

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

**AUDIT REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2016**







# Dave Yost • Auditor of State

Board of Park Commissioners  
Metropolitan Park District of the Toledo Area  
5100 West Central Avenue  
Toledo, Ohio 43615

We have reviewed the *Independent Auditor's Report* of the Metropolitan Park District of the Toledo Area, Lucas County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2016 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

October 12, 2017

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

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***Charles E. Harris & Associates, Inc.***

*Certified Public Accountants*

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**INDEPENDENT AUDITORS' REPORT**

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

To the Board of Park Commissioners:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Metropolitan Park of Toledo Area, Lucas County, Ohio (the District), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Metropolitan Park District of the Toledo Area, Lucas County, Ohio as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

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

*Supplementary and Other Information*

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

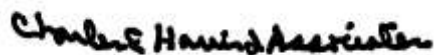
The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

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



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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 17, 2017, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



***Charles E. Harris & Associates, Inc.***  
July 17, 2017

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

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***Management's Discussion and Analysis - Unaudited***  
***For the Year Ended December 31, 2016***

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The discussion and analysis of Metropolitan Park District of the Toledo Area's (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2016. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

**Key financial highlights for 2016 are as follows:**

- ❑ Net position of governmental activities increased \$7,263,847, which represents a 6.7% increase from 2015. Business-type activities did not have any activity in 2016.
- ❑ General revenues accounted for \$17,253,725 in revenue or 74.5% of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$5,912,754 or 25.5% of total revenues of \$23,166,479.
- ❑ The District had \$15,902,632 in expenses related to governmental activities; only \$5,912,754 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and unrestricted intergovernmental revenues) of \$17,253,725 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$17,764,992 in revenues and \$15,043,469 in expenditures and other financing uses. The general fund's fund balance increased \$2,721,523 to \$8,688,259 for 2016. The net increase of all governmental funds was \$1,338,040.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

These statements are as follows:

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

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

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

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***Management's Discussion and Analysis - Unaudited***  
***For the Year Ended December 31, 2016***

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**Government-wide Statements**

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

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

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

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

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

**Fund Financial Statements**

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

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

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

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

***Management's Discussion and Analysis - Unaudited***  
***For the Year Ended December 31, 2016***

**Government-Wide Financial Analysis**

The following table provides a comparison of the District's net position between December 31, 2016 and 2015:

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$38,677,838	\$37,831,254	\$37,654	\$37,654	\$38,715,492	\$37,868,908
Capital assets, Net	98,905,299	92,416,283	0	0	98,905,299	92,416,283
Total assets	137,583,137	130,247,537	37,654	37,654	137,620,791	130,285,191
Deferred Outflows of Resources	3,484,037	1,054,824	0	0	3,484,037	1,054,824
Net Pension Liability	9,086,721	6,098,342	0	0	9,086,721	6,098,342
Long-term debt outstanding	1,108,855	1,268,765	0	0	1,108,855	1,268,765
Other liabilities	698,443	1,039,384	0	0	698,443	1,039,384
Total liabilities	10,894,019	8,406,491	0	0	10,894,019	8,406,491
Deferred Inflows of Resources	14,118,574	14,105,136	0	0	14,118,574	14,105,136
Net position						
Net Investment in capital assets	98,893,361	92,392,823	0	0	98,893,361	92,392,823
Restricted	12,305,793	13,768,273	0	0	12,305,793	13,768,273
Unrestricted	4,855,427	2,629,638	37,654	37,654	4,893,081	2,667,292
Total net position	\$116,054,581	\$108,790,734	\$37,654	\$37,654	\$116,092,235	\$108,828,388

The adoption of GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," significantly revised accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

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***Management's Discussion and Analysis - Unaudited***  
***For the Year Ended December 31, 2016***

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Under the new standards required by GASB 68, the net pension liability equals the District's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
- 2 Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the County is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the District's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows.

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

**Management's Discussion and Analysis - Unaudited  
For the Year Ended December 31, 2016**

**Changes in Net Position** – The following table provides a comparison of the changes in net position for fiscal year 2016 and 2015:

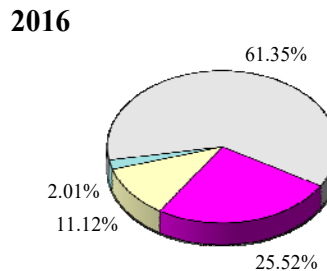
	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2016	2016	2015
Revenues						
Program revenues:						
Charges for Services and Sales	\$732,141	\$832,518	\$0	\$0	\$732,141	\$832,518
Capital Grants and Contributions	5,180,613	4,293,637	0	0	5,180,613	4,293,637
General revenues:						
Property Taxes	14,212,586	14,381,591	0	0	14,212,586	14,381,591
Intergovernmental Revenue, Unrestricted	2,576,373	3,043,321	0	0	2,576,373	3,043,321
Investment Earnings	212,951	111,311	0	0	212,951	111,311
Miscellaneous	251,815	275,227	0	0	251,815	275,227
Total revenues	23,166,479	22,937,605	0	0	23,166,479	22,937,605
Program Expenses						
Parks and Recreation	15,902,063	15,654,731	0	0	15,902,063	15,654,731
Debt Service:						
Interest and Fiscal Charges	569	981	0	0	569	981
Retail Operations Fund	0	0	0	0	0	0
Total expenses	15,902,632	15,655,712	0	0	15,902,632	15,655,712
Change in Net Position	7,263,847	7,281,893	0	0	7,263,847	7,281,893
Beginning Net Position	108,790,734	101,508,841	37,654	37,654	108,828,388	101,546,495
Ending Net Position	\$116,054,581	\$108,790,734	\$37,654	\$37,654	\$116,092,235	\$108,828,388

**Governmental Activities**

Net position of governmental activities increased \$7,263,847 or 6.7% during 2016. 2016 revenues and expenses changed minimally from 2016.

