

**COLUMBUS AND FRANKLIN COUNTY
METROPOLITAN PARKS DISTRICT
FRANKLIN COUNTY, OHIO**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018





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

We have reviewed the *Independent Auditor's Report* of Columbus and Franklin County Metropolitan Park District, Franklin County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2018 through December 31, 2019. 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. Columbus and Franklin County Metropolitan Park District is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

September 25, 2020

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**COLUMBUS AND FRANKLIN COUNTY
METROPOLITAN PARKS DISTRICT**

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

INDEPENDENT AUDITOR'S REPORT

Columbus and Franklin County Metropolitan Parks District
Franklin County
1069 East Main Street
Westerville, Ohio 43081

To the Board of Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Columbus and Franklin County Metropolitan Parks District, Franklin County, Ohio, (the District), as of and for the years ended December 31, 2019 and 2018, 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 the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for 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, each major fund and the aggregate remaining fund information of Columbus and Franklin County Metropolitan Parks District, Franklin County, Ohio as of December 31, 2019 and 2018, and the respective changes in financial position and the respective budgetary comparison for the General Fund thereof for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the 2018 financial statements, during the year ended December 31, 2018, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. Our opinions are not modified with respect to this matter.

As discussed in Note 21 to the 2019 financial statements, financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 17, 2020 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 not to provide an opinion on the effectiveness of the District's internal control 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 and compliance.



Charles E. Harris & Associates, Inc.
July 17, 2020

**Columbus and Franklin County
Metropolitan Parks District**

Management's Discussion & Analysis
For the Year Ended December 31, 2019
(Unaudited)

The discussion and analysis of the Columbus and Franklin County Metropolitan Parks District's (the "District") financial performance provides an overall review of the District's financial activities for the year ended December 31, 2019. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the financial statements and the Notes to the Basic Financial Statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by approximately \$228.2 million (net position). Of this amount, approximately negative \$10.3 million (unrestricted net position) may be used to meet the District's ongoing obligations.

The District's net position decreased approximately \$1.9 million during the year.

At the close of the current year, the District reported combined ending fund balances of approximately \$14.1 million, an increase of \$879,337 in comparison with the prior year.

At the end of the current fiscal year, unassigned fund balance in the General Fund was approximately \$7.6 million, or 37.6 percent of total general fund expenditures.

USING THIS ANNUAL FINANCIAL REPORT

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

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

REPORTING THE DISTRICT AS A WHOLE

One of the most important questions asked about the District is "How did we do financially during 2019?" The Statement of Net Position and the Statement of Activities, which appear first in the District's financial statements, report information on the District as a whole and its activities in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**Columbus and Franklin County
Metropolitan Parks District**

Management's Discussion & Analysis
For the Year Ended December 31, 2019
(Unaudited)

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

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

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

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

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

**Columbus and Franklin County
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Management's Discussion & Analysis
For the Year Ended December 31, 2019
(Unaudited)

THE DISTRICT AS A WHOLE

As stated previously, the Statement of Net Position provides the perspective of the District as a whole. Table 1 provides a summary of the District's net position for 2019 compared to 2018.

Table 1
Net Position

	Governmental Activities		Increase (Decrease)
	2019	Restated 2018	
Assets			
Current and Other Assets	\$ 43,971,769	\$ 34,275,911	\$ 9,695,858
Land, Wetlands, Land Restoration and Construction In Progress	174,734,125	170,489,744	4,244,381
Depreciable Capital Assets, Net	62,805,322	64,267,575	(1,462,253)
Total Assets	<u>281,511,216</u>	<u>\$269,033,230</u>	<u>12,477,986</u>
Deferred Outflows of Resources			
Pension	7,356,182	2,836,242	4,519,940
OPEB	1,366,374	608,039	758,335
Total Deferred Outflows of Resources	<u>8,722,556</u>	<u>3,444,281</u>	<u>5,278,275</u>
Liabilities			
Current and Other Liabilities	1,171,820	1,001,676	170,144
Long-Term Liabilities			
Due Within One Year	505,120	542,763	(37,643)
Due In More Than One Year:			
Net Pension Liability	22,373,676	11,645,039	10,728,637
Net OPEB Liability	10,442,239	7,901,842	2,540,397
Other Amounts	458,339	491,771	(33,432)
Total Liabilities	<u>34,951,194</u>	<u>21,583,091</u>	<u>13,368,103</u>
Deferred Inflows of Resources			
Property Taxes	26,711,406	17,369,982	9,341,424
Pension	347,642	2,876,214	(2,528,572)
OPEB	28,333	588,634	(560,301)
Total Deferred Inflows of Resources	<u>27,087,381</u>	<u>20,834,830</u>	<u>6,252,551</u>
Net Position			
Net Investment in Capital Assets	237,239,471	234,688,699	2,550,772
Restricted	1,222,671	1,096,120	126,551
Unrestricted	(10,266,945)	(5,725,229)	(4,541,716)
Total Net Position	<u>\$ 228,195,197</u>	<u>\$ 230,059,590</u>	<u>\$ (1,864,393)</u>

Current and Other Assets and Deferred Inflows of Resources – Property Taxes both increased significantly in comparison with the prior year-end. These increases are the result of the property tax levy approved by voters in November 2018 that is expected to be collected starting in 2020.

The net pension and net OPEB liabilities and related deferred outflows and inflows of resources all fluctuated significantly in comparison with the prior year. These fluctuations are primarily the result of the lower than expected returns on pension plan investments.

