>	<u>\$ 194,403,024</u>

Depreciation expense was charged to functions/programs of the Authority as follows:

Governmental activities	
Park operations	\$ 5,864,819
Administrative offices	<u>69,776</u>
Total depreciation expense - governmental activities	<u>\$ 5,934,595</u>

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Notes To Financial Statements

8. LONG-TERM DEBT

Accrued compensated absences amounted to \$3,645,977 at year-end. Of this amount \$815,601 is expected to be paid in the following year.

Long-term liability activity for the year ended December 31, 2012, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Compensated absences	\$ 4,628,062	\$ 28,810	\$ (1,010,895)	\$ 3,645,977	\$ 815,601

9. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and distribution of assets; errors and omissions; injuries to employees and natural disasters. The Authority carries commercial insurance to cover any potential claims associated with these risks and has had no claims that exceeded the insurance coverage during the past three years.

10. CONTINGENT LIABILITIES

The Authority has received state grants for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowance under terms of the grants, management believes that any required reimbursements would not be material.

The Authority is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Authority’s counsel that resolution of these matters will not have a material adverse effect on the financial condition of the Authority.

11. DEFINED BENEFIT PENSION PLAN

The following brief description of the Huron-Clinton Metropolitan Authority’s Employee’s Retirement Plan (The Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

Plan Description - The Plan is a single-employer noncontributory defined benefit pension plan covering substantially all of the Authority’s full-time employees. The Plan’s fiscal year end is September 30, however, the actuarial valuation of the funded status of the Plan is performed as of October 1 of each year. The Plan is included as a pension trust fund in the Authority’s primary government financial statements and a stand-alone financial report of the Plan has not been issued. The Plan is administered by the Authority’s Pension Committee as appointed by the Authority’s Board of Commissioners. Benefit provisions and contribution requirements are established and may be amended by the Board of Commissioners.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Notes To Financial Statements

Eligibility - The Plan provides eligible participants with retirement benefits as well as disability benefits. All retirement benefits fully vest after ten years of credited service, with partial vesting granted for service less than ten years. Employees who retire at age 65 are entitled to an annual retirement benefit, payable monthly in an amount equal to 2% of the highest consecutive five year average monthly earnings in the last ten years of service, with a maximum monthly benefit of 71% of the final average monthly earnings. Employees may retire at age 60 with an unreduced benefit only if they have 25 or more years of service at early retirement. Employees retiring at age 55 with ten years credited service are entitled to receive a reduced monthly retirement benefit.

At October 1, 2012 the Plan participants consisted of:

Retirees and beneficiaries currently receiving benefits, terminated vested not receiving benefits and long term disabled employees	146
Current employees:	
Fully vested	146
Partially vested	43
	<hr/>
Total	<u>335</u>

Investments - The Authority maintains an investment policy for the Plan which permits 5% to 40% of Pension Trust Fund assets to be invested in high quality fixed income securities, 15% to 50% in equity type securities and 25% to 60% in guaranteed rate of return contracts.

Required Contributions - The Authority’s funding policy provides for annual employer contributions at actuarially determined rates to fund the increase in prior service liabilities on a level percent of payroll over a thirty-year period. Employer contribution rates are determined using the Entry Age actuarial cost method. Employees are not required to contribute to the Plan.

Summary of Significant Accounting Policies

Basis of Accounting - The Plan’s financial statements are prepared using the accrual basis of accounting. The Authority’s contributions to the Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The administrative costs are financed through investment earnings.

Method Used to Value Investments - Equity investments and bonds are reported at fair value. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the Authority’s Pension Committee. The investments of the pension trust fund are not federally insured.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Notes To Financial Statements

Annual Pension Cost and Net Pension Obligation - The Authority's annual pension cost and net pension obligation to the Huron-Clinton Metropolitan Authority Employees Retirement Trust for the current year was as follows:

Annual required contribution	\$ 2,315,472
Contributions made	<u>(2,315,472)</u>
Increase (decrease) in net pension obligation	-
Net pension obligation, beginning of year	<u>-</u>
 Net pension obligation, end of year	 <u><u>\$ -</u></u>

The annual required contribution for the current year was determined as part of the October 1, 2011 actuarial valuation using the individual entry age actuarial cost method. Benefits are funded on a level percentage of earnings from each participant's date of participation to assumed retirement date. The effects of plan improvements and changes in assumptions are amortized over 30 years. The actuarial assumptions included: (a) 7.25% investment rate of return on the investment, compounded annually, and (b) projected salary increases of 3.75% per year compounded annually. There is no assumption for cost of living or inflationary adjustments or post-retirement benefit increases. Smoothed asset value that spreads the difference between the assumed return and the actual investment return over a five (5) year period was used to determine the actuarial value of assets. The amortization method used is a 30-year, level percent of payroll method where the effect of plan improvements and changes in assumptions are amortized over 30 years on an open end basis. Gains and losses are not separately amortized but reduce or increase the amortization balances and payments.

Concentration of Risk - The Authority has investments in individual organizations that each represents an amount of 5% or more of total plan net position. These organizations are as follows:

Organization	Investment Type	Percent
Hartford Life	Guaranteed Investment Contract	17.9%
Principal Life Insurance	Guaranteed Investment Contract	5.6%
Prudential	Guaranteed Investment Contract	5.6%

The annual pension cost and percent contributed for the last three years is as follows:

Three-Year Trend Information			
Years Ended December,	Annual Pension Cost (APC)	Percentage Contributed	Net Pension Obligation
2010	\$ 2,024,612	100%	\$ -
2011	2,146,504	100%	-
2012	2,315,472	100%	-

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Notes To Financial Statements

Funded Status and Funding Progress - The funded status of the Plan as of October 1, 2012, the date of the most recent actuarial valuation, is as follows:

Actuarial accrued liability (AAL)	(1)	\$ 64,836,490	
Actuarial value of assets	(2)	<u>43,992,245</u>	
Unfunded AAL (UAAL)	(3)	<u>\$ 20,844,245</u>	(1) - (2)
Funded ratio	(4)	<u>67.9%</u>	(2) / (1)
Covered payroll	(5)	<u>\$ 12,232,592</u>	
UAAL as % of covered payroll	(6)	<u>170.4%</u>	(3) / (5)

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

12. OTHER POSTEMPLOYMENT BENEFITS

Plan Description - On October 1, 2005, the Authority established the Retiree Health Care Plan & Trust (the "Plan and Trust") with a fiscal year ending September 30. This Plan and Trust was created under the authority of the Public Employee Health Care Fund Investment Act, Public Act 149 of 1999 (MCL 38.1211 et seq.), and constitutes a governmental trust pursuant to Section 115 of the Internal Revenue Code of 1986, as amended. The activity of the Plan and Trust has been recorded in the Authority's Other Postemployment Benefit Trust Fund in the Authority's primary government financial statements and a stand-alone financial report of the Plan has not been issued. The Plan is a single-employer defined benefit plan and is administered by the Authority's Retiree Health Care Plan & Trust Committee as appointed by the Authority's Board of Commissioners. Benefit provisions and contribution requirements are established and may be amended by the Board of Commissioners. The Plan and Trust was established to allow for the Authority's funding of retiree health care benefits, an essential governmental function. The Plan and Trust was created for the exclusive purpose of providing health care, dental, and optical insurance benefits or such other benefits approved by the Authority for the welfare of certain retirees and spouses eligible to receive a retirement benefit. Substantially all of the Authority's employees may become eligible for these benefits when they retire, after attaining 10 years of credited service. Effective January 1, 2009, employees hired on or after January 1, 2009 are not covered under the Retiree Health Care Plan and Trust, but are covered under the Retirement Health Savings Plan.

The Plan and Trust's fiscal year is September 30, however, the actuarial valuation of the funded status of the Plan and Trust is performed as of October 1 of every other year. As of October 1, 2011, (date of the most recent actuarial valuation), membership consisted of:

Retirees and beneficiaries currently receiving benefits	128
Terminated vested employees entitled to benefits but not receiving them yet	-
Active employees covered by the plan	<u>217</u>
Total	<u>345</u>

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Notes To Financial Statements

Investments - The Authority maintains an investment policy for the Plan and Trust which permits 5% to 40% of Plan and Trust assets to be invested in high quality fixed income securities, 15% to 50% in equity type securities and 25% to 60% in guaranteed rate of return contracts.

Summary of Significant Accounting Policies

Basis of Accounting - The Plan and Trust's financial statements are prepared using the accrual basis of accounting. The Authority's contributions to the Plan and Trust are recognized in the period that the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments - Investments are reported at fair value, as indicated by quoted market prices as of September 30, 2012. Shares of mutual funds are valued at the net asset value of the shares held by the Plan and Trust at September 30, 2012.

Funding Policy - The Authority contributes to the Plan and Trust an amount consistent with the actuarial valuations and calculations made by the Actuary for the Plan and Trust to result in a pre-funded plan. The Authority reserves the right to fund these health care benefits on a pay-as-you-go basis and the right to provide such lesser amount as the Authority determines. Qualified beneficiaries shall contribute those amounts required for additional coverage as optioned by such qualified beneficiaries, required by an applicable collective bargaining agreement, and otherwise determined by the Trustees.

Annual OPEB Cost and Net OPEB Obligation - The Authority's annual cost of providing other postemployment benefits (OPEB) is calculated based on the annual required contribution (ARC) to the employer. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities or funding excess over a period not to exceed 30 years.