Property taxes made up 61.35% of revenues for governmental activities for the District in fiscal year 2016. The District's reliance upon tax revenues is demonstrated by the following graph:

Revenue Sources	2016	Percent of Total
Property Taxes	\$14,212,586	61.35%
Program Revenues	5,912,754	25.52%
Intergovernmental	2,576,373	11.12%
General Other	464,766	2.01%
Total Revenue	\$23,166,479	100.00%



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

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***Management's Discussion and Analysis - Unaudited***  
***For the Year Ended December 31, 2016***

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

For the General Fund, the final budget basis revenue and other financing sources of \$17,728,415 did not change when compared to original budget estimates. Total actual revenue and other financing sources were .5% above final budget estimates. Final budget basis expenditures and other financing uses did not change when compared to original budget figures. Total actual expenditures and other financing uses were 5.5% below final budgeted figures.

In 2016, the District's General Fund balance increased by \$2,721,523 or 45.6% from 2015. This is a result of significantly decreased transfers out (lower by \$7.7 million) to other funds to help with capital improvements and project costs. General Fund revenues decreased by \$245,297 while expenditures and transfers out decreased \$7,077,662.

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

***Business-Type Activities***

The Retail Operations Fund was established in 2005 to separately account for retail operations activity that was previously accounted for in the General Fund. In 2016, activity in the fund was non-existent.



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

***Management's Discussion and Analysis - Unaudited  
For the Year Ended December 31, 2016***

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

***Capital Assets***

At the end of fiscal 2016 the District had \$98,905,299 net of accumulated depreciation invested in land, antiques and art, buildings, land improvements, machinery and equipment and infrastructure. The following table shows fiscal year 2016 and 2015 balances:

	Governmental Activities		Increase (Decrease)
	2016	2015	
Land	\$66,959,206	\$65,937,494	\$1,021,712
Antiques and Art	553,061	553,061	0
Land Improvements	20,324,954	14,572,045	5,752,909
Buildings	23,098,272	22,595,096	503,176
Machinery and Equipment	4,481,269	5,029,943	(548,674)
Infrastructure	5,820,055	5,701,716	118,339
Less: Accumulated Depreciation	(22,331,518)	(21,973,072)	(358,446)
Totals	<u>\$98,905,299</u>	<u>\$92,416,283</u>	<u>\$6,489,016</u>

The primary increases occurred in land, land improvements and buildings due to various property acquisitions and capital improvement projects in 2016. The addition of 217 acres on the west side of Oak Openings Preserve as well as various smaller properties in the Oak Openings Corridor contribute to the increase in land with the total acreage of Metroparks exceeding the 12,000 acre mark in 2016. The opening Middlegrounds Metropark accounts for a large portion of land improvements in 2016.

Additional information on the District's capital assets can be found in Note 9.

***Debt***

At December 31, 2016, the District had \$10,195,576 in noncurrent liabilities, \$678,403 due within one year. The following table summarizes the District's noncurrent liabilities outstanding as of December 31, 2016 and 2015:

	2016	2015
Governmental Activities:		
Compensated Absences	\$1,096,917	\$1,245,305
Capital Leases Payable	11,938	23,460
Net Pension Liability	9,086,721	6,098,342
Total Governmental Activities	<u>\$10,195,576</u>	<u>\$7,367,107</u>

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

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***Management's Discussion and Analysis - Unaudited***  
***For the Year Ended December 31, 2016***

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**ECONOMIC FACTORS**

The Metropolitan Park District of the Toledo Area acquires lands for the conservation of significant natural, historical and cultural resources. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of same as the Board deems conducive to the general welfare. The District receives the majority of its funding from property taxes, state and federal grants and charges for services (program fees). The District employs 92 full time, 33 part-time, and 82 seasonal/intern employees. The Board periodically reviews program and rental fees to help offset the costs of park operations.