**Columbus and Franklin County
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Management's Discussion & Analysis
For the Year Ended December 31, 2019
(Unaudited)

Table 2 shows the changes in net position for the years ended December 31, 2019 and 2018.

Table 2
Changes in Net Positions

	2019	2018	Increase/ (Decrease)
Revenues:			
Program Revenues:			
Charges For Services	\$ 1,753,463	\$ 1,646,981	\$ 106,482
Operating Grants, Contributions, and Interest	36,019	35,490	529
Capital Grants, Contributions, and Interest	315,002	1,883,918	(1,568,916)
Total Program Revenues	<u>2,104,484</u>	<u>3,566,389</u>	<u>(1,461,905)</u>
General Revenues:			
Property Taxes	18,824,479	19,664,039	(839,560)
Unrestricted Investment Earnings	395,183	170,319	224,864
Grants and Entitlements Not Restricted			
To Specific Programs	6,018,915	8,483,554	(2,464,639)
Contributions and Donations	21,762	20,556	1,206
Gain on Sale of Capital Asset	162,874	30,024	132,850
Miscellaneous	179,160	133,407	45,753
Total General Revenues	<u>25,602,373</u>	<u>28,501,899</u>	<u>(2,899,526)</u>
Total Revenues	<u>\$ 27,706,857</u>	<u>\$ 32,068,288</u>	<u>\$ (4,361,431)</u>
Program Expenses			
Administration	\$ 3,648,419	\$ 3,214,464	\$ 433,955
Education	4,069,730	3,559,712	510,018
Park Operations	14,373,932	12,405,793	1,968,139
Park Planning	261,354	196,467	64,887
Park Promotion	794,470	854,702	(60,232)
Rental Property	220,046	191,975	28,071
Natural Resource Management	846,540	649,663	196,877
Golf Course	1,422,422	1,143,899	278,523
Park Safety	3,934,337	3,322,907	611,430
Total Expenses	<u>29,571,250</u>	<u>25,539,582</u>	<u>4,031,668</u>
Change in Net Position	(1,864,393)	6,528,706	<u>\$ (8,393,099)</u>
Net Position At Beginning Of Year, as Restated	230,059,590	223,530,884	
Net Position At End of Year	<u>\$ 228,195,197</u>	<u>\$ 230,059,590</u>	

**Columbus and Franklin County
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Management's Discussion & Analysis
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(Unaudited)

GOVERNMENTAL ACTIVITIES

Program revenues, which are primarily represented by charges for District services, fines, and charges generated by the golf course, as well as restricted intergovernmental revenues, and restricted donations, were approximately \$2.1 million of total revenues for 2019 and were significantly less than the prior fiscal year. This decrease is primarily due to a decrease in donations received during the year.

General revenues also decreased significantly. This decrease is the result of a decrease in grants received from the State of Ohio.

Total expenses increased significantly compared with 2018. This increase is primarily the result of increases in both pension and OPEB expense, as reported by the pension systems.

Total versus Net Cost of Services

The Statement of Activities shows the cost of program services and the charges for services and grants associated with those services. Table 3 below reflects the cost of program services and the net cost of those services after taking into account the program revenues. When applicable, the net cost of program services must be supported by general revenues including tax revenue, investment earnings and unrestricted grants.

Table 3

	Total Cost of Services		Net Cost of Services	
	2019	2018	2019	2018
Governmental Activities:				
Administration	\$ 3,648,419	\$ 3,214,464	\$ 3,616,607	\$ 3,183,182
Education	4,069,730	3,559,712	3,826,473	3,333,033
Park Operations	14,373,932	12,405,793	13,612,378	10,087,325
Park Planning	261,354	196,467	261,354	196,467
Park Promotion	794,470	854,702	794,470	854,702
Rental Property	220,046	191,975	95,237	50,213
Natural Resource Management	846,540	649,663	846,540	649,663
Golf Course	1,422,422	1,143,899	479,695	296,116
Park Safety	3,934,337	3,322,907	3,934,012	3,322,492
Total Governmental Activities	<u>\$ 29,571,250</u>	<u>\$ 25,539,582</u>	<u>\$ 27,466,766</u>	<u>\$ 21,973,193</u>

THE DISTRICT'S FUNDS

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

**Columbus and Franklin County
Metropolitan Parks District**

Management's Discussion & Analysis
For the Year Ended December 31, 2019
(Unaudited)

General Fund

At year end, the fund balance in District's general fund was \$7.9 million, a decrease of \$97,981 in comparison with the prior year end. For the most part, this decrease represents the amount in transfers out to other funds (\$4.3 million) exceeded the excess of revenues over expenditures (\$4.2 million). Of the District's ending general fund balance, \$7.6 million represents the unassigned portion, which is available for spending at the District's discretion. This unassigned fund balance represents 37.6 percent of 2019 general fund expenditures.

Capital Improvement Fund

At year end, the fund balance in the District Capital Improvement Fund was \$4.8 million, an increase of \$780,606 in comparison with the prior year end. This increase represents the amount in which capital grants and contributions, and transfers in from the General Fund, exceeded capital outlays. The entire ending fund balance in the Capital Improvement Fund has been assigned for future capital projects.