The following table shows the components of the Authority's OPEB cost, the amount actually contributed to the Plan, and changes in the Authority's net OPEB obligation (asset) for the year ended December 31, 2012:

Annual required contribution	\$ 2,461,036
Interest on net OPEB asset	(50,560)
Adjustment to annual required contribution	56,193
Annual OPEB cost	<u>2,466,669</u>
Contributions made	<u>(2,586,560)</u>
Decrease in net OPEB obligation	(119,891)
Net OPEB (asset), beginning of year	<u>(697,377)</u>
Net OPEB (asset), end of year	<u><u>\$ (817,268)</u></u>

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Notes To Financial Statements

The Authority's annual OPEB cost, percentage of annual OPEB cost contributed and the net OPEB obligation (asset) for the last three years were as follows:

Three-Year Trend Information			
Years Ended December,	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation (Asset)
2010	\$ 3,348,543	100.8%	\$ 194,062
2011	2,486,556	135.9%	(697,377)
2012	2,466,669	104.9%	(817,268)

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions regarding the probability of the occurrence of events in the future. Examples of such assumptions include future employment and retirement patterns, mortality, investment rate returns and health care inflation. These assumptions are subject to continual revision as actual results are measured against past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The accompanying schedules of employer contributions present trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Projections of benefits for financial reporting purposes are based on the substantive plan as understood by the employer and plan members and include the types of benefits provided at the time of each valuation and the historical pattern of cost sharing between the employer and plan members to that point. The actuarial methods and assumptions used to prepare each valuation are designed to reduce short-term volatility in the value of actuarial accrued assets and liabilities, consistent with the long-term perspective of the calculations.

The entry age actuarial cost method was used to prepare the most recent actuarial valuation dated October 1, 2011. Other significant assumptions were as follows: (a) investments are assumed to earn 7.25% per year, (b) health care costs are assumed to increase at an annual rate of 9% in year 1, reduced by 0.75% each year for the next three years and 0.50% each year for the following six years until an ultimate rate of 3.75% is reached in the tenth year and beyond of which the rates include a 3.75% inflation assumption, (c) compensation is assumed to increase 3.75% per year and (d) active member population was assumed to remain constant. The unfunded liability is being amortized as a level dollar over a closed period of 30 years.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Notes To Financial Statements

Funded Status and Progress - The funded status of the Plan and Trust as of October 1, 2011, the date of the most recent actuarial valuation, is as follows:

Actuarial accrued liability (AAL)	(1)	\$ 35,839,538	
Actuarial value of assets	(2)	<u>13,821,223</u>	
Unfunded AAL (UAAL)	(3)	<u>\$ 22,018,315</u>	(1) - (2)
Funded ratio	(4)	<u>38.6%</u>	(2) / (1)
Covered payroll	(5)	<u>\$ 13,809,019</u>	
UAAL as % of covered payroll	(6)	<u>159.4%</u>	(3) / (5)

Effective January 1, 2009 the Retiree Health Care Plan and Trust was closed to new entrants; therefore, the annual required contribution is no longer allowed to be calculated assuming an increasing active payroll.

13. FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION AND OTHER POSTEMPLOYMENT BENEFIT FUNDS

Combining Financial Information - The combining financial information of the Authority's pension trust fund and the postemployment benefit trust fund, as of and for the year ended September 30, 2012, is as follows:

	Pension Trust Fund	Other Post- employment Benefit Trust Fund	Total
Assets			
Cash and cash equivalents	\$ 841	\$ 544,944	\$ 545,785
Investments, fair value:			
U.S. agencies	-	1,012,960	1,012,960
Immediate participation contracts	3,179,698	-	3,179,698
Mutual funds	30,693,863	12,773,969	43,467,832
Guaranteed investment contracts	10,384,352	2,464,790	12,849,142
Prepaid expense	-	97,081	97,081
	<u>\$ 44,258,754</u>	<u>\$ 16,893,744</u>	<u>\$ 61,152,498</u>
Total assets/net position			

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Notes To Financial Statements

	Pension Trust Fund	Other Post- employment Benefit Trust Fund	Total
Additions			
Contributions:			
Employer contribution	\$ 2,315,472	\$ 3,300,000	\$ 5,615,472
Medicare subsidy	-	163,320	163,320
Total contributions	2,315,472	3,463,320	5,778,792
Investment income (expense):			
Net increase in fair value of investments	4,606,364	1,268,544	5,874,908
Interest	659,837	504,969	1,164,806
Investment expense	(80,201)	(7,864)	(88,065)
Net investment income	5,186,000	1,765,649	6,951,649
Total additions	7,501,472	5,228,969	12,730,441
Deductions			
Benefits	2,637,227	1,128,366	3,765,593
Net increase for the year	4,864,245	4,100,603	8,964,848
Net position, beginning of year	39,394,509	12,793,141	52,187,650
Net position, end of year	\$ 44,258,754	\$ 16,893,744	\$ 61,152,498

14. RETIREMENT HEALTH SAVINGS PLAN

On August 1, 2005, the Huron-Clinton Metropolitan Authority Board of Commissioners established the Huron-Clinton Retirement Health Savings Plan (the "Savings Plan") by resolution. The Savings Plan is a defined contribution plan administered by the International City/County Management Association - Retirement Corporation ("ICMA-RC"). The legal basis for the Savings Plan comes from several private letter rulings obtained by ICMA-RC from the Internal Revenue Service and Treasury regulation 301.7701-1[a][3]. Participation is mandatory for all employees hired after January 1, 2009, as well as collective bargaining exempt employees, as defined in the Plan Adoption Agreement. Employees must be over the age of 21 to participate in the Savings Plan.

Employees hired after January 1, 2009, who are covered under a collective bargaining agreement with the Authority, must contribute 1% of their base wage. The Authority contributes a 1% match on behalf of these employees. Employees who are not covered under a collective bargaining agreement with the Authority must contribute 1.5% of their base wage. There is no matching contribution provided on behalf of these employees. On December 31, 2012, there were 13 members of the Savings Plan. Total contributions for 2012 by participants and the Authority amounted to \$14,696 and \$20,037, respectively.

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Notes To Financial Statements

15. FUND BALANCES - GOVERNMENTAL FUNDS

GASB 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Detailed information on fund balances of governmental funds is as follows:

	General Fund	Capital Projects	Total
Nonspendable:			
Inventory	\$ 203,144	\$ -	\$ 203,144
Prepays	29,219	-	29,219
	<u>232,363</u>	<u>-</u>	<u>232,363</u>
Committed:			
Land	5,428,900	-	5,428,900
Encumbrances	405,245	173,636	578,881
Legal claims	500,836	-	500,836
Capital projects	7,000,000	-	7,000,000
Major maintenance projects	-	4,606,600	4,606,600
	<u>13,334,981</u>	<u>4,780,236</u>	<u>18,115,217</u>
Assigned:			
Compensated balances (sick and vacation)	3,645,928	-	3,645,928
2013 operating requirement	5,841,100	-	5,841,100
2013 Retiree health care ARC	2,460,000	-	2,460,000
2013 Pension contribution	2,579,654	-	2,579,654
Technology upgrade:			
Hardware	550,000	-	550,000
Software	400,000	-	400,000
Consultant	50,000	-	50,000
Metro marina (grant requirement)	90,430	-	90,430
	<u>15,617,112</u>	<u>-</u>	<u>15,617,112</u>
Unassigned	<u>5,014,458</u>	<u>-</u>	<u>5,014,458</u>
Total fund balances, governmental funds	<u>\$ 34,198,914</u>	<u>\$ 4,780,236</u>	<u>\$ 38,979,150</u>



REQUIRED SUPPLEMENTARY INFORMATION

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Required Supplementary Information

Defined Benefit Pension Trust Fund Trend Information

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
10/1/2007	\$35,652,382	\$ 50,330,548	\$14,678,166	70.8%	\$14,166,942	103.6%
10/1/2008	37,743,805	53,367,499	15,623,694	70.7%	14,399,783	108.5%
10/1/2009	39,334,862	55,596,422	16,261,560	70.8%	14,265,682	114.0%
10/1/2010	40,754,922	58,938,531	18,183,609	69.1%	14,234,287	127.7%
10/1/2011	42,456,045	60,578,588	18,122,543	70.1%	13,809,019	131.2%
10/1/2012	43,992,245	64,836,490	\$20,844,245	67.9%	12,232,592	170.4%

Schedule of Contributions From the Employer

Year Ended September 30,	Annual Required Contributions	Percentage Contributed
2007	\$ 1,608,568	100.0%
2008	1,897,605	100.0%
2009	1,981,249	100.0%
2010	2,024,612	100.0%
2011	2,146,504	100.0%
2012	2,315,472	100.0%

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Required Supplementary Information

Defined Benefit Other Postemployment Benefit Trust Fund Trend Information

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
10/1/2006	\$ 5,715,974	\$ 41,991,647	\$36,275,673	13.6%	\$14,252,470	254.5%
10/1/2009	6,697,411	40,700,314	34,002,903	16.5%	14,203,220	239.4%
10/1/2011	13,821,223	35,839,538	22,018,315	38.6%	13,809,019	159.4%

Schedule of Contributions From the Employer

Year Ended September 30,	Annual Required Contributions	Percentage Contributed
2007	\$ 2,444,000	31.6%
2008	2,444,000	87.8%
2009	3,368,724	102.1%
2010	3,354,066	100.6%
2011	2,485,145	135.9%
2012	2,461,036	105.1%

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SUPPLEMENTARY INFORMATION

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Combining Statement of Fiduciary Net Position Pension and Other Postemployment Benefit Trust Funds September 30, 2012

	Pension Trust Fund	Other Postemployment Benefit Trust Fund	Total
Assets			
Cash and cash equivalents	\$ 841	\$ 544,944	\$ 545,785
Investments, fair value:			
U.S. agencies	-	1,012,960	1,012,960
Immediate participation contracts	3,179,698	-	3,179,698
Mutual funds	30,693,863	12,773,969	43,467,832
Guaranteed investment contracts	10,384,352	2,464,790	12,849,142
Prepaid expense	-	97,081	97,081
Total assets/net position held in trust for benefits	\$ 44,258,754	\$ 16,893,744	\$ 61,152,498

HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Combining Statement of Changes in Fiduciary Net Position

Pension and Other Postemployment Benefit Trust Funds

For the Year Ended September 30, 2012

	Pension Trust Fund	Other Postemployment Benefit Trust Fund	Total
Additions			
Contributions:			
Employer contributions	\$ 2,315,472	\$ 3,300,000	\$ 5,615,472
Medicare subsidy	-	163,320	163,320
Total contributions	2,315,472	3,463,320	5,778,792
Investment income (expense):			
Net increase in fair value of investments	4,606,364	1,268,544	5,874,908
Interest	659,837	504,969	1,164,806
Investment expense	(80,201)	(7,864)	(88,065)
Net investment income	5,186,000	1,765,649	6,951,649
Total additions	7,501,472	5,228,969	12,730,441
Deductions			
Benefits	2,637,227	1,128,366	3,765,593
Net increase for the year	4,864,245	4,100,603	8,964,848
Net position, beginning of year	39,394,509	12,793,141	52,187,650
Net position, end of year	\$ 44,258,754	\$ 16,893,744	\$ 61,152,498

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STATISTICAL SECTION

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HURON-CLINTON METROPOLITAN AUTHORITY, MICHIGAN

Statistical Section Table of Contents

This part of the Huron-Clinton Metropolitan Authority's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health.