**REQUESTS FOR INFORMATION**

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



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

**Statement of Net Position  
December 31, 2016**

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 20,164,689	\$ 37,654	\$ 20,202,343
Receivables:			
Taxes	15,767,914	0	15,767,914
Intergovernmental	2,745,235	0	2,745,235
Non-Depreciable Capital Assets	67,512,267	0	67,512,267
Depreciable Capital Assets, Net	31,393,032	0	31,393,032
<b>Total Assets</b>	<b>137,583,137</b>	<b>37,654</b>	<b>137,620,791</b>
<b>Deferred Outflows of Resources:</b>			
Pension	3,484,037	0	3,484,037
<b>Liabilities:</b>			
Accounts Payable	347,779	0	347,779
Accrued Wages and Benefits Payable	109,040	0	109,040
Intergovernmental Payable	114,661	0	114,661
Unearned Revenue	126,676	0	126,676
Accrued Interest Payable	287	0	287
Noncurrent liabilities:			
Due within one year	678,043	0	678,043
Due in more than one year:			
Net Pension Liability	9,086,721	0	9,086,721
Other Amounts Due in More Than One Year	430,812	0	430,812
<b>Total Liabilities</b>	<b>10,894,019</b>	<b>0</b>	<b>10,894,019</b>
<b>Deferred Inflows of Resources:</b>			
Property Tax Levy for Next Year	13,943,000	0	13,943,000
Pension	175,574	0	175,574
<b>Total Deferred Inflows of Resources</b>	<b>14,118,574</b>	<b>0</b>	<b>14,118,574</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	98,893,361	0	98,893,361
Restricted For:			
Capital Projects	7,671,191	0	7,671,191
Other Purposes	4,542,998	0	4,542,998
Permanent Fund:			
Expendable	51,604	0	51,604
Nonexpendable	40,000	0	40,000
Unrestricted	4,855,427	37,654	4,893,081
<b>Total Net Position</b>	<b>\$ 116,054,581</b>	<b>\$ 37,654</b>	<b>\$ 116,092,235</b>

See accompanying notes to the basic financial statements

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

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**Statement Of Activities  
For The Year Ended December 31, 2016**

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	Program Revenues		
Expenses	Charges for Services and Sales	Capital Grants and Contributions	
<b>Governmental Activities:</b>			
Parks and Recreation	\$ 15,902,063	\$ 732,141	\$ 5,180,613
Interest and Fiscal Charges	569	0	0
<b>Total Governmental Activities</b>	15,902,632	732,141	5,180,613
<b>Business-Type Activities:</b>			
Retail Operations	0	0	0
<b>Total Business-Type Activities</b>	0	0	0
<b>Totals</b>	\$ 15,902,632	\$ 732,141	\$ 5,180,613

**General Revenues:**

Property Taxes

Intergovernmental Revenues, Unrestricted

Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

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

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Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (9,989,309)	\$ 0	\$ (9,989,309)
(569)	0	(569)
<u>(9,989,878)</u>	<u>0</u>	<u>(9,989,878)</u>
<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>
<u>(9,989,878)</u>	<u>0</u>	<u>(9,989,878)</u>
14,212,586	0	14,212,586
2,576,373	0	2,576,373
212,951	0	212,951
<u>251,815</u>	<u>0</u>	<u>251,815</u>
<u>17,253,725</u>	<u>0</u>	<u>17,253,725</u>
7,263,847	0	7,263,847
<u>108,790,734</u>	<u>37,654</u>	<u>108,828,388</u>
<u>\$ 116,054,581</u>	<u>\$ 37,654</u>	<u>\$ 116,092,235</u>

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

**Balance Sheet  
Governmental Funds  
December 31, 2016**

	General	New Capital Construction	Land Development
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 8,903,590	\$ 3,138,744	\$ 3,086,884
Receivables:			
Property Taxes	15,767,914	0	0
Intergovernmental	1,363,511	0	1,300,000
Advance to Other Funds	158,148	0	0
<b>Total Assets</b>	<u>\$ 26,193,163</u>	<u>\$ 3,138,744</u>	<u>\$ 4,386,884</u>
<b>Liabilities:</b>			
Accounts Payable	\$ 297,863	\$ 21,794	\$ 0
Accrued Wages and Benefits Payable	96,939	0	0
Intergovernmental Payable	94,872	0	0
Unearned Revenue	108,597	0	0
Advances from Other Funds	0	0	0
<b>Total Liabilities</b>	<u>598,271</u>	<u>21,794</u>	<u>0</u>
<b>Deferred Inflows of Resources:</b>			
Unavailable Amounts	2,963,633	0	0
Property Tax Levy for Next Fiscal Year	13,943,000	0	0
<b>Total Deferred Inflows of Resources</b>	<u>16,906,633</u>	<u>0</u>	<u>0</u>
<b>Fund Balances:</b>			
Nonspendable	0	0	0
Restricted	0	0	4,386,884
Committed	0	3,116,950	0
Assigned	703,616	0	0
Unassigned	7,984,643	0	0
<b>Total Fund Balances</b>	<u>8,688,259</u>	<u>3,116,950</u>	<u>4,386,884</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 26,193,163</u>	<u>\$ 3,138,744</u>	<u>\$ 4,386,884</u>

See accompanying notes to the basic financial statements

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

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Other Governmental Funds	Total Governmental Funds
\$ 5,035,471	\$ 20,164,689
0	15,767,914
81,724	2,745,235
0	158,148
\$ 5,117,195	\$ 38,835,986
\$ 28,122	\$ 347,779
12,101	109,040
19,789	114,661
18,079	126,676
158,148	158,148
236,239	856,304
0	2,963,633
0	13,943,000
0	16,906,633
40,000	40,000
903,963	5,290,847
3,941,023	7,057,973
0	703,616
(4,030)	7,980,613
4,880,956	21,073,049
\$ 5,117,195	\$ 38,835,986

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

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***Reconciliation Of Total Governmental Fund Balances  
To Net Position Of Governmental Activities  
December 31, 2016***