Other Governmental Funds

At year end, the fund balance in the District's other governmental funds was \$1.3 million, an increase of \$196,712 in comparison with the prior year end. This increase primarily represents the amount in which transfers from the General Fund to the Golf Course Fund exceeded the excess of Golf Course Fund expenditures over revenues.

GENERAL FUND BUDGETING HIGHLIGHTS

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

The original and final budgetary revenues and other financing sources was approximately \$23.1 million. Actual revenues and other financing sources of \$24.3 million were approximately \$1.3 million higher than final budgeted amount. This increase is primarily the result of higher than expected intergovernmental revenues received by the District.

The original and final budgetary expenditures and other financing uses was approximately \$26.3 million. Actual expenditures and other financing uses of \$25.0 million were approximately \$1.3 million lower than the final budgeted amount. This decrease is primarily the result of the District carefully monitoring its expenditures.

CAPITAL ASSETS

At the end of 2019, the District had approximately \$237.5 million invested in capital assets (net of accumulated depreciation) for governmental activities, an increase of \$2.8 million from the prior year. This increase represents the amount in which current year acquisitions of \$6.6 million exceeded current year depreciation of \$3.7 million and current year disposals of \$90,527. See Note 7 of the Notes to the Basic Financial Statements for more detailed capital assets information.

**Columbus and Franklin County
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(Unaudited)

CURRENT ISSUES

The District began 2019 with the momentum of a successful levy campaign and wasted no time in delivering on its wide variety of Levy Promises. Some highlights of 2019 are below.

Winter Hikes: Attendance records for the Winter Hike series were shattered in 2019 as more than 26,000 hikers visited our parks on cold winter mornings, warmed by the camaraderie of friends (and bonfires, homemade soup and hot chocolate).



More than 4,700 lbs. of food and \$1,500 was raised for the Mid-Ohio Foodbank.

Metro Parks received an additional \$5,000 in donations and Friends of Metro Parks saw a surge in participation.

In all, winter hikes were hosted at more than half of our parks. A great start to 2019.



Blacklick Woods Golf Course: In spring, a host of new initiatives at the golf course were implemented, designed to get our customers outdoors and active.

New golf carts improved the customer experience while a new tee time and booking system processed transactions quickly and conveniently.

Free golf at the Learning Course was the biggest change and became a huge success, as the number of rounds played more than doubled from 2018.

However, revenues were also up as the surge in visitation increased rounds on the Championship Course, cart rentals and food and beverage sales.

Photo: A golfer finds the bottom of the cup at the Blacklick Woods golf course

**Columbus and Franklin County
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Management's Discussion & Analysis
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Improvements at Parks: During 2019, the District kept a focus on the future by building much-needed capital improvements across our district. The Camp Chase Trail was moved off an existing roadway to its own trail, a great improvement to the Ohio to Erie Trail.



Resource Management was also critical as stream erosion of Alum Creek at Three Creeks was mitigated by construction of a stream bank.

A mobile display was built and deployed to several events to provide an interactive educational experience for kids.

A playground replacement at Slate Run, construction of natural steps at Quarry Trails and the acquisition of 203 additional acres of land were other 2019 highlights.

Education: Environmental education remains a core focus of the District. Our Education staff engaged with 600,000 visitors through public programs, school visits, nature center visits and special events. Moreover, our SEED program (Students Exploring Ecosystem Dynamics) reached more than 8,000 students across 100 schools.



Healthy living by staying active outdoors is also a focus through activities such as the YMCA Healthy Kids Day and Outdoor Adventure activities.

Columbus and Franklin County Metropolitan Parks District

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Special Events: Special events were once again very special in 2019. Both well-established and new events were successful. Our popular Wagfest brought out more than 18,700 people and 12,000 dogs to participate in a free, day-long great time at the Prairie Oaks Metro Park. Also, Outdoor Adventures such as kayaking and paddle-boarding provided a new experience in 2019 for the visiting public.



New events were also a big success. The first annual Scioto Fest brought more than 10,000 visitors to Scioto Audubon Metro Park for a three-day weekend of rock climbing, live music and overnight camping.

Great weather and incredible staff helped us reach new demographics in young professionals while providing plenty of fun for the family.

Branching out to find the District corporate partners was yet another great accomplishment at Scioto Fest. Metro Parks partnered with REI for climbing and camping gear and found a new friend in the Land Grant Brewing Company, which brewed a delicious Metro Parks Rustic Lager. In all, Scioto Fest was a wonderful celebration of the park's 10-year anniversary.

With all the change and activity in the District for 2019, we did not lose focus on the basics, such as the maintenance of our shelters and grills for family picnics, our pathways for walking and biking and our open space natural areas to simply enjoy. Most of all, we kept our core promise of ... Clean, Safe Parks.

THE YEAR AHEAD – 2020

The District will continue to provide safe, clean, well-managed parks, and will continue to plan for the open space and outdoor recreation needs of the residents of Central Ohio.

The overall financial position of the District is strong, as the District is ever careful with expenses, conservative in projecting revenues, carries no debt and maintains reasonable fund balances to allow flexibility as circumstances change.

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The current revenue position is stable due to the successful passage of our levy request in November, 2018. This property tax levy of 0.95 mills represents approximately 80 percent of the operating revenue of the district. Other sources of revenue, such as state-shared revenues and program fees, are forecasted to remain stable while we continue to benefit from periodic donations and bequests.