		<u>Page</u>
Financial Trends	These schedules contain trend information to help the reader understand and evaluate how the Authority's financial condition, performance and well-being have changed over time.	73
Revenue Capacity	These schedules contain information to help the reader assess the Authority's most significant local revenue source, the property tax.	83
Demographic Information	These schedules offer demographic and economic indicators to help the reader understand the environment in which the Authority operates.	93
Operating Information	These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the recreation services the Authority provides and the activities performed.	94

HURON-CLINTON METROPOLITAN AUTHORITY

Net Position by Component

2003 through 2012
(accrual basis of accounting)

	2003	2004	2005	2006
Governmental activities				
Net investment in capital assets	\$ 150,423,317	\$ 158,442,986	\$ 162,087,500	\$ 175,741,636
Unrestricted	33,824,105	33,503,930	32,851,552	27,468,449
Total governmental activities net position	<u>\$ 184,247,422</u>	<u>\$ 191,946,916</u>	<u>\$ 194,939,052</u>	<u>\$ 203,210,085</u>



2007	2008	2009	2010	2011	2012
\$ 184,254,738 26,946,374	\$ 188,282,018 29,526,477	\$ 195,042,991 29,396,377	\$ 195,093,978 33,118,763	\$ 194,800,234 34,265,416	\$ 194,403,024 36,231,166
<u>\$ 211,201,112</u>	<u>\$ 217,808,495</u>	<u>\$ 224,439,368</u>	<u>\$ 228,212,741</u>	<u>\$ 229,065,650</u>	<u>\$ 230,634,190</u>

HURON-CLINTON METROPOLITAN AUTHORITY

Changes in Net Position

2003 through 2012

(accrual basis of accounting)

	2003	2004	2005	2006
Expenses				
General government	\$ 36,740,407	\$ 37,867,408	\$ 43,744,113	\$ 40,913,415
Capital projects	551,473	440,111	760,249	693,405
Capital outlay	-	227,572	-	14,908
Debt service - Interest	9,642	6,809	3,742	667
Total expenses	<u>37,301,522</u>	<u>38,541,900</u>	<u>44,508,104</u>	<u>41,622,395</u>
Revenues				
Program revenues				
Park charges for services	12,869,032	12,868,520	13,247,181	12,814,635
Operating grants	35,322	39,533	25,853	78,989
Capital grants	504,052	51,154	32,600	-
Total program revenues	<u>13,408,406</u>	<u>12,959,207</u>	<u>13,305,634</u>	<u>12,893,624</u>
General revenues				
Property taxes	29,131,788	30,126,243	31,460,809	32,650,984
Oil and gas royalties	1,126,795	857,794	946,594	767,856
Donations	95,528	102,379	43,756	128,136
Interest	1,140,703	1,386,833	1,506,083	2,003,680
Miscellaneous	100,833	750,904	237,364	1,449,148
Gain on sale of capital assets	6,884,900	58,034	-	-
Total general revenues	<u>38,480,547</u>	<u>33,282,187</u>	<u>34,194,606</u>	<u>36,999,804</u>
Total revenues	<u>51,888,953</u>	<u>46,241,394</u>	<u>47,500,240</u>	<u>49,893,428</u>
Changes in net position	<u><u>\$ 14,587,431</u></u>	<u><u>\$ 7,699,494</u></u>	<u><u>\$ 2,992,136</u></u>	<u><u>\$ 8,271,033</u></u>

2007	2008	2009	2010	2011	2012
\$ 42,777,742	\$ 45,095,061	\$ 44,629,146	\$ 45,570,182	\$ 43,671,297	\$ 41,656,918
761,662	1,783,776	1,794,155	1,134,337	1,486,892	1,930,912
-	15,245	-	-	-	-
-	-	-	-	-	-
<u>43,539,404</u>	<u>46,894,082</u>	<u>46,423,301</u>	<u>46,704,519</u>	<u>45,158,189</u>	<u>43,587,830</u>
13,807,794	14,480,210	13,764,068	14,715,827	14,151,725	15,027,250
59,890	4,325	78,358	7,598	33,359	234,463
-	497,259	1,951,190	309,893	318,053	175,075
<u>13,867,684</u>	<u>14,981,794</u>	<u>15,793,616</u>	<u>15,033,318</u>	<u>14,503,137</u>	<u>15,436,788</u>
34,481,626	35,788,569	35,782,192	34,452,805	30,640,135	28,293,295
646,865	832,032	440,623	436,028	368,959	595,017
306,885	91,929	101,219	57,065	110,423	127,231
2,174,904	1,598,806	863,140	474,515	324,511	161,587
52,467	208,335	73,384	24,161	28,460	437,173
-	-	-	-	35,473	105,279
<u>37,662,747</u>	<u>38,519,671</u>	<u>37,260,558</u>	<u>35,444,574</u>	<u>31,507,961</u>	<u>29,719,582</u>
<u>51,530,431</u>	<u>53,501,465</u>	<u>53,054,174</u>	<u>50,477,892</u>	<u>46,011,098</u>	<u>45,156,370</u>
<u>\$ 7,991,027</u>	<u>\$ 6,607,383</u>	<u>\$ 6,630,873</u>	<u>\$ 3,773,373</u>	<u>\$ 852,909</u>	<u>\$ 1,568,540</u>

HURON-CLINTON METROPOLITAN AUTHORITY

Fund Balances of Governmental Funds

2003 through 2012

(modified accrual basis of accounting)

	2003	2004	2005	2006
General fund				
Reserved	\$ 7,551,555	\$ 6,159,551	\$ 3,905,434	\$ 7,953,899
Unreserved	12,792,290	20,331,494	21,569,922	17,088,644
Nonspendable	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$ 20,343,845</u>	<u>\$ 26,491,045</u>	<u>\$ 25,475,356</u>	<u>\$ 25,042,543</u>
Capital projects fund				
Reserved	\$ -	\$ 88,198	\$ -	\$ 884,522
Unreserved	5,498,496	6,089,802	6,445,420	5,068,823
Committed	-	-	-	-
Total capital projects fund	<u>\$ 5,498,496</u>	<u>\$ 6,178,000</u>	<u>\$ 6,445,420</u>	<u>\$ 5,953,345</u>

Fund Balance for 2011 and forward reflects implementation of GASB Statement No. 54. Prior years have not been restated.



2007	2008	2009	2010	2011	2012
\$ 3,384,116	\$ 3,992,208	\$ 2,500,709	\$ 1,268,203	\$ -	\$ -
21,249,235	23,793,951	24,970,045	29,812,797	-	-
-	-	-	-	228,747	232,363
-	-	-	-	13,432,047	13,334,981
-	-	-	-	-	15,617,112
-	-	-	-	18,200,790	5,014,458
<u>\$ 24,633,351</u>	<u>\$ 27,786,159</u>	<u>\$ 27,470,754</u>	<u>\$ 31,081,000</u>	<u>\$ 31,861,584</u>	<u>\$ 34,198,914</u>
\$ 344,255	\$ 465,314	\$ 33,834	\$ 280,642	\$ -	\$ -
5,774,966	5,661,713	6,370,316	6,458,797	-	-
-	-	-	-	6,087,728	4,780,236
<u>\$ 6,119,221</u>	<u>\$ 6,127,027</u>	<u>\$ 6,404,150</u>	<u>\$ 6,739,439</u>	<u>\$ 6,087,728</u>	<u>\$ 4,780,236</u>

HURON-CLINTON METROPOLITAN AUTHORITY

Changes in Fund Balances of Governmental Funds

2003 through 2012

(modified accrual basis of accounting)