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<b>Total Governmental Fund Balances</b>	\$ 21,073,049
<b><i>Amounts reported for governmental activities in the statement of net position are different because:</i></b>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	98,905,299
Other long-term assets are not available to pay for current period expenditures and therefore are reported as deferred inflows in the funds.	2,963,633
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.	(5,778,258)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Capital Lease Payable	(11,938)
Accrued Interest Payable	(287)
Compensated Absences Payable	<u>(1,096,917)</u>
<b><i>Net Position of Governmental Funds</i></b>	<b><u>\$ 116,054,581</u></b>

See accompanying notes to the basic financial statements



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

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**METROPARKS  
TOLEDO**

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

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2016**

	General	New Capital Construction	Land Development
<b>Revenues:</b>			
Property Taxes	\$ 14,318,901	\$ 0	\$ 0
Intergovernmental Revenues	2,557,196	5,246	4,035,600
Fines and Forfeitures	3,583	0	0
Charges for Services	439,274	0	0
Sales	9,234	0	0
Fees	0	0	0
Donations	0	0	13,500
Investment Earnings	212,951	0	0
All Other Revenue	223,853	0	0
<b>Total Revenue</b>	<u>17,764,992</u>	<u>5,246</u>	<u>4,049,100</u>
<b>Expenditures:</b>			
Current:			
Parks and Recreation	12,218,469	3,538,993	2,986,994
Debt Service:			
Principal Retirement	0	11,522	0
Interest and Fiscal Charges	0	847	0
<b>Total Expenditures</b>	<u>12,218,469</u>	<u>3,551,362</u>	<u>2,986,994</u>
Excess (Deficiency) of Revenues Over Expenditures	5,546,523	(3,546,116)	1,062,106
<b>Other Financing Sources (Uses):</b>			
Transfers In	0	2,000,000	0
Transfers Out	(2,825,000)	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>(2,825,000)</u>	<u>2,000,000</u>	<u>0</u>
Net Change in Fund Balance	2,721,523	(1,546,116)	1,062,106
<b>Fund Balances at Beginning of Year</b>	<u>5,966,736</u>	<u>4,663,066</u>	<u>3,324,778</u>
<b>Fund Balances End of Year</b>	<u>\$ 8,688,259</u>	<u>\$ 3,116,950</u>	<u>\$ 4,386,884</u>

See accompanying notes to the basic financial statements

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

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Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 14,318,901
867,357	7,465,399
67	3,650
113,590	552,864
61,299	70,533
105,094	105,094
267,565	281,065
0	212,951
27,962	251,815
1,442,934	23,262,272
3,167,407	21,911,863
0	11,522
0	847
3,167,407	21,924,232
(1,724,473)	1,338,040
825,000	2,825,000
0	(2,825,000)
825,000	0
(899,473)	1,338,040
5,780,429	19,735,009
\$ 4,880,956	\$ 21,073,049

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

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***Reconciliation Of The Statement Of Revenues, Expenditures  
And Changes In Fund Balances Of Governmental Funds  
To The Statement Of Activities  
For The Fiscal Year Ended December 31, 2016***

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 1,338,040</b>
 <i>Amounts reported for governmental activities in the statement of activities are different because</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays and contributions exceeded depreciation.	6,595,706
The net effect of various miscellaneous transactions involving capital assets (i.e. disposals) is to decrease net position.	(106,690)
Revenues and transfers in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(95,793)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	813,106
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	(1,440,710)
The repayment of principal of long-term debt consumes current financial resources of governmental funds, however, it does not effect net assets.	11,522
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	278
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.	148,388
<b><i>Change in Net Position of Governmental Activities</i></b>	<b><u>\$ 7,263,847</u></b>

See accompanying notes to the basic financial statements

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

**Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Year Ended December 31, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 14,400,000	\$ 14,400,000	\$ 14,308,669	\$ (91,331)
Intergovernmental Revenue	2,615,268	2,615,268	2,559,434	(55,834)
Fines and Forfeitures	2,000	2,000	3,583	1,583
Charges for Services	340,647	340,647	420,779	80,132
Sales	10,000	10,000	9,234	(766)
Investment Earnings	100,000	100,000	212,951	112,951
All Other Revenue	1,000	1,000	1,144	144
Total Revenues	<u>17,468,915</u>	<u>17,468,915</u>	<u>17,515,794</u>	<u>46,879</u>
<b>Expenditures:</b>				
Current:				
Parks and Recreation	13,959,866	13,959,866	13,103,421	856,445
Total Expenditures	<u>13,959,866</u>	<u>13,959,866</u>	<u>13,103,421</u>	<u>856,445</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,509,049	3,509,049	4,412,373	903,324
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	10,090	10,090
Transfers Out	(2,825,000)	(2,825,000)	(2,825,000)	0
Advances In	75,000	75,000	84,000	9,000
Advances Out	(75,000)	(75,000)	0	75,000
Other Sources	184,500	184,500	212,619	28,119
Total Other Financing Sources (Uses):	<u>(2,640,500)</u>	<u>(2,640,500)</u>	<u>(2,518,291)</u>	<u>122,209</u>
Net Change in Fund Balance	868,549	868,549	1,894,082	1,025,533
Fund Balance at Beginning of Year	5,728,817	5,728,817	5,728,817	0
Prior Year Encumbrances	437,229	437,229	437,229	0
Fund Balance at End of Year	<u>\$ 7,034,595</u>	<u>\$ 7,034,595</u>	<u>\$ 8,060,128</u>	<u>\$ 1,025,533</u>