On the expenditure side, salaries and employee fringe benefits make up the majority of costs. Growth in new positions has been carefully limited to control costs. For 2020, health insurance rates are projected to remain unchanged per guidance from Franklin County, a positive development considering recent growth trends for this significant line-item cost.

The District continues to grow, in both land area and the offerings to the citizen-customers. The District takes pride in delivering outstanding value as the largest metropolitan parks system in Ohio.

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. The District's investment portfolio and the investments of the pension and other employee benefit plan in which the District participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

CONTACTING THE DISTRICT'S FINANCE DEPARTMENT

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

COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARKS DISTRICT

Statement of Net Position

December 31, 2019

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	\$ 12,665,798
Cash and Cash Equivalents with Fiscal Agents	615,473
Receivables:	
Property Taxes	29,125,668
Accounts	1,863
Due From Other Governments	1,456,347
Interest	6,219
Prepaid Items	100,401
Capital Assets:	
Nondepreciable Capital Assets	174,734,125
Depreciable Capital Assets, Net	62,805,322
Total Assets	281,511,216
 Deferred Outflows of Resources	
Pension	7,356,182
OPEB	1,366,374
Total Deferred Outflows of Resources	8,722,556
 Liabilities	
Accounts Payable	60,081
Accrued Wages and Benefits Payable	645,844
Due To Other Governments	105,596
Retainage Payable	65,835
Contracts Payable	243,073
Claims Payable	44,252
Security Deposits	7,139
Long-term Liabilities:	
Due Within One Year	505,120
Due in More Than One Year:	
Net Pension Liability	22,373,676
Net OPEB Liability	10,442,239
Other Amounts Due in More Than One Year	458,339
Total Liabilities	34,951,194
 Deferred Inflows of Resources	
Property Taxes	26,711,406
Pension	347,642
OPEB	28,333
Total Deferred Inflows of Resources	27,087,381
 Net Position	
Net Investment in Capital Assets	237,239,471
Restricted for:	
Capital and Maintenance Projects:	
Expendable	979,511
Nonexpendable	22,808
Educational Programs:	
Expendable	122,556
Nonexpendable	97,796
Unrestricted	(10,266,945)
Total Net Position	\$ 228,195,197

See accompanying notes to the basic financial statements

COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARKS DISTRICT

Statement of Activities

For the Year Ended December 31, 2019

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities
Governmental Activities:					
Administration:					
Salaries and Benefits	\$ 2,417,117	\$ -	\$ -	\$ -	\$ (2,417,117)
All Other	1,231,302	-	31,812	-	(1,199,490)
Education	4,069,730	239,050	4,207	-	(3,826,473)
Park Operations	14,373,932	446,552	-	315,002	(13,612,378)
Park Planning	261,354	-	-	-	(261,354)
Park Promotion	794,470	-	-	-	(794,470)
Rental Property	220,046	124,809	-	-	(95,237)
Natural Resource Management	846,540	-	-	-	(846,540)
Golf Course	1,422,422	942,727	-	-	(479,695)
Park Safety	3,934,337	325	-	-	(3,934,012)
Total Governmental Activities	\$ 29,571,250	\$ 1,753,463	\$ 36,019	\$ 315,002	(27,466,766)
General Revenues:					
					18,824,479
					6,018,915
					21,762
					395,183
					162,874
					179,160
Total General Revenues					25,602,373
Change in Net Position					(1,864,393)
Net Position at Beginning of Year, as Restated					230,059,590
Net Position at End of Year					\$ 228,195,197

See accompanying notes to the basic financial statements

COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARKS DISTRICT

Balance Sheet
Governmental Funds
December 31, 2019

	General Fund	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$ 6,788,058	\$ 5,059,962	\$ 817,778	\$ 12,665,798
Cash and Cash Equivalents with Fiscal Agents	39,605	-	575,868	615,473
Receivables:				
Property Taxes	29,125,668	-	-	29,125,668
Accounts	1,863	-	-	1,863
Due From Other Governments	1,456,347	-	-	1,456,347
Interest	-	6,219	-	6,219
Prepaid Items	98,025	-	2,376	100,401
Total Assets	<u>\$ 37,509,566</u>	<u>\$ 5,066,181</u>	<u>\$ 1,396,022</u>	<u>\$ 43,971,769</u>
Liabilities:				
Accounts Payable	\$ 55,905	\$ -	\$ 4,176	\$ 60,081
Accrued Wages and Benefits Payable	614,346	-	31,498	645,844
Due To Other Governments	100,446	-	5,150	105,596
Matured Compensated Absences Payable	931	-	-	931
Contracts Payable	-	234,141	8,932	243,073
Retainage Payable	-	65,835	-	65,835
Security Deposits	7,139	-	-	7,139
Total Liabilities	<u>778,767</u>	<u>299,976</u>	<u>49,756</u>	<u>1,128,499</u>
Deferred Inflows of Resources:				
Property Taxes	26,711,406	-	-	26,711,406
Unavailable Revenue	2,075,855	3,341	-	2,079,196
Total Deferred Inflows of Resources	<u>28,787,261</u>	<u>3,341</u>	<u>-</u>	<u>28,790,602</u>
Fund Balances:				
Nonspendable:				
Prepaid Items	98,025	-	2,376	100,401
Permanent Fund Principal	-	-	120,604	120,604
Restricted for:				
Educational Programs	-	-	122,556	122,556
Inniswood Capital and Maintenance Projects	-	-	979,511	979,511
Committed for:				
Golf Course	-	-	100,940	100,940
Capital and Maintenance Projects	-	-	20,279	20,279
Assigned for:				
Operations/Programing	201,107	-	-	201,107
Capital Projects	-	4,762,864	-	4,762,864
Unassigned	7,644,406	-	-	7,644,406
Total Fund Balances	<u>7,943,538</u>	<u>4,762,864</u>	<u>1,346,266</u>	<u>14,052,668</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 37,509,566</u>	<u>\$ 5,066,181</u>	<u>\$ 1,396,022</u>	<u>\$ 43,971,769</u>