	2003	2004	2005	2006
Revenues				
Property taxes	\$ 29,014,371	\$ 30,081,579	\$ 31,398,443	\$ 32,597,201
Oil and gas royalties	1,126,795	857,794	946,594	767,856
Park operations	12,869,032	12,868,520	13,247,181	12,814,635
Operating grants	35,322	39,533	25,853	78,989
Capital grants	504,052	51,154	32,600	-
Donations	95,528	102,379	43,756	128,136
Interest	1,140,703	1,386,833	1,506,083	2,003,680
Miscellaneous	35,833	750,904	202,364	1,517,962
Proceeds from sale of capital assets	312,540	7,504,896	479,627	533,977
Total revenues	45,134,176	53,643,592	47,882,501	50,442,436
Expenditures				
Park operations	26,790,021	27,545,339	28,506,499	29,616,888
Major maintenance	551,473	440,111	760,249	693,405
Administrative office	4,610,912	4,874,199	5,166,242	5,337,720
General planning and engineering	1,095,749	1,042,024	1,022,421	1,068,791
Engineering and planning	760,409	930,994	1,154,185	920,868
Capital improvements	9,236,618	8,742,035	7,258,425	10,993,199
Equipment	1,823,479	2,222,627	2,164,707	2,497,008
Land acquisition	1,841,433	975,639	2,554,122	213,825
Debt service	43,920	43,920	43,920	25,620
Total expenditures	46,754,014	46,816,888	48,630,770	51,367,324
Net changes in fund balance	\$ (1,619,838)	\$ 6,826,704	\$ (748,269)	\$ (924,888)
Debt service as a percentage of noncapital expenditures	.133%	.129%	.124%	.07%



2007	2008	2009	2010	2011	2012
\$ 34,547,937	\$ 36,053,277	\$ 35,953,354	\$ 34,528,432	\$ 30,691,073	\$ 28,384,628
646,865	832,032	440,623	436,028	368,959	595,017
13,807,794	14,480,210	13,764,068	14,715,827	14,151,725	15,027,250
59,890	4,325	78,358	7,598	33,359	234,463
-	497,259	1,951,190	309,893	318,053	175,075
306,885	91,929	101,219	57,065	110,423	127,231
2,174,904	1,598,806	863,140	474,515	324,511	161,587
52,467	208,335	73,384	24,161	28,460	513,164
259,564	382,240	280,543	411,926	126,880	204,213
<u>51,856,306</u>	<u>54,148,413</u>	<u>53,505,879</u>	<u>50,965,445</u>	<u>46,153,443</u>	<u>45,422,628</u>
30,885,676	32,609,363	32,062,270	32,131,822	31,717,979	29,706,692
761,662	1,783,776	1,794,155	1,134,337	1,486,892	1,553,104
5,470,820	5,403,979	5,649,403	5,571,405	5,590,120	5,960,101
1,164,439	1,255,596	1,309,292	1,517,456	1,485,499	1,578,084
889,436	1,188,328	831,574	779,474	444,112	622,220
9,908,634	6,211,423	8,473,130	3,902,851	3,768,905	3,800,135
3,006,105	1,910,491	1,821,169	1,972,142	965,066	1,170,104
12,850	624,843	1,603,169	10,423	565,997	2,350
-	-	-	-	-	-
<u>52,099,622</u>	<u>50,987,799</u>	<u>53,544,162</u>	<u>47,019,910</u>	<u>46,024,570</u>	<u>44,392,790</u>
<u>\$ (243,316)</u>	<u>\$ 3,160,614</u>	<u>\$ (38,283)</u>	<u>\$ 3,945,535</u>	<u>\$ 128,873</u>	<u>\$ 1,029,838</u>

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HURON-CLINTON METROPOLITAN AUTHORITY

Governmental Activities Tax Revenue by Source

2003 through 2012
(modified accrual basis of accounting)

Year	Property Tax
2003	\$ 29,014,371
2004	30,081,579
2005	31,398,443
2006	32,597,201
2007	34,547,937
2008	36,053,277
2009	35,953,354
2010	34,528,432
2011	30,691,073
2012	28,384,628

HURON-CLINTON METROPOLITAN AUTHORITY

Taxable and Assessed Values of Property

2003 through 2012

(unaudited)

Year	Real Property (a)		Personal Property (a)	
	Taxable Value (b)	State Equalized Value (c)	Taxable Value (b)	State Equalized Value (c)
2003	\$ 119,139,081,597	\$ 152,697,255,169	\$ 17,611,381,854	\$ 17,620,429,268
2004	126,175,847,034	165,094,594,200	17,002,280,522	17,052,094,000
2005	134,302,160,747	175,187,056,008	17,056,837,498	17,161,548,265
2006	142,839,814,996	184,862,351,990	14,385,774,754	14,441,075,293
2007	151,907,265,806	193,100,496,537	14,150,671,245	14,156,614,158
2008	159,738,926,654	198,062,887,036	14,144,190,957	14,179,192,525
2009	159,805,335,088	190,072,799,884	13,834,646,241	13,895,283,284
2010	154,220,925,617	171,635,829,603	13,979,514,883	13,966,280,994
2011	138,988,195,205	149,496,027,195	13,021,305,792	13,034,781,334
2012	130,162,996,751	136,807,421,204	12,360,397,169	12,378,691,878

(a) Property value information represents the combined totals of Livingston, Macomb, Oakland, Washtenaw, and Wayne counties. These counties are the member counties of the Metropark district.

(b) The State of Michigan passed a Property Tax Reform measure in 1994 which changed the basis of property taxes. Authority tax millage rates were applied to "Taxable Values" rather than "State Equalized Values" effective with the Authority's tax year 1996. Includes Single Business Tax inventory value of \$2,497,402,508 for years 2001 through 2005; this amount was eliminated by State legislation for 2006 and after. The millage rate for 2012 remained at 0.2146.

(c) Includes Single Business Tax inventory value of \$2,497,402,508 for years 2001 through 2005; this amount was eliminated by State legislation for 2006 and after.

(d) Total estimated market value is based on two times State Equalized Value figures.



Total Real & Personal Property (a)			
Taxable Value (b)	State Equalized Value (c)	Estimated Market Value (d)	Percent Change in Market Value
\$ 136,750,463,451	\$ 170,317,684,437	\$ 340,635,368,874	9.0%
143,178,127,556	182,146,688,200	364,293,376,400	6.9%
151,358,998,245	192,348,604,273	384,697,208,546	5.6%
157,225,589,750	199,303,427,283	398,606,854,566	3.6%
166,057,937,051	207,257,110,695	414,514,221,390	4.0%
173,883,117,611	212,242,079,561	424,484,159,122	2.4%
173,639,981,329	203,968,083,168	407,936,166,336	-3.9%
168,200,440,500	185,602,110,597	371,204,221,194	-9.0%
152,009,500,997	162,530,808,529	325,061,617,058	-12.4%
142,523,393,920	149,186,113,082	298,372,226,164	-8.2%

HURON-CLINTON METROPOLITAN AUTHORITY

Taxable Values by County (a)

2003 through 2012

(unaudited)

Year	Livingston County	% of Total	Macomb County	% of Total	Oakland County	% of Total
2003	\$ 6,121,696,309	4.5%	\$ 24,565,093,998	18.0%	\$ 51,171,954,926	37.4%
2004	6,620,481,408	4.6%	25,932,336,788	18.1%	53,657,077,357	37.5%
2005	7,175,532,243	4.7%	27,339,641,757	18.1%	56,463,682,219	37.3%
2006	7,757,534,921	4.9%	28,602,726,523	18.2%	58,862,866,940	37.4%
2007	8,348,502,046	5.0%	30,373,918,359	18.3%	62,133,415,235	37.4%
2008	8,793,696,047	5.1%	31,862,669,926	18.3%	64,719,908,597	37.2%
2009	8,825,074,848	5.1%	31,812,886,490	18.3%	64,728,962,196	37.3%
2010	8,572,010,718	5.1%	31,010,555,286	18.4%	62,411,551,405	37.1%
2011	7,953,592,697	5.2%	27,895,119,373	18.4%	55,081,707,586	36.2%
2012	8,195,851,938	5.8%	25,840,445,900	18.1%	50,798,540,257	35.6%

(a) Property tax levies are not collected directly by Huron-Clinton Metropolitan Authority. Authority property tax levies are collected by local communities within the five county park districts and are forwarded to each County Treasurer who distributes the Authority's tax levy to the park district. Accordingly, individual taxpayer records are not maintained by Huron-Clinton Metropolitan Authority.

(b) Includes Single Business Tax inventory value of \$2,497,402,508 for years 2001 through 2005; this amount was eliminated by State legislation for 2006 and after.



Washtenaw County	% of Total	Wayne County	% of Total	Total Taxable Value (b)	Total %
\$ 11,470,389,517	8.4%	\$ 43,421,328,701	31.8%	\$ 136,750,463,451	100.0%
12,112,746,088	8.5%	44,855,485,915	31.3%	143,178,127,556	100.0%
12,946,069,847	8.6%	47,434,072,179	31.3%	151,358,998,245	100.0%
13,693,361,327	8.7%	48,309,100,039	30.7%	157,225,589,750	100.0%
14,629,742,407	8.8%	50,572,359,004	30.5%	166,057,937,051	100.0%
15,510,438,244	8.9%	52,996,404,797	30.5%	173,883,117,611	100.0%
15,650,088,801	9.0%	52,622,968,994	30.3%	173,639,981,329	100.0%
15,271,517,551	9.1%	50,934,805,540	30.3%	168,200,440,500	100.0%
14,496,599,262	9.5%	46,582,482,079	30.6%	152,009,500,997	100.0%
14,083,128,684	9.9%	43,605,427,141	30.6%	142,523,393,920	100.0%

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HURON-CLINTON METROPOLITAN AUTHORITY

Property Tax Rates

(per \$1,000 of value)

2003 through 2012

Year	Authority Millage Rate (a)
2003	0.2170
2004	0.2161
2005	0.2154
2006	0.2146
2007	0.2146
2008	0.2146
2009	0.2146
2010	0.2146
2011	0.2146
2012	0.2146

(a) Huron-Clinton Metropolitan Authority operates in five different counties encompassing many different townships, cities, and school districts. Huron-Clinton Metropolitan Authority does not collect any taxes on behalf of any other governmental entity.