See accompanying notes to the basic financial statements

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

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***Statement of Net Position  
Enterprise Fund  
December 31, 2016***

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

See accompanying notes to the basic financial statements

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

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***Statement of Revenues, Expenses and Changes in Fund Net Position  
Enterprise Fund  
For the Year Ended December 31, 2016***

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	Retail Operations
<b>Operating Revenues:</b>	
<b>Total Operating Revenues</b>	\$           0
<b>Operating Expenses:</b>	
<b>Total Operating Expenses</b>	0
<b>Change in Net Position</b>	0
<b>Net Position Beginning of Year</b>	37,654
<b>Net Position End of Year</b>	\$       37,654

See accompanying notes to the basic financial statements

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

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

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

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

**B. Basis of Presentation - Fund Accounting**

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



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

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Presentation - Fund Accounting** (Continued)

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

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

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

**Land Development Fund** - This fund is used to account for grants, donations, and transfers dedicated to the purchase and development of land.

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

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

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

**C. Basis of Presentation – Financial Statements**

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

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

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

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements (Continued)**

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

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

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

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

**D. Basis of Accounting**

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

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

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Basis of Accounting (Continued)**

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

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

Property taxes measurable as of December 31, 2016 but which are not intended to finance 2016 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources.

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

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

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

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

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Basis of Accounting** (Continued)

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

**E. Budgetary Process**

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

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

1. Tax Budget

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

2. Estimated Resources

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the District by September 1 of each year. As part of the certification process, the District receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2016.

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

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*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2016*

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

**3. Appropriations**

A temporary appropriation resolution to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation resolution must be passed by April 1 of each year for the period January 1 through December 31. The appropriation resolution establishes spending controls at object level within each fund, and may be modified during the year by resolution of the District Board of Commissioners. Total fund appropriations may not exceed the current estimated resources as certified by the County Budget Commission. Expenditures may not legally exceed budgeted appropriations at the object level within each fund. The allocation of appropriations within a fund may be modified with the approval of the District Board Commissioners. During 2016, several supplemental appropriations measures were necessary to budget the use of contingency funds. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) for the General Fund are presented on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications of.

**4. Lapsing of Appropriations**

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

**5. Budgetary Basis of Accounting**

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

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

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process (Continued)**

**6. Budgetary Basis of Accounting (Continued)**

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

	Net Change in Fund Balance
	General Fund
GAAP Basis (as reported)	\$2,721,523
Increase (Decrease):	
Accrued Revenues at December 31, 2016 received during 2017	(381,285)
Accrued Revenues at December 31, 2015 received during 2016	457,291
Accrued Expenditures at December 31, 2016 paid during 2017	598,271
Accrued Expenditures at December 31, 2015 paid during 2016	(656,601)
Outstanding Encumbrances	(845,117)
Budget Basis	\$1,894,082

**F. Cash and Investments**

During fiscal year 2016, cash and cash equivalents included amounts in demand deposits and the State Treasury Asset Reserve (STAR Ohio). STAR Ohio is a very liquid investment and is reported as a cash equivalent in the basic financial statements.

The District pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 4, "Cash, Cash Equivalents and Investments."

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

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution, the Ohio Revised Code, and the District's Investment Policies. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the District records all its investments at fair value except for nonparticipating investment contracts (certificates of deposit) which are reported at cost. All investment income, including changes in the fair value of investments, are recognized as revenue in the operating statements. Fair value is determined by quoted market prices. See Note 4, "Cash, Cash Equivalents and Investments."

The District's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the City. The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For fiscal year 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Interest revenue credited to the General Fund during 2016 amounted to \$212,951 which includes \$119,082 assigned from other funds.

**H. Capital Assets and Depreciation**

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

**1. Property, Plant and Equipment - Governmental Activities**

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

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Capital Assets and Depreciation (Continued)**

1. Property, Plant and Equipment - Governmental Activities (Continued)

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

2. Depreciation

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

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

**I. Long-Term Obligations**

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

Obligation	Fund
Compensated Absences	General Fund, Education Fund, Members Fund
Capital Lease	New Capital Construction Fund



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

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Compensated Absences**

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

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

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

**K. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

**L. Net position**

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

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

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**LUCAS COUNTY, OHIO**

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**M. Interfund Activity**

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

**N. Interfund Assets/Liabilities**

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

**O. Fund Balance**

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

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

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

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

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

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**O. Fund Balance** (Continued)

*Assigned* – Assigned fund balance consists of amounts intended to be used by the District for specific purposes, but are neither restricted nor committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board. In addition, the Director of Finance is authorized to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated resources and appropriations in the subsequent year's appropriated budget in the General Fund.

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

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

**P. Estimates**

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

**Q. Operating Revenues and Expenses**

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

**R. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources are reported for pension amounts (See Note 10). The amounts are reported in the government-wide statement of net position.

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

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**R. Deferred Outflows/Inflows of Resources** (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods are reported as deferred inflows. In addition, the governmental funds balance sheet reports deferred inflows which arise only under a modified accrual basis of accounting. The governmental funds report unavailable amounts for delinquent property taxes, grant monies not received in the period of availability and state levied shared revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. See Note 10.