See accompanying notes to the basic financial statements

COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARKS DISTRICT
 Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2019

Total Governmental Fund Balances	\$ 14,052,668
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	237,539,447
Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable in the funds.	
	Property Taxes Receivable 822,808 Intergovernmental Receivable 1,251,713 Interest Receivable 3,341 Miscellaneous Receivable 1,334
Some liabilities are not due and payable in the current period and therefore are not reported in the funds:	
	Compensated Absences Payable (962,528) Claims Payable (44,252)
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:	
	Deferred Outflows - Pension 7,356,182 Deferred Outflows - OPEB 1,366,374 Deferred Inflows - Pension (347,642) Deferred Inflows - OPEB (28,333) Net Pension Liability (22,373,676) Net OPEB Liability (10,442,239)
Net Position of Governmental Activities	\$ 228,195,197

See accompanying notes to the basic financial statements

COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARKS DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	General Fund	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property Taxes	\$ 18,854,767	\$ -	\$ -	\$ 18,854,767
Intergovernmental	4,503,994	2,216,111	-	6,720,105
Charges for Services	261,215	-	571,098	832,313
Licenses and Permits	10,305	-	-	10,305
Fines and Forfeitures	325	-	-	325
Investment Earnings	224,056	80,652	90,928	395,636
Rent	538,891	-	371,629	910,520
Contributions and Donations	21,762	315,002	36,019	372,783
Refunds	84,009	57,125	-	141,134
Miscellaneous	37,828	-	603	38,431
Total Revenues	<u>24,537,152</u>	<u>2,668,890</u>	<u>1,070,277</u>	<u>28,276,319</u>
Expenditures:				
Current Operations and Maintenance:				
Administration				
Salaries and Benefits	1,827,061	-	-	1,827,061
All Other	1,150,478	-	-	1,150,478
Education	2,732,392	-	-	2,732,392
Park Operations	9,548,067	-	-	9,548,067
Park Planning	204,768	-	-	204,768
Park Promotion	734,439	-	-	734,439
Rental Property	194,634	-	-	194,634
Natural Resource Management	700,449	-	-	700,449
Golf Course	1,375	-	1,351,784	1,353,159
Park Safety	2,850,202	-	-	2,850,202
Capital Outlay	410,658	5,853,549	-	6,264,207
Total Expenditures	<u>20,354,523</u>	<u>5,853,549</u>	<u>1,351,784</u>	<u>27,559,856</u>
Excess of Revenues Over (Under) Expenditures	4,182,629	(3,184,659)	(281,507)	716,463
Other Financing Sources:				
Proceeds from Sale of Capital Assets	69,240	78,965	14,669	162,874
Transfers In	-	3,886,300	463,550	4,349,850
Transfers Out	(4,349,850)	-	-	(4,349,850)
Total Other Financing Sources	<u>(4,280,610)</u>	<u>3,965,265</u>	<u>478,219</u>	<u>162,874</u>
Net Change in Fund Balances	(97,981)	780,606	196,712	879,337
Fund Balance at Beginning of Year	8,041,519	3,982,258	1,149,554	13,173,331
Fund Balance at End of Year	<u>\$ 7,943,538</u>	<u>\$ 4,762,864</u>	<u>\$ 1,346,266</u>	<u>\$ 14,052,668</u>

See accompanying notes to the basic financial statements

COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARKS DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances to the Statement of Activities
 Governmental Funds
 For the Year Ended December 31, 2019

Net Change in Fund Balances - Total Governmental Funds \$ 879,337

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

Governmental funds report capital outlays as expenditures.

However, in the Statement of Activities, the cost of those assets is allocated
 over their estimated useful lives as depreciation expense.

Capital Outlays	6,577,630
Depreciation Expense	(3,704,975)

The effect of various miscellaneous transactions involving capital assets
 (i.e. sales, trade-ins, and disposals) is to decrease net position. (90,527)

Revenues in the Statement of Activities that do not provide current financial
 resources are not reported as revenues in the funds. (732,336)

Contractually required contributions are reported as expenditures in governmental funds;
 however, the Statement of Net Position reports these amounts as deferred outflows. 1,517,223

Except for amounts reported as deferred inflows/outflows, changes in the net pension
 liability are reported as pension expense in the Statement of Activities. (5,197,348)

Except for amounts reported as deferred inflows/outflows, changes in the net OPEB
 liability are reported as OPEB expense in the Statement of Activities. (1,221,761)

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.