HURON-CLINTON METROPOLITAN AUTHORITY

Property Tax Levies and Collections

2003 through 2012

(unaudited)

Year	Initial Tax Levy (a)	Current Year Tax Collections (b)	Percent of Current Year Taxes Collected	Prior Years Tax Receivable Balances	Prior Years Tax Receivable Collections (b)
2003	\$ 29,691,333	\$ 28,906,808	97.4%	\$ 675,715	\$ 107,369
2004	30,959,524	30,092,971	97.2%	793,132	(4,541)
2005	32,594,188	31,344,360	96.2%	881,795	61,193
2006	33,740,612	32,550,725	96.5%	1,001,161	34,311
2007	35,636,033	34,444,016	96.7%	1,121,945	15,467
2008	35,889,988	36,102,100	100.6%	1,126,712	42,025
2009	35,875,236	36,085,090	100.6%	891,926	(130,847)
2010	34,594,391	34,777,802	100.5%	774,623	(249,370)
2011	31,348,452	31,179,480	99.5%	121,434	(230,372)
2012	30,311,637	29,158,227	96.2%	63,840	(238,136)

(a) Initial tax levy amounts exclude Industrial, Commercial, Downtown Development Authority, Tax Incremental Financing Authority tax abatement properties, Board of Review, and State Tax Tribunal adjustments.

(b) Tax collection amounts are net of refunds ordered by Boards of Review and the State Tax Tribunal.

(c) Compares total tax collections to initial tax levy and prior years tax receivable balances at year end.



Percent of Prior Years Taxes Collected	Total Tax Collections	Percent of Total Tax Collections (c)	Outstanding Tax Receivable Balances At Year End
15.9%	\$29,014,177	95.5%	\$ 793,132
-0.6%	30,088,430	94.8%	881,795
6.9%	31,405,553	93.8%	1,001,161
3.4%	32,585,036	93.8%	1,121,945
1.4%	34,459,483	93.7%	1,126,713
3.7%	36,144,125	97.6%	891,926
-14.7%	35,954,243	97.8%	774,623
-32.2%	34,528,432	97.6%	446,996
-189.7%	30,949,108	98.3%	239,058
-373.0%	28,920,091	95.2%	110,914

HURON-CLINTON METROPOLITAN AUTHORITY

Principal Property Taxpayers

Current Year and Nine Years Ago

Taxpayer	2012			2003		
	Taxable Value (a)	Rank	Percent of Total Authority Taxable Value	Taxable Value (a)	Rank	Percent of Total Authority Taxable Value
Detroit Edison Corp.	\$ 1,692,800,304	1	1.19%	\$ 1,843,700,555	3	1.29%
Ford Motor Company	1,256,404,686	2	0.88%	2,679,761,647	1	1.88%
Chrysler/Daimler/Cerberus	986,657,926	3	0.69%	1,824,548,006	4	1.28%
General Motors Corp.	857,362,412	4	0.60%	1,988,488,818	2	1.40%
Marathon Oil/Ashland Petroleum	551,349,018	5	0.39%	-	-	-
International Transmission	373,153,470	6	0.26%	-	-	-
Consumers Power/Energy	365,444,884	7	0.26%	319,113,253	6	0.22%
Michigan Consolidated Gas	244,735,665	8	0.17%	-	-	-
Vanguard Health Systems	222,193,261	9	0.16%	-	-	-
MGM Grand Detroit LLC	209,556,489	10	0.15%	-	-	-
Visteon	-	-	-	577,301,606	5	0.41%
National Steel	-	-	-	240,154,639	7	0.17%
Twelve Oaks/Taubman, et.al	-	-	-	192,673,475	9	0.14%
Pfizer Global	-	-	-	232,430,856	8	0.16%
Auto Alliance International	-	-	-	191,710,135	10	0.13%
Total Ten Largest Taxpayers	\$ 6,759,658,115		4.75%	\$ 10,089,882,990		7.08%

(a) Taxable values include Industrial Facility Act 198 properties and Commercial Facility Act 255 properties. Taxable values have been combined if the taxpayer has locations in more than one county.

HURON-CLINTON METROPOLITAN AUTHORITY

Demographic Statistics

Total Population by County						
Year	Livingston	Macomb	Oakland	Washtenaw	Wayne	Total
1940 (a)	26,725	107,638	254,068	80,810	2,015,623	2,484,864
1950 (a)	38,233	184,961	396,001	134,606	2,435,235	3,189,036
1960 (a)	38,233	405,804	690,259	172,440	2,666,297	3,973,033
1970 (a)	58,967	626,204	907,871	234,103	2,670,368	4,497,513
1980 (a)	100,289	694,600	1,011,793	264,748	2,337,891	4,409,321
1990 (a)	115,645	717,400	1,083,592	282,937	2,111,687	4,311,261
2000 (a)	156,951	788,149	1,194,156	322,895	2,061,162	4,523,313
2011 (b)	181,362	839,217	1,202,625	344,727	1,844,186	4,412,117

Number of Households by County (b)					
Livingston	Macomb	Oakland	Washtenaw	Wayne	Total
67,397	330,452	481,449	134,165	681,674	1,695,137

Household Income by County (b)						
Income	Livingston	Macomb	Oakland	Washtenaw	Wayne	Total
Less than \$10,000	2,277	18,220	24,835	10,300	80,860	136,492
\$10,000 to \$14,999	1,692	16,159	17,806	5,932	46,397	87,986
\$15,000 to \$24,999	4,916	34,266	40,932	12,233	87,300	179,647
\$25,000 to \$34,999	5,275	36,566	41,689	12,470	77,896	173,896
\$35,000 to \$49,999	8,424	47,564	57,570	16,191	96,666	226,415
\$50,000 to \$74,999	12,825	63,876	84,158	22,594	114,212	297,665
\$75,000 to \$99,999	11,019	46,925	65,638	16,596	71,829	212,007
\$100,000 to \$149,999	13,141	45,837	78,374	20,974	69,464	227,790
\$150,000 to \$199,999	4,673	14,018	34,898	8,887	21,540	84,016
\$200,000 or more	3,155	7,021	35,549	7,988	15,510	69,223

Median Household Income (b)				
Livingston	Macomb	Oakland	Washtenaw	Wayne
\$ 71,694	\$ 54,087	\$ 66,456	\$ 59,737	\$ 41,886

Ethnicity by County (b)											
Ethnicity	Livingston	Macomb	Oakland	Washtenaw	Wayne	Total					
White	175,316	722,536	938,135	257,767	966,830	3,060,587					
Black or African American	860	67,442	156,739	42,422	751,319	1,018,782					
American Indian & Alaska Native	500	2,742	3,399	1,268	5,751	13,660					
Asian	1,481	26,493	68,381	27,402	48,542	172,299					
Native Hawaiian/Other Pacific	82	203	339	21	492	1,137					
Other Race	752	4,703	9,563	3,306	34,115	52,439					
Two or More Races	2,371	15,098	26,069	12,541	37,137	93,216					
	<u>181,362</u>	<u>839,217</u>	<u>1,202,625</u>	<u>344,727</u>	<u>1,844,186</u>	<u>4,412,121</u>					

Age by County (b)											
Age	Livingston	Macomb	Oakland	Washtenaw	Wayne	Total					
under 5	10,135	49,255	69,344	19,371	121,415	269,520					
5 through 9	13,437	53,242	77,939	19,848	126,816	291,282					
10 through 14	14,539	56,405	83,705	20,140	136,053	310,842					
15 through 19	13,223	55,912	81,657	31,568	146,395	328,755					
20 through 24	8,306	48,744	63,226	42,111	118,884	281,271					
25 through 34	17,738	103,566	144,339	48,330	226,371	540,344					
35 through 44	27,390	120,858	174,729	44,626	252,717	620,321					
45 through 54	32,183	131,705	197,737	46,878	271,340	679,844					
55 through 59	13,708	55,515	85,229	20,933	120,805	296,190					
60 through 64	9,778	45,489	68,699	16,888	93,212	234,066					
65 through 74	12,407	59,723	80,888	18,621	115,939	287,578					
75 through 84	6,469	41,417	52,230	10,666	80,017	190,799					
85 and over	2,049	17,386	22,903	4,747	34,222	81,307					
	<u>181,362</u>	<u>839,217</u>	<u>1,202,625</u>	<u>344,727</u>	<u>1,844,186</u>	<u>4,412,121</u>					

(a) Data from 2010 U.S. Census

(b) Data from U.S. Census - American Fact Finder 2011

HURON-CLINTON METROPOLITAN AUTHORITY

Full-time Equivalent Authority Employees by Location 2003 through 2012

	2012	2011	2010	2009
Location				
Administrative Office	28	29	32	33
Engineering/Planning	25	27	19	19
Lake St. Clair Metropark	55	56	59	64
Kensington Metropark	82	85	95	100
Lower Huron Metropark	48	48	53	51
Hudson Mills Metropark	31	33	34	36
Stony Creek Metropark	54	55	58	61
Willow/Oakwoods Metroparks	23	24	41	40
Lake Erie Metropark	39	39	51	53
Wolcott Mill Metropark	48	48	21	22
Indian Springs Metropark	20	21	26	26
Huron Meadows Metropark	12	14	17	18
Total	465	479	506	523



2008	2007	2006	2005	2004	2003
34	35	34	34	30	29
18	17	15	16	15	16
65	65	67	65	67	65
98	101	98	99	93	97
50	39	37	36	39	39
35	34	37	38	37	39
59	60	50	50	48	48
42	48	50	54	46	49
53	56	58	59	54	59
25	24	25	25	24	24
25	27	30	30	26	24
17	18	19	19	19	19
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
521	524	520	525	498	508
<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