**S. Unearned Revenue**

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

**T. Fair Market Value**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE**

For 2016, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 72, “Fair Value Measurement and Application,” and GASB Statement No. 77 “Tax Abatement Disclosures.”

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes, for applying fair value to certain investments, and disclosures related to all fair value measurements. These changes were incorporated in the District’s 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 77 requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. These changes were incorporated in the District’s 2016 financial statements; however, there was no effect on beginning net position/fund balance.

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 3 – FUND BALANCE CLASSIFICATION**

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

Fund Balances	General	New Capital Construction	Land Development	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Endowment	\$0	\$0	\$0	\$40,000	\$40,000
Total Nonspendable	<u>0</u>	<u>0</u>	<u>0</u>	<u>40,000</u>	<u>40,000</u>
Restricted:					
Land Acquisition	0	0	4,386,884	610,282	4,997,166
Law Enforcement	0	0	0	4,459	4,459
Endowment Earnings	0	0	0	51,604	51,604
Capital Improvements	0	0	0	237,618	237,618
Total Restricted	<u>0</u>	<u>0</u>	<u>4,386,884</u>	<u>903,963</u>	<u>5,290,847</u>
Committed:					
Park Programs	0	0	0	3,627,456	3,627,456
Membership Activities	0	0	0	278,012	278,012
Educational Programs	0	0	0	35,555	35,555
Capital Improvements	0	3,116,950	0	0	3,116,950
Total Committed	<u>0</u>	<u>3,116,950</u>	<u>0</u>	<u>3,941,023</u>	<u>7,057,973</u>
Assigned:					
Goods and Services	703,616	0	0	0	703,616
Unassigned (Deficit)	7,984,643	0	0	(4,030)	7,980,613
Total Fund Balances	<u>\$8,688,259</u>	<u>\$3,116,950</u>	<u>\$4,386,884</u>	<u>\$4,880,956</u>	<u>\$21,073,049</u>

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

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

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

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

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

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

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**A. Deposits**

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

At year end the carrying amount of the District's deposits was \$11,767,911 and the bank balance was \$11,997,039. The Federal Deposit Insurance Corporation (FDIC) covered \$6,136,882 of the bank balance and \$5,860,157 was uninsured. Of the remaining uninsured bank balance, the District was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the District's name	\$5,860,157
Total Balance	\$5,860,157

**B. Investments**

The District's investments at December 31, 2016 were as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years)</u>		
			<u>&lt; 1 year</u>	<u>1-3 years</u>	<u>3-5 years</u>
Star Ohio	\$1,923,861	AAAm <sup>2</sup>	\$1,923,861	\$0	\$0
Negotiable C/D's	5,265,028	N/A	1,194,522	2,953,977	1,116,529
FNMA	501,843	Aaa <sup>1</sup> , AA+ <sup>2</sup>	501,843	0	0
FHLB	246,304	Aaa <sup>1</sup> , AA+ <sup>2</sup>	0	0	246,304
FFCB	497,396	Aaa <sup>1</sup> , AAA <sup>2</sup>	0	497,396	0
Total Investments	\$8,434,432		\$3,620,226	\$3,451,373	\$1,362,833

<sup>1</sup> Moody's Investor Service

<sup>2</sup> Standard & Poor's



**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**B. Investments (Continued)**

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

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

*Concentration of Credit Risk* – The District places no limit on the amount the District may invest in one issuer. Of the District’s total investments, 22.8% are Star Ohio, 62.4% are Negotiable C/D’s, 6.0% are FNMA, 2.9% are FHLB and 5.9% are FFCB Notes.

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

**NOTE 5- PROPERTY TAXES**

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the County. Real property taxes (other than public utility) collected during 2016 were levied after October 1, 2015 on assessed values as of January 1, 2015, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2016. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 31; if paid semiannually, the first payment is due February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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**NOTE 5- PROPERTY TAXES (Continued)**

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

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

The full tax rate for the District's operations for the year ended December 31, 2016 was \$2.30 per \$1,000 of assessed value. The assessed value upon which the 2016 property tax receipts were based was \$7,155,865,580. This amount constitutes \$6,865,902,030 in real property assessed and \$289,963,550 in public utility property.

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

**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2016 consisted of taxes, intergovernmental and advance receivables. All receivables other than those offset by deferred inflows of resources are considered collectable in full.

**NOTE 7 - INTERFUND BALANCES**

Following is a summary of advances to/from other funds at December 31, 2016:

Fund	Advances to Other Funds	Advances From Other Funds
General Fund	\$158,148	\$0
Other Governmental Funds	0	158,148
Totals	<u>\$158,148</u>	<u>\$158,148</u>

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

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

**NOTE 8 - TRANSFERS**

Following is a summary of transfers in and out for all funds for 2016:

Fund	Transfer In	Transfer Out
<b>Governmental Activities:</b>		
General Fund	\$0	\$2,825,000
New Capital Construction Fund	2,000,000	0
Other Governmental Funds	825,000	0
Totals	<u>\$2,825,000</u>	<u>\$2,825,000</u>

**NOTE 9 - CAPITAL ASSETS**

Summary by category of changes in governmental activities capital assets at December 31, 2016:

<i>Historical Cost:</i> Class	December 31, 2015	Additions	Deletions	December 31, 2016
<b>Capital assets not being depreciated:</b>				
Land	\$65,937,494	\$1,021,712	\$0	\$66,959,206
Antiques and Art	553,061	0	0	553,061
<b>Capital assets being depreciated:</b>				
Buildings	22,595,096	503,176	0	23,098,272
Land Improvements	14,572,045	5,752,909	0	20,324,954
Infrastructure	5,701,716	118,339	0	5,820,055
Machinery and Equipment	5,029,943	621,043	(1,169,717)	4,481,269
Total Cost	<u>\$114,389,355</u>	<u>\$8,017,179</u>	<u>(\$1,169,717)</u>	<u>\$121,236,817</u>
<b>Accumulated Depreciation:</b>				
Class	December 31, 2015	Additions	Deletions	December 31, 2016
Buildings	(\$9,154,547)	(\$488,389)	\$0	(\$9,642,936)
Land Improvements	(8,316,076)	(400,586)	0	(8,716,662)
Infrastructure	(1,508,521)	(183,310)	0	(1,691,831)
Machinery and Equipment	(2,993,928)	(349,188)	1,063,027	(2,280,089)
Total Depreciation	<u>(\$21,973,072)</u>	<u>(\$1,421,473)</u>	<u>\$1,063,027</u>	<u>(\$22,331,518)</u>
<b>Net Value:</b>	<u>\$92,416,283</u>			<u>\$98,905,299</u>

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA**  
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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability***

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the District’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the District’s obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions are financed; however, the District does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - District employees, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. District employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

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

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

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

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

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

	State and Local
<b>2016 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
<b>2016 Actual Contribution Rates</b>	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District’s contractually required contribution was \$813,106 for 2016.

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

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The net pension liability for OPERS was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>
Proportionate Share of the Net Pension Liability	\$9,086,721
Proportion of the Net Pension Liability-2016	0.052460%
Proportion of the Net Pension Liability-2015	<u>0.050562%</u>
Percentage Change	<u>0.0018979%</u>
Pension Expense	\$1,440,710

At December 31, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>
<b>Deferred Outflows of Resources</b>	
Net difference between projected and actual earnings on pension plan investments	\$2,670,931
City contributions subsequent to the measurement date	<u>813,106</u>
Total Deferred Outflows of Resources	<u>\$3,484,037</u>
<b>Deferred Inflows of Resources</b>	
Differences between expected and actual experience	\$171,553
Change in Proportionate Share	<u>4,021</u>
Total Deferred Inflows of Resources	<u>\$175,574</u>

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

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

\$813,106 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS
Year Ending December 31:	
2017	\$584,158
2018	626,865
2019	679,900
2020	604,434
Total	\$2,495,357

***Actuarial Assumptions - OPERS***

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.



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

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.4 percent for 2015.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00 %	2.31 %
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other investments	18.00	4.59
Total	<u>100.00 %</u>	<u>5.27 %</u>

**Discount Rate** The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**

***Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** The following table presents the District’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
District's proportionate share of the net pension liability	\$14,477,367	\$9,086,721	\$4,539,882

In October 2016, the OPERS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of December 31, 2016. The most significant change is a reduction in the discount rate from 8% to 7.5%. Although the exact amount of these changes is not known, the impact to the District’s net pension liability is expected to be significant.

**NOTE 11 - POSTEMPLOYMENT BENEFITS**

**A. Ohio Public Employees Retirement System (“OPERS”)**

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

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. As of December 31, 2016, OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

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

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2016***

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**NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)**

**A. Ohio Public Employees Retirement System (“OPERS”) (Continued)**

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2015 CAFR for details.

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

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

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2016, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2016. As recommended by OPERS’ actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the RMA for participants in the Member-Directed Plan for 2016 was 4.0%.

The District's contributions for health care to the OPERS for the years ending December 31, 2016, 2015, and 2014 were \$124,881, \$146,956 and \$130,469, respectively, which were equal to the required contributions for each year.

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

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016**

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**NOTE 12 - LONG-TERM DEBT AND OTHER OBLIGATIONS**

Detail of the changes in long-term debt and other long-term obligations of the District for the year ended December 31, 2016 are as follows:

	Balance at December 31, 2015	Additions	Deductions	Balance at December 31, 2016	Amount Due Within One Year
<b>Governmental Activities:</b>					
Net Pension Liability	\$6,098,342	\$2,988,379	\$0	\$9,086,721	\$0
Compensated Absences	1,245,305	225,204	(373,592)	1,096,917	666,105
Capital Lease	23,460	0	(11,522)	11,938	11,938
Total Long-Term Obligations	<u>\$7,367,107</u>	<u>\$3,213,583</u>	<u>(\$385,114)</u>	<u>\$10,195,576</u>	<u>\$678,043</u>

**NOTE 13 - CAPITAL LEASE**

The District is party to one lease for a mower accounted for as a capital lease. The cost of the equipment obtained under the lease agreement (\$54,581) is included in the Governmental Activities capital assets as machinery and equipment. The liability for this lease is recorded on the Statement of Net Position as due within one year. The following is a schedule of future minimum lease payments under the capital lease together with the present value of the net minimum lease payments as of December 31, 2016:

Year Ending December 31, 2017	Governmental Activities
Minimum Lease Payments	\$12,369
Less amount representing interest at the District's incremental borrowing rate of interest	12,369 (431)
Present value of minimum lease payments	<u>\$11,938</u>

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

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 14 -RISK MANAGEMENT**

**A. General Insurance**

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

The District belongs to the Ohio Plan Risk Management, Inc. (OPRM), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. Effective November 1, 2014, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1 million property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 772 and 783 members as of December 31, 2015 and 2014, respectively.