Compensated Absences	23,576
Self-Insurance Claims	84,788

Change in Position of Governmental Activities \$ (1,864,393)

COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARKS DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non-GAAP Basis) and Actual

General Fund

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	\$ 18,661,068	\$ 18,661,068	\$ 18,554,399	\$ (106,669)
Intergovernmental	2,927,376	2,927,376	4,494,341	1,566,965
Charges for Services	298,495	298,495	261,815	(36,680)
Licenses and Permits	11,749	11,749	10,305	(1,444)
Fines and Forfeitures	371	371	325	(46)
Investment Earnings	278,248	278,248	224,056	(54,192)
Rent	647,840	647,840	568,231	(79,609)
Contributions and Donations	24,811	24,811	21,762	(3,049)
Refunds	95,779	95,779	84,009	(11,770)
Miscellaneous	42,709	42,709	40,440	(2,269)
Total Revenues	<u>22,988,446</u>	<u>22,988,446</u>	<u>24,259,683</u>	<u>1,271,237</u>
Expenditures				
Current Operations and Maintenance:				
Administration				
Salaries and Benefits	2,007,683	2,007,683	1,858,360	149,323
All Other	1,411,547	1,411,547	1,256,199	155,348
Education	2,994,742	2,994,742	2,724,988	269,754
Park Operations	10,306,487	10,306,487	9,556,671	749,816
Park Planning	220,855	220,855	204,838	16,017
Park Promotion	717,217	717,217	801,480	(84,263)
Rental Property	223,190	223,190	194,634	28,556
Natural Resource Management	780,496	780,496	719,727	60,769
Park Safety	2,953,881	2,953,881	2,851,638	102,243
Capital Outlay	425,529	425,529	440,295	(14,766)
Total Expenditures	<u>22,041,627</u>	<u>22,041,627</u>	<u>20,608,830</u>	<u>1,432,797</u>
Excess of Revenues Over Expenditures	946,819	946,819	3,650,853	2,704,034
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	79,232	79,232	69,496	(9,736)
Transfers Out	(4,249,850)	(4,249,850)	(4,349,850)	(100,000)
Total Other Financing Sources (Uses)	<u>(4,170,618)</u>	<u>(4,170,618)</u>	<u>(4,280,354)</u>	<u>(109,736)</u>
Net Change in Fund Balance	(3,223,799)	(3,223,799)	(629,501)	2,594,298
Fund Balances at Beginning of Year	6,999,080	6,999,080	6,999,080	-
Prior Year Encumbrances Appropriated	256,977	256,977	256,977	-
Fund Balances at End of Year	<u>\$ 4,032,258</u>	<u>\$ 4,032,258</u>	<u>\$ 6,626,556</u>	<u>\$ 2,594,298</u>

See accompanying notes to the basic financial statements

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 1 - Description of the District and Reporting Entity

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

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

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

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

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

Note 2 - Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include all financial activities of the District. The statements usually distinguish between those activities of the District that are governmental in nature and those that are considered business-type activities. The District, however, has no activities that are classified as business-type.

Columbus and Franklin County
Metropolitan Parks District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (Continued)

The Statement of Net Position presents the financial condition of the governmental activities of the District at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

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

Fund Accounting

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

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

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

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

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

Columbus and Franklin County
Metropolitan Parks District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (Continued)

Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities and deferred inflows of resources generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Basis of Accounting

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

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. “Measurable” means that the amount of the transaction can be determined and “available” means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the District, available means expected to be received within 31 days of year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (See Note 5). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Columbus and Franklin County
Metropolitan Parks District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (Continued)

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources are reported on the government-wide statement of net position for pensions and other postemployment benefits (OPEB). The deferred outflows of resources related to pension and OPEB are explained in Notes 9 and 10.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, pension, other postemployment benefits (OPEB) and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2019, but which were levied to finance 2020 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position. (See Notes 9 and 10).

Pensions/Other Postemployment Benefits (OPEB)

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

Expenses/Expenditures

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

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

Columbus and Franklin County
Metropolitan Parks District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

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

During 2019, the District's investments were limited to US Treasury Notes, Municipal Bonds, Negotiable Certificates of Deposit and PNC Government Mortgage Fund-Class I Mutual Fund. Investments are reported at fair value.

Interest income is distributed to the funds according to Ohio constitutional and statutory requirements. Interest revenue credited to the General Fund during 2019 amounted to \$224,056 which includes \$874 assigned from other funds.

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2019 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which the services are consumed.

Capital Assets

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

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

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

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (Continued)

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

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

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

Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “advances to/advances from other funds”. Interfund balance amounts are eliminated in the statement of net position, except for any net residual amounts due between governmental and business- type activities, which are presented as internal balances.

Compensated Absences

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

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

The entire compensated absences liability is reported on the government-wide financial statements.

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent that payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “Matured Compensated Absences Payable” in the funds from which the employees are paid.

Columbus and Franklin County
Metropolitan Parks District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (Continued)

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance

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

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

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

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

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

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

Columbus and Franklin County
Metropolitan Parks District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (Continued)

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

Internal Activity

Transfers within governmental activities are eliminated on the government-wide financial statements. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

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

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.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. The unrelated portion of these liabilities is included in the calculation of unrestricted net position.

Net position is reported as restricted when there are limitations imposed on their use either through external restrictions imposed by creditors, grantors or laws or regulations of other governments or by enabling legislation.