HURON-CLINTON METROPOLITAN AUTHORITY

Capital Asset Statistics by Function / Program 2003 through 2012

	2012	2011*	2010	2009
Number of Regional Parks	13	13	13	13
Acres				
Developed	5,800	5,800	5,800	5,800
Undeveloped	18,355	18,355	18,310	18,310
Under Recreational Lease to Other Agencies	600	600	600	600
Total	<u>24,755</u>	<u>24,755</u>	<u>24,710</u>	<u>24,710</u>
Attendance	8,866,125	8,434,169	9,203,225	9,174,119
Basketball Courts	19	19	19	19
Boat Launch Ramps	44	44	44	44
Boat/Canoe Rental Facilities	6	6	5	5
Buildings				
Number of Buildings Maintained	321	321	319	319
Square Footage of Buildings Maintained	705,395	703,120	697,520	697,520
Cross Country Ski Trails - Number of Miles	80	80	75	75
Disc Golf				
Courses	5	5	5	5
Holes	123	120	120	123
Equestrian Trails - Number of Miles	53	53	53	53
Excursion Boat	1	1	1	1
General Grounds Maintenance - Acres Mowed Annually	2,261	2,281	2,694	2,699
Golf Courses				
Regulation 18 Hole Courses	8	8	8	8
Number of Golf Rounds	187,868	184,837	204,839	206,271
Par 3 Courses	2	2	2	2
Number of Golf Rounds	19,829	17,879	24,858	32,920
Driving Ranges	5	5	5	5
Ice Skating Rinks - Outdoor	7	7	9	9

* 2011 has been restated

2008	2007	2006	2005	2004	2003
13	13	13	13	13	13
5,800	5,800	5,800	5,800	5,800	5,800
18,055	18,044	18,044	18,139	18,049	18,023
600	600	600	600	600	600
<u>24,455</u>	<u>24,444</u>	<u>24,444</u>	<u>24,539</u>	<u>24,449</u>	<u>24,423</u>
8,917,076	9,065,729	8,742,396	9,028,243	9,200,000	9,100,000
18	18	18	18	16	16
44	44	44	44	48	48
5	5	5	5	5	4
315	318	315	315	315	313
700,475	700,724	656,170	656,170	589,362	586,049
66	59	59	59	62	62
5	5	5	5	5	5
120	120	96	96	114	114
29	29	29	29	25	25
1	1	1	1	1	1
2,807	2,982	3,032	3,032	2,172	2,460
8	8	8	8	8	8
221,338	231,599	241,832	248,071	264,361	267,967
2	2	2	2	2	2
30,915	31,546	31,273	34,734	34,914	34,020
5	5	5	5	5	5
9	9	9	9	5	5

continued...

HURON-CLINTON METROPOLITAN AUTHORITY

Capital Asset Statistics by Function / Program 2003 through 2012

	2012	2011*	2010	2009
Interpretive Centers				
Environmental Discovery Center	1	1	1	1
Farm Centers	2	2	2	2
Grist Mill	1	1	1	1
Nature Centers	6	6	6	6
Mobile Metropark	1	1	1	1
Number of Visitors	1,657,759	1,681,737	1,761,071	1,757,499
Number of Interpretive Programs	9,706	10,181	10,106	10,458
Hike/Bike Trails (paved) - Number of Miles of Paved Trails	61	61	55	55
Marinas - Number of Boat Slips	509	553	553	505
Miles of Shoreline	94	94	100	100
Nature Trails - Number of Miles	75	75	56	56
Outdoor Dance Centers	2	2	1	1
Number of Patrol Vehicles	39	39	37	37
Number of Law Violations				
Arrests	19	13	28	41
Traffic Violations	175	232	305	366
Other Violations	56	129	120	148
Parking Lots - Square Yards Maintained	796,191	794,691	833,428	833,428
Picnicking				
Number of Picnic Areas	89	90	85	85
Number of Picnic Shelters	91	92	87	86
Play Areas/Tot Lots	50	49	45	45
Road System - Number of Lane Miles Maintained	162	162	166	166
Skate Parks	1	1	1	1
Sledding/Toboggan Hills	18	18	18	18
Swimming				
Beaches	5	5	5	5
Pools	4	4	4	4
Spray Pads	4	4	4	4
Tennis Courts	8	8	8	8

* 2011 has been restated



2008	2007	2006	2005	2004	2003
1	1	1	1	1	0
2	2	2	2	2	2
1	1	1	1	1	1
6	6	6	6	7	6
1	1	1	1	1	1
1,608,000	1,636,410	1,543,225	1,472,963	1,506,503	1,420,785
10,261	9,696	9,822	10,009	9,647	9,698
54	54	54	53	42	42
564	564	554	554	466	466
100	100	100	100	127	127
53	53	53	53	42	42
1	2	2	2	2	2
33	32	34	33	27	25
58	40	43	31	108	62
461	493	644	463	352	381
160	168	310	131	209	200
833,428	814,428	814,428	814,428	922,240	922,240
85	85	85	85	77	77
84	83	82	82	80	78
45	45	45	45	18	18
166	166	166	166	311	311
1	1	1	1	1	1
18	18	18	18	16	16
5	5	5	5	5	5
5	4	4	4	4	4
4	3	2	1	1	1
8	8	9	9	9	9

concluded.

HURON-CLINTON METROPOLITAN AUTHORITY

Metropark General Governmental Expenditures by Type (a)

2003 through 2012

(Unaudited)

Year	Engineering & Planning	Capital Improvements	Equipment	Land Acquisition	Major Maintenance
2003	\$ 757,854	\$ 8,954,353	\$ 1,823,479	\$ 1,841,433	\$ 542,773
2004	853,857	8,530,468	2,222,627	975,639	440,111
2005	1,015,643	6,525,798	2,164,707	2,554,122	760,249
2006	723,530	9,663,892	2,497,008	213,825	693,405
2007	769,138	9,264,959	3,006,105	12,850	761,662
2008	1,124,337	5,979,580	1,910,491	624,843	1,043,507
2009	790,872	8,556,305	1,821,169	1,603,169	1,442,499
2010	591,541	3,902,851	1,972,142	10,423	1,131,938
2011	444,112	3,070,795	965,066	565,997	1,106,658
2012	622,220	1,869,223	1,170,104	2,350	1,553,104

(a) Includes General and Capital Projects Funds.



General Administration	General Planning & Engineering	Park Operations	Capital Projects Fund	Debt Service	Total
\$ 4,610,912	\$ 1,095,749	\$ 26,790,021	\$ 293,520	\$ 43,920	\$ 46,754,014
4,874,199	1,042,024	27,545,339	288,704	43,920	46,816,888
5,166,242	1,022,421	28,506,499	871,169	43,920	48,630,770
5,337,720	1,068,791	29,616,888	1,526,645	25,620	51,367,324
5,470,820	1,164,439	30,885,676	763,973	-	52,099,622
5,403,979	1,255,596	32,609,363	1,036,103	-	50,987,799
5,649,403	1,309,292	32,062,269	309,183	-	53,544,161
5,571,405	1,517,456	32,131,822	190,332	-	47,019,910
5,590,120	1,485,499	31,717,979	1,078,344	-	46,024,570
5,960,101	1,578,084	29,706,692	1,930,912	-	44,392,790

HURON-CLINTON METROPOLITAN AUTHORITY

Metropark General Governmental Expenditures by Type (a)

2003 through 2012

(Unaudited)

	2003	2004	2005	2006	2007
Engineering and Planning					
Lake St. Clair Metropark	\$ 21,695	\$ 37,887	\$ 90,856	\$ 29,396	\$ 169,151
Kensington Metropark	70,753	306,915	145,424	122,709	244,555
Lower Huron Metropark	59,998	76,990	444,519	356,315	140,359
Dexter/Delhi/Hudson Mills Metroparks	38,589	35,760	58,317	10,620	24,912
Stony Creek Metropark	43,914	53,965	104,522	88,882	82,984
Willow/Oakwoods Metroparks	51,935	18,789	9,120	18,741	18,783
Lake Erie Metropark	75,474	52,883	36,914	23,094	18,949
Wolcott Mill Metropark	55,579	72,134	21,944	18,118	12,990
Indian Springs Metropark	338,525	195,367	98,067	39,969	44,893
Huron Meadows Metropark	1,392	3,167	5,960	15,686	11,562
Total	757,854	853,857	1,015,643	723,530	769,138
Capital Improvements					
Administrative Office	-	18,997	-	-	-
Lake St. Clair Metropark	810,665	126,665	202,995	65,937	579,934
Kensington Metropark	253,106	149,361	1,986,107	2,360,510	718,955
Dexter-Delhi Metropark	226,024	-	-	-	9,360
Lower Huron Metropark	608,307	443,517	176,055	2,374,332	6,786,970
Hudson Mills Metropark	258,237	81,661	40,756	49,281	89,457
Stony Creek Metropark	401,809	207,697	835,754	3,567,273	612,747
Willow/Oakwoods Metroparks	835,059	628,575	132,920	238,977	14,716
Lake Erie Metropark	790,485	1,373,495	1,053,897	309,228	14,763
Wolcott Mill Metropark	186,269	409,822	382,150	343,871	42,869
Indian Springs Metropark	4,541,755	5,048,973	1,688,696	307,415	288,883
Huron Meadows Metropark	42,637	41,705	26,468	32,159	97,693
Cost Share Other Agencies	-	-	-	14,909	8,612
Total	8,954,353	8,530,468	6,525,798	9,663,892	9,264,959