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

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

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2015 and 2014 (the latest information available):

	<u>2015</u>	<u>2014</u>
Assets	\$14,643,667	\$14,830,185
Liabilities	(9,112,030)	(8,942,504)
Net Position - Unrestricted	<u>\$5,531,637</u>	<u>\$5,887,681</u>

You can read the complete audited financial statements for The Ohio Plan Risk Management at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

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

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2016***

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**NOTE 14 -RISK MANAGEMENT (Continued)**

**B. Health Insurance**

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

**C. Workers Compensation**

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

**NOTE 15 -CONTINGENT LIABILITIES**

The District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at December 31, 2016.

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

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***REQUIRED SUPPLEMENTAL INFORMATION***

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

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***Schedule of District's Proportionate Share of the Net Pension Liability  
Last Three Years***

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**Ohio Public Employees Retirement System**

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>
District's proportion of the net pension liability	0.050562%	0.050562%	0.052460%
District's proportionate share of the net pension liability	\$5,960,601	\$6,098,342	\$9,086,721
District's covered-employee payroll	\$6,291,123	\$6,227,283	\$6,078,625
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	94.75%	97.93%	149.49%
Plan fiduciary net position as a percentage of the total pension liability	86.36%	86.45%	81.80%

Source: District Treasurer's Office and the Ohio Public Employees Retirement System

Notes: The District implemented GASB Statement 68 in 2015.

Information prior to 2013 is not available.

The schedule is reported as of the measurement date of the Net Pension Liability.



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

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***Schedule of District Contributions  
Last Four Years***

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**Ohio Public Employees Retirement System**

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$817,846	\$747,274	\$729,435	\$813,106
Contributions in relation to the contractually required contribution	<u>817,846</u>	<u>747,274</u>	<u>729,435</u>	<u>813,106</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered-employee payroll	\$6,291,123	\$6,227,283	\$6,078,625	\$6,775,883
Contributions as a percentage of covered-employee payroll	13.00%	12.00%	12.00%	12.00%

Source: District Treasurer's Office and the Ohio Public Employees Retirement System

Notes: The District implemented GASB Statement 68 in 2015.

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. Environmental Protection Agency - Office of Water</b>			
<b>Passed Through the Nature Conservancy</b>			
Great Lakes Program	66.469	EPA-RS-GL2014-2	\$ 138,895
<b>Direct Program</b>			
Great Lakes Program	66.469	00E02079	<u>140,496</u>
<b>Total U.S. Environmental Protection Agency</b>			<b>279,391</b>
<b>U.S. Department of Interior - Office of Fish &amp; Wildlife Service</b>			
<b>Passed Through the Division of Wildlife, Department of Natural Resources</b>			
Wildlife Restoration and Basic Hunter Education Program	15.611	DNRPWAPX04	1,610,456
<b>Passed Through the Nature Conservancy</b>			
Pittman-Robertson Wildlife Restoration Program-Toledo Park Woods	15.611	A102968 6-17-01	35,665
Great Lakes Restoration	15.662	GLRI-METRO-WOOD	<u>23,982</u>
<b>Total U.S. Department of Interior</b>			<b><u>1,670,103</u></b>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 1,949,494</u></b>

*The accompanying notes are an integral part of this schedule.*

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

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Metropolitan Park District of the Toledo Area (the District) under programs of the federal government for the year ended December 31, 2016. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or cash flows of the District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE C - MATCHING REQUIREMENTS**

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

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

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

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

To the Board of Park Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Metropolitan Park District of the Toledo Area, Lucas County, (the District) as of and for the year ended December 31, 2016, and the related notes to the financial statements, and have issued our report thereon dated July 17, 2017.

***Internal Control Over Financial Reporting***

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

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

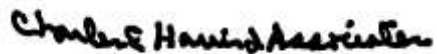
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies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

***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

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



***Charles E. Harris & Associates, Inc.***

July 17, 2017

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

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

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

To the Board of Park Commissioners:

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

We have audited the Metropolitan Park District of the Toledo Area's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the District's major federal program for the year ended December 31, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

***Management's Responsibility***

The District's management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to opine on the District's compliance for the District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the Metropolitan Park District of the Toledo Area complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2016.

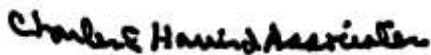
***Report on Internal Control Over Compliance***

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

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

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

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



***Charles E. Harris & Associates, Inc.***  
July 17, 2017



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

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2016**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Wildlife Restoration and Basic Hunter Education Cluster CFDA# 15.611
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	No

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None

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

**SCHEDULE OF PRIOR AUDIT FINDINGS  
2 CFR 200.511(b)  
DECEMBER 31, 2016**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2015-001	<b>Bank Reconciliation –</b> Need for the District to resolve differences between the bank balance and the balance reflected in the District's accounting records	Corrective Action Taken and Finding is Fully Corrected	None



# Dave Yost • Auditor of State

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA**

**LUCAS COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
OCTOBER 24, 2017**