	2008	2009	2010	2011	2012	Total
\$	226,443	\$ 191,717	\$ 31,768	\$ 65,865	\$ 249,643	\$ 964,889
	566,445	166,182	279,487	115,197	64,780	2,079,437
	35,809	23,493	21,066	9,869	25,859	1,252,623
	16,261	60,523	41,147	124,485	94,744	472,695
	88,833	99,341	99,128	67,909	70,100	750,273
	78,671	141,979	34,167	18,280	39,271	446,492
	26,634	48,925	43,245	20,793	23,085	434,823
	27,361	13,440	13,032	14,417	13,152	275,438
	41,539	16,818	17,533	4,752	12,340	1,585,518
	16,341	28,454	10,968	2,545	29,246	100,854
	<u>1,124,337</u>	<u>790,872</u>	<u>591,541</u>	<u>444,112</u>	<u>622,220</u>	<u>8,363,042</u>
	-	-	-	-	-	71,197
	1,663,625	2,878,453	747,685	99,031	252,109	7,943,251
	1,406,898	3,741,137	711,910	2,302,440	211,064	14,823,281
	10,554	21,776	-	119,345	-	387,059
	284,454	100,187	386,464	25,856	65,802	11,355,986
	646,408	43,114	283,701	34,170	3,002	1,949,728
	935,552	117,560	245,207	67,419	1,112,403	7,440,678
	259,562	970,874	422,154	230,253	164,820	4,014,230
	139,394	172,549	670,824	97,224	13,195	5,185,479
	202,251	96,573	16,367	-	21,880	2,206,898
	370,166	356,373	294,642	36,513	24,948	14,126,761
	45,466	57,709	123,897	529	-	657,271
	15,250	-	-	-	-	88,771
	<u>5,979,580</u>	<u>8,556,305</u>	<u>3,902,851</u>	<u>3,012,780</u>	<u>1,869,223</u>	<u>70,250,590</u>

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HURON-CLINTON METROPOLITAN AUTHORITY

Metropark General Governmental Expenditures by Type (a)

2003 through 2012

(Unaudited)

	2003	2004	2005	2006	2007
Equipment					
Administrative Office	\$ 42,060	\$ 166,333	\$ 139,760	\$ 96,951	\$ 77,084
Central Pool Equipment	72,746	42,402	28,726	9,364	123,749
Lake St. Clair Metropark	211,863	253,728	127,354	157,643	179,688
Kensington Metropark	373,116	387,659	460,615	337,725	439,613
Lower Huron Metropark	93,438	139,166	59,829	164,618	37,796
Hudson Mills Metropark	229,657	131,460	65,252	326,217	224,144
Stony Creek Metropark	93,402	110,187	175,402	219,227	1,014,991
Willow/Oakwoods Metroparks	181,343	157,162	213,683	499,262	275,013
Lake Erie Metropark	129,613	366,267	196,337	234,135	377,222
Wolcott Mill Metropark	61,677	70,006	256,663	125,892	67,964
Indian Springs Metropark	214,273	246,294	129,416	185,499	151,405
Huron Meadows Metropark	120,291	151,963	311,670	140,475	37,436
Total	1,823,479	2,222,627	2,164,707	2,497,008	3,006,105
Land Acquisition					
Kensington Metropark	4,000	3,200	-	-	-
Hudson Mills Metropark	-	-	-	-	-
Lake Erie Metropark	-	-	-	-	-
Wolcott Mill Metropark	1,823,989	968,439	2,553,622	-	11,850
Indian Springs Metropark	-	4,000	500	213,825	1,000
Huron Meadows	154	-	-	-	-
Other Metroparks	13,290	-	-	-	-
Total	1,841,433	975,639	2,554,122	213,825	12,850
Major Maintenance					
Administrative Office - Engineering/					
General Planning	41,930	14,471	31,961	52,128	38,154
Lake St. Clair Metropark	104,111	66,940	39,450	213,324	63,025
Kensington Metropark	20,314	65,732	177,996	106,745	219,079
Lower Huron Metropark	30,588	-	54,396	-	-
Hudson Mills Metropark	-	-	23,739	12,486	30,038
Stony Creek Metropark	87,756	183,943	129,910	113,320	175,530
Willow Metropark	40,130	69,180	96,297	68,959	85,355
Oakwoods Metropark	14,096	-	22,378	-	-
Lake Erie Metropark	132,829	-	169,882	41,393	81,453
Wolcott Mill Metropark	71,019	39,845	14,240	36,825	32,032
Indian Springs Metropark	-	-	-	11,080	-
Huron Meadows Metropark	-	-	-	37,145	36,996
Total	542,773	440,111	760,249	693,405	761,662

2008	2009	2010	2011	2012	Total
\$ -	\$ 24,615	\$ 27,166	\$ 80,967	\$ 44,227	\$ 763,882
145,325	31,768	140,327	193,628	63,586	938,953
217,608	97,496	236,282	113,685	213,150	1,884,606
282,956	288,600	453,310	140,575	318,761	3,505,756
178,822	212,888	116,360	71,228	75,837	1,224,025
185,257	133,418	85,560	40,422	12,656	1,620,711
143,396	131,759	282,333	67,235	257,776	2,432,634
218,333	272,597	72,601	189,437	57,047	2,328,881
113,109	147,267	111,636	16,638	1,250	1,861,632
131,732	60,477	19,071	22,966	8,906	938,743
161,696	304,666	77,778	28,285	94,408	1,602,148
132,257	115,618	349,718	-	22,500	1,384,810
<u>1,910,491</u>	<u>1,821,169</u>	<u>1,972,142</u>	<u>965,066</u>	<u>1,170,104</u>	<u>20,486,781</u>
-	-	-	-	-	9,200
-	-	-	-	-	-
-	-	-	-	-	12,238
2,950	5,650	8,400	287,884	2,350	6,340,924
252,544	1,593,769	23	273,813	-	2,464,493
212,524	2,800	2,000	-	-	456,961
156,825	950	-	4,300	-	203,319
<u>624,843</u>	<u>1,603,169</u>	<u>10,423</u>	<u>565,997</u>	<u>2,350</u>	<u>9,487,135</u>
73,215	179,437	69,367	166,374	76,319	675,615
90,431	129,104	37,271	177,368	67,827	921,024
142,425	169,523	101,468	321,623	127,031	1,344,905
24,032	11,674	78,736	19,678	259,791	244,538
75,829	235,922	55,458	19,178	338,736	466,596
148,948	164,651	570,546	83,260	236,918	1,699,992
329,629	157,656	10,614	96,960	169,677	954,780
-	208,919	-	43,496	-	288,889
59,798	185,613	76,122	110,656	125,456	881,914
54,086	-	-	98,471	45,053	346,518
45,114	-	6,632	26,645	48,053	114,136
-	-	125,724	964	58,243	200,829
<u>1,043,507</u>	<u>1,442,499</u>	<u>1,131,938</u>	<u>1,164,673</u>	<u>1,553,104</u>	<u>8,139,735</u>

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HURON-CLINTON METROPOLITAN AUTHORITY

Metropark General Governmental Expenditures by Type (a) 2003 through 2012 (Unaudited)

	2003	2004	2005	2006	2007
General Administration					
Administrative Office	\$ 4,610,912	\$ 4,874,199	\$ 5,166,242	\$ 5,337,720	\$ 5,470,820
General Planning/Engineering	1,095,749	1,042,024	1,022,421	1,068,791	1,164,439
Park Operations					
Lake St. Clair Metropark	3,576,481	3,660,261	3,705,877	3,855,113	3,912,779
Kensington Metropark	5,305,731	5,538,977	5,616,835	5,826,464	6,131,556
Lower Huron Metropark	1,965,033	2,007,223	2,156,031	2,331,405	2,398,765
Dexter/Delhi/Hudson Mills Metroparks	2,320,032	2,315,986	2,469,310	2,618,337	2,536,332
Stony Creek Metropark	2,959,248	3,107,493	3,106,486	3,276,287	4,116,165
Willow/Oakwoods Metroparks	2,908,505	2,944,874	3,008,507	2,947,233	2,944,961
Lake Erie Metropark	3,315,965	3,308,038	3,442,800	3,571,218	3,509,711
Wolcott Mill Metropark	1,512,385	1,557,867	1,674,284	1,738,010	1,754,438
Indian Springs Metropark	1,437,469	1,738,209	1,889,840	1,974,781	1,962,749
Huron Meadows Metropark	1,018,664	1,039,036	1,027,218	1,048,674	1,072,271
Central Warehouse/Garage/ Other	470,508	327,375	409,311	429,366	545,949
Total	26,790,021	27,545,339	28,506,499	29,616,888	30,885,676
Debt Service					
Principal	34,278	37,111	40,178	24,953	-
Interest	9,642	6,809	3,742	667	-
	43,920	43,920	43,920	25,620	-
Capital Projects Fund					
Lake St. Clair Metropark	77,841	-	-	-	-
Kensington Metropark	8,700	-	(7,000)	-	-
Lower Huron Metropark	206,979	37,462	130,277	1,474,985	672,466
Stony Creek Metropark	-	-	-	-	-
Oakwoods Metropark	-	-	-	51,660	91,507
Lake Erie Metropark	-	39,675	747,892	-	-
Cost Share Other Agencies	-	211,567	-	-	-
Total	293,520	288,704	871,169	1,526,645	763,973
Total Expenditures	\$ 46,754,014	\$ 46,816,888	\$ 48,630,770	\$ 51,367,324	\$ 52,099,622

(a) Includes General Fund and Capital Projects Fund.

2008	2009	2010	2011	2012	Total
\$ 5,403,979	\$ 5,649,403	\$ 5,571,405	\$ 5,590,120	\$ 5,960,101	\$ 51,675,601
1,255,596	1,309,292	1,517,456	1,485,499	1,578,084	11,966,475
4,070,235	4,064,908	3,951,050	3,784,910	3,500,206	38,080,778
6,542,370	6,443,579	6,529,008	6,486,029	6,163,819	59,781,013
3,088,809	2,715,389	2,864,790	2,835,583	2,637,966	24,257,890
2,616,276	2,794,242	2,747,588	2,981,726	2,741,822	25,684,099
4,179,179	4,195,573	4,230,227	4,058,406	3,959,094	36,281,888
3,062,129	2,706,856	2,925,664	2,905,149	2,732,313	29,194,123
3,571,164	3,591,422	3,425,448	3,379,534	3,356,082	34,423,562
1,824,048	1,737,968	1,755,269	1,775,100	1,604,023	16,896,452
2,094,248	2,116,133	2,194,572	2,052,636	1,844,228	18,854,934
1,058,438	1,144,033	1,199,291	1,055,361	837,024	10,632,305
502,467	552,167	308,915	403,545	330,115	4,143,012
32,609,363	32,062,270	32,131,822	31,717,979	29,706,692	298,230,056
-	-	-	-	-	168,182
-	-	-	-	-	33,118
-	-	-	-	-	201,300
-	-	-	-	-	99,457
-	19,580	152,040	756,125	1,712,310	936,879
238,677	(83,175)	-	-	-	2,819,354
-	17,771	33,752	322,219	218,602	373,742
797,426	355,007	4,540	-	-	1,300,140
-	-	-	-	-	787,567
-	-	-	-	-	211,567
1,036,103	309,183	190,332	1,078,344	1,930,912	6,528,706
\$ 50,987,799	\$ 53,544,162	\$ 47,019,910	\$ 46,024,570	\$ 44,392,790	\$ 485,329,420

concluded.

HURON-CLINTON METROPOLITAN AUTHORITY

Metropark General Governmental Revenues by Source (a) 2003 through 2012

Year	Property Tax	Park Operations	Interest	Grants
2003	\$ 29,014,371	\$ 12,869,032	\$ 1,076,798	\$ 539,374
2004	30,081,579	12,868,520	1,276,419	90,687
2005	31,398,443	13,247,181	1,328,532	58,453
2006	32,597,201	12,814,635	1,736,966	78,989
2007	34,547,937	13,807,794	1,891,920	59,890
2008	36,053,277	14,480,210	1,386,929	501,584
2009	35,953,354	13,764,068	717,457	2,029,548
2010	34,528,432	14,715,827	384,922	317,491
2011	30,691,073	14,151,725	266,837	351,412
2012	28,384,628	15,027,250	133,184	409,538

(a) Includes General Fund and Capital Projects Fund.



Gifts	Miscellaneous	Other Financing Sources	Capital Projects Fund	Total
\$ 95,528	\$ 35,833	\$ 312,540	\$ 1,190,700	\$ 45,134,176
102,379	750,904	7,504,896	968,208	53,643,592
43,756	187,920	479,627	1,138,589	47,882,501
128,136	1,517,962	533,977	1,034,570	50,442,436
306,885	52,467	259,564	929,849	51,856,306
91,929	208,335	382,240	1,073,328	54,177,832
101,219	73,384	280,543	586,306	53,505,879
57,065	24,161	411,926	525,621	50,965,445
110,423	28,460	126,880	426,633	46,153,443
127,231	513,164	204,213	623,420	45,422,628

HURON-CLINTON METROPOLITAN AUTHORITY

Metropark Operating Revenues by Park 2003 through 2012

Park	2003	2004	2005	2006
Lake St. Clair Metropark	\$ 1,718,995	\$ 1,706,641	\$ 1,776,918	\$ 1,678,727
Kensington Metropark	2,521,970	2,541,331	2,512,743	2,466,744
Lower Huron Metropark	464,404	473,366	479,665	477,587
Dexter/Delhi/Hudson Mills Metroparks	1,134,599	1,127,649	1,111,870	1,013,139
Stony Creek Metropark	1,471,936	1,494,395	1,531,285	1,524,353
Willow/Oakwoods Metroparks	1,212,974	1,173,863	1,285,544	1,280,234
Lake Erie Metropark	1,771,019	1,701,452	1,864,892	1,777,956
Wolcott Mill Metropark	504,944	505,481	590,325	584,720
Indian Springs Metropark	956,387	975,859	955,438	953,005
Huron Meadows Metropark	985,539	1,026,133	951,820	912,367
Resident House/Land Leases Other	79,297	127,010	129,258	135,285
Administrative Office	46,968	15,340	57,423	10,518
Total	\$ 12,869,032	\$ 12,868,520	\$ 13,247,181	\$ 12,814,635

2007	2008	2009	2010	2011	2012	Total
\$ 1,683,188	\$ 1,608,432	\$ 1,605,390	\$ 1,767,070	\$ 1,639,040	\$ 1,677,510	\$ 18,478,339
2,719,304	2,743,827	2,608,246	2,896,630	2,802,315	2,959,722	29,066,289
455,934	1,317,792	1,236,339	1,496,553	1,544,161	1,577,205	9,946,845
966,415	955,416	964,219	969,111	887,294	826,820	10,999,257
2,381,566	2,358,584	2,334,081	2,514,918	2,535,163	2,846,775	22,233,441
1,289,490	1,328,555	1,004,439	1,131,561	804,158	1,028,790	12,635,363
1,703,153	1,641,958	1,601,021	1,576,391	1,572,925	1,553,867	18,550,651
607,896	603,100	485,383	471,291	469,845	588,431	5,881,984
961,002	933,591	895,761	870,566	811,109	904,808	10,128,052
867,706	816,058	822,933	807,926	760,210	702,974	9,466,778
159,827	163,998	185,012	177,489	170,522	190,986	1,608,281
12,313	8,899	21,244	36,321	154,983	169,362	536,605
<u>\$ 13,807,794</u>	<u>\$ 14,480,210</u>	<u>\$ 13,764,068</u>	<u>\$ 14,715,827</u>	<u>\$ 14,151,725</u>	<u>\$ 15,027,250</u>	<u>\$ 149,531,885</u>

HURON-CLINTON METROPOLITAN AUTHORITY

Metropark Operating Revenues by Type

2003 through 2012

(Unaudited)

Type of Revenue	2003	2004	2005	2006
Food Service	\$ 797,981	\$ 814,600	\$ 857,018	\$ 825,334
Bathhouse/Pool/Lockers	433,924	364,197	549,641	535,703
Dockage/Boat Storage	436,286	457,255	449,014	429,671
Boat Rentals	175,735	188,323	216,580	212,216
Excursion Boat	21,602	26,202	28,157	27,503
Cross Country Skiing	11,859	33,734	31,277	1,929
Toll Collection	4,674,213	4,666,289	4,732,695	4,636,860
Sundries	140,319	137,190	150,577	133,270
Games/Equipment Rental	66,053	42,178	68,045	57,314
Activity Center	42,590	55,950	55,950	75,005
Reserved Picnics	252,117	255,985	254,985	281,353
Golf Course	5,283,738	5,294,569	5,247,066	4,994,534
Adventure/Disc Golf	45,538	52,090	45,635	46,406
Special Events	86,041	62,595	118,680	40,320
Resident House/Land/Leases	79,296	85,487	84,369	90,180
Livestock Sales	43,607	54,936	55,712	73,329
Hay Rides	44,568	52,497	47,728	42,587
Site Location Fee	17,800	9,600	15,510	25,170
Interpretive	97,047	90,314	120,157	161,041
Miscellaneous	106,896	110,395	107,570	110,363
Other Park Revenues (a)	11,822	14,134	10,816	14,548
Total	\$ 12,869,032	\$ 12,868,520	\$ 13,247,181	\$ 12,814,635

(a) Other Park revenues include overnight parking, Environmental Discovery Center and trackless train.

	2007	2008	2009	2010	2011	2012	Total
\$	825,921	\$ 951,338	\$ 814,336	\$ 803,573	\$ 778,782	\$ 730,059	\$ 8,895,598
	718,952	1,364,533	1,112,798	1,418,185	1,572,314	1,508,333	10,151,982
	418,323	405,316	373,705	390,105	396,478	371,748	4,596,351
	234,121	266,152	273,220	275,897	326,887	338,251	2,692,393
	30,867	40,037	37,532	38,555	44,441	44,668	361,491
	10,526	27,255	41,744	45,513	55,021	26,076	296,887
	4,735,495	4,621,742	4,796,269	5,690,581	5,358,278	5,722,407	53,303,397
	138,831	135,387	120,056	125,336	104,699	119,669	1,471,150
	54,693	53,525	41,141	38,712	4,375	17,463	505,261
	74,030	97,396	120,408	122,608	132,997	145,918	966,587
	301,071	310,195	320,730	342,550	338,830	351,044	3,249,952
	5,626,147	5,491,384	4,930,968	4,636,348	4,041,661	4,518,659	55,295,223
	47,215	93,736	187,062	202,599	172,470	183,330	1,119,123
	58,342	29,997	21,141	25,760	48,829	41,301	629,006
	106,774	112,178	118,857	107,025	113,597	131,925	1,080,265
	66,471	80,887	52,685	49,695	96,137	135,185	755,896
	43,621	48,917	38,047	37,794	37,803	34,612	464,028
	16,990	35,133	29,155	18,785	24,980	16,269	223,142
	181,254	179,196	177,548	184,658	217,775	252,338	1,661,327
	101,279	118,619	136,780	155,911	136,454	115,857	1,319,722
	16,870	17,287	19,886	5,637	148,917	222,138	493,103
	<u>\$ 13,807,794</u>	<u>\$ 14,480,210</u>	<u>\$ 13,764,068</u>	<u>\$ 14,715,827</u>	<u>\$ 14,151,725</u>	<u>\$ 15,027,250</u>	<u>\$ 149,531,884</u>

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

May 7, 2013

To the Board of Commissioners
Huron-Clinton Metropolitan Authority
Brighton, Michigan

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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the *Huron-Clinton Metropolitan Authority* (the "Authority"), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Huron-Clinton Metropolitan Authority's basic financial statements, and have issued our report thereon dated May 7, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 entity'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Lehmann Johnson". The signature is written in a cursive, flowing style.