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

Columbus and Franklin County
Metropolitan Parks District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 2 - Summary of Significant Accounting Policies (Continued)

Budgetary Process

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

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

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

Note 3 - Budgetary Basis of Accounting

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

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

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

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 3 - Budgetary Basis of Accounting (Continued)

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis for the General Fund is as follows:

Net Change in Fund Balance

	General Fund
GAAP Basis	\$ (97,981)
Net Adjustment for Revenue Accruals	(277,469)
Net Adjustment for Expenditure Accruals	(53,200)
Net Adjustment for Other Financing	
Sources/Uses	256
Adjustment for Encumbrances	(201,107)
Budget Basis	\$ (629,501)

Note 4 - Deposits and Investments

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

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

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

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

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

1. United States Treasury notes, bills, bonds, notes, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other 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, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 4 - Deposits and Investments (Continued)

3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio and certain limitations of bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio and STAR Ohio Plus);
7. Certain banker's acceptances and commercial paper notes in an amount not to exceed 25% of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits: At year-end, the carrying amount of all of the District's deposits was \$179,422. Of the District's bank balance, \$250,678 was covered by the Federal Deposit Insurance Corporation (FDIC) and the remaining was uninsured and collateralized. The District's financial institution was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System. In addition to deposits, the District had \$39,605 on deposit with Franklin County and \$825 in petty cash.

Custodial credit risk for deposits is the risk that in the event of bank failure, the District's deposits may not be returned. The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or protected by:

1. Eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
2. Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 4 - Deposits and Investments (Continued)

Investments: As of December 31, 2019, the District had the following investments. All investments, except the PNC Government Mortgage Fund-Class I, are in an internal investment pool.

	Investment Maturities (in Years)		
	Fair Value	Less than 1	More than 1
Money Market Funds	\$ 11,295,801	\$ 11,295,801	\$ -
Federal Agency Securities	352,784	49,997	302,787
Negotiable Certificates of Deposit	836,967	836,967	-
PNC Government Mortgage Fund - Class I Mutual Fund	575,867	575,867	-
Totals	\$ 13,061,419	\$ 12,758,632	\$ 302,787

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

Credit Risk: The District has no policy regarding credit risk. The District's investments in money market funds are rated AAAM. The District's investments in federal agency securities are rated AA. The District's investments in negotiable certificates of deposit are not rated. The District's investment in the PNC Government Mortgage Fund – Class I Mutual Fund is not subject to credit ratings.

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. The above tables identify the District's recurring fair value measurement as of December 31, 2019. All investments of the District are valued using quoted market prices (Level 1 inputs).

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**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 5 - Property Taxes

Property taxes include amounts levied against all real and public utility property located in the District. Property tax revenue received during 2019 for real and public utility property taxes represents collections of 2018 taxes.

2019 real property taxes were levied after October 1, 2019, on the assessed value as of January 1, 2019, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2019 real property taxes are collected in and intended to finance 2020.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2019 public utility property taxes which became a lien December 31, 2018, are levied after October 1, 2019, and are collected in 2019 with real property taxes.

The full tax rate for all District operations for the year ended December 31, 2020, was \$0.95 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2019 property tax receipts were based are as follows:

Category	Assessed Value
Real Property:	
Agricultural/Residential	\$ 20,748,350,000
Commercial/Industrial/Mineral	8,873,778,640
Tangible Personal Property	
Public Utility Personal	1,260,088,930
Total	\$ 30,882,217,570

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the District. The County Auditor periodically remits to the District its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2019, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2019 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

The District has a 10-year, .95 mill property tax levy that was approved by voters in November 2018 that will provide funding starting in 2020 and run through 2029, for the purpose of conserving natural resources; developing, improving, maintaining, and operating the various parks and other properties of the District; and for acquiring, developing, improving, maintaining and operating additional lands. The District records all of the levy monies in the General Fund. Transfers to the Capital Improvement Capital Projects Fund will be made when funds are needed to complete projects.

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 6 - Receivables

Receivables at December 31, 2019, consisted of Property Taxes and Due From Other Governments. All receivables are considered fully collectible and will be collected within one year, with the exception of Property Taxes. Property Taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

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

	<u>Amount</u>
<u>Governmental Activities</u>	
Local Government	\$ 1,236,277
Homestead	220,070
Total Due From Other Governments	<u>\$ 1,456,347</u>

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**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 7 - Capital Assets

Capital assets activity for the year ended December 31, 2019, was as follows:

<i>Governmental Activities</i>	Beginning Balance	Prior Period Adjustment	Beginning Balance	Additions	Deductions	Transfers	Ending Balance
Nondepreciable Capital Assets							
Land	\$ 150,746,187	\$ (4,500)	\$ 150,741,687	\$ 2,031,257	\$ (78,967)	\$ -	\$ 152,693,977
Wetlands	3,981,412	-	3,981,412	-	-	-	3,981,412
Land Restoration	13,861,965	-	13,861,965	-	-	57,250	13,919,215
Construction in Progress	1,904,688	(8)	1,904,680	3,178,914	-	(944,073)	4,139,521
Total Nondepreciable Assets	170,494,252	(4,508)	170,489,744	5,210,171	(78,967)	(886,823)	174,734,125
Depreciable Capital Assets							
Land Improvements	16,246,325	-	16,246,325	-	-	568,700	16,815,025
Buildings	35,827,744	-	35,827,744	-	-	139,708	35,967,452
Equipment	5,046,556	121,935	5,168,491	518,584	(148,309)	3,690	5,542,456
Furnishings	272,822	4,390	277,212	32,320	(5,389)	-	304,143
Radios	501,280	20,680	521,960	-	-	-	521,960
Vehicles	2,508,332	-	2,508,332	304,559	(254,501)	96,310	2,654,700
Computer Equipment	284,138	-	284,138	-	(118,655)	-	165,483
Infrastructure	55,868,270	-	55,868,270	511,996	-	78,415	56,458,681
Total Depreciable Assets	116,555,467	147,005	116,702,472	1,367,459	(526,854)	886,823	118,429,900
Less accumulated depreciation							
Land Improvements	(10,765,018)	-	(10,765,018)	(1,026,796)	-	-	(11,791,814)
Buildings	(14,259,674)	5,439	(14,254,235)	(856,370)	-	-	(15,110,605)
Equipment	(4,256,032)	(121,935)	(4,377,967)	(290,487)	148,309	(3,690)	(4,523,835)
Furnishings	(214,577)	(4,390)	(218,967)	(30,608)	5,389	-	(244,186)
Radios	(470,617)	(20,680)	(491,297)	(24,965)	-	-	(516,262)
Vehicles	(1,991,983)	-	(1,991,983)	(284,762)	244,031	3,690	(2,029,024)
Computer Equipment	(213,162)	-	(213,162)	(21,463)	117,565	-	(117,060)
Infrastructure	(20,122,268)	-	(20,122,268)	(1,169,524)	-	-	(21,291,792)
Total accumulated depreciation	(52,293,331)	(141,566)	(52,434,897)	(3,704,975)	515,294	-	(55,624,578)
Depreciable Capital Assets, Net of accumulated depreciation	64,262,136	5,439	64,267,575	(2,337,516)	(11,560)	886,823	62,805,322
Total Capital Assets, Net	\$ 234,756,388	\$ 931	\$ 234,757,319	\$ 2,872,655	\$ (90,527)	\$ -	\$ 237,539,447

Depreciation expense was charged to the governmental programs as follows:

Administration	\$ 80,434
Education	507,218
Park Operations	2,877,612
Rental Property	20,802
Natural Resource Management	10,147
Park Safety	208,762
Total depreciation expense	\$ 3,704,975

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 8 - Risk Management

The District is exposed to various risks of property and casualty losses, and injuries to employees. For property and casualty coverage, the District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Insurance

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2018, PEP retained \$500,000 for casualty claims and \$250,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2018 and 2017:

<u>Casualty & Property Coverage</u>	<u>2018</u>	<u>2017</u>
Assets	\$49,921,998	\$44,452,326
Liabilities	<u>(14,676,199)</u>	<u>(13,004,011)</u>
Net Position	\$35,245,799	\$31,448,315

At December 31, 2017 and 2018, respectively, the liabilities above include approximately \$11.8 million and \$13.0 million of estimated incurred claims payable. The assets above also include approximately \$11.3 million and \$11.8 million of unpaid claims to be billed to approximately 527 and 538 member governments in the future, as of December 31, 2017 and 2018, respectively. These amounts will be included in future contributions from members when the related claims are due for payment.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>Contributions to PEP</u>	
2019	\$ 147,584
2018	\$ 141,476

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 8 - Risk Management (Continued)

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also, upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Beginning in 2012, the District self-insured its worker's compensation costs by participating in Franklin County Workers' Compensation self-insurance program. The County establishes rates for its member agencies based on an independent actuarial evaluation, and those charges are intended to cover administrative costs and maintain a sufficient reserve. The reserve is intended to cover costs in excess of \$100,000 per claim. The District is liable to cover the claim costs up to \$100,000. Based on information provided by the program administrator, the District's claims liability at year-end was \$44,252.

Note 9 - Defined Benefit Pension Plan

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.

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 9 - Defined Benefit Pension Plan (Continued)

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 *due to other governments* 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.

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):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 5 years of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 5 years of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1.0% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1.0% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1.0% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 9 - Defined Benefit Pension Plan (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. For members retiring under the Combined Plan, an annual COLA will be provided on the defined benefit portion of their benefit. 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:

2019 Statutory Maximum Contribution Rates

Employer	14.0 %
Employee	10.0 %

2019 Actual Contribution Rates

Employer:	
Pension	14.0 %
Postemployment Health Care Benefits	0.0 %
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was \$1,517,223 for 2019. Of this amount, \$90,418 is reported as a due to other governments.

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, 2018, 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:

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 9 - Defined Benefit Pension Plan (Continued)

	<u>OPERS Traditional Plan</u>
Proportion of the Net Pension Liability:	
Current Measurement Date	0.08169161%
Prior Measurement Date	<u>0.07422867%</u>
Change in Proportionate Share	<u>0.0074629%</u>
Proportionate Share of the Net Pension Liability	\$ 22,373,676
Pension Expense	\$ 5,197,348

At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS Traditional Plan</u>
Deferred Outflows of Resources	
Differences between expected and actual experience	\$ 1,032
Changes of assumptions	1,947,674
Net difference between projected and actual earnings on pension plan investments	3,036,741
Change in proportionate share	853,512
City contributions subsequent to the measurement date	<u>1,517,223</u>
Total Deferred Outflows of Resources	<u>\$ 7,356,182</u>
Deferred Inflows of Resources	
Differences between expected and actual experience	\$ 293,779
Change in proportionate share	<u>53,863</u>
Total Deferred Inflows of Resources	<u>\$ 347,642</u>

\$1,517,223 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 9 - Defined Benefit Pension Plan (Continued)

	OPERS Traditional Plan
Year Ending December 31:	
2020	\$ 2,414,861
2021	1,382,429
2022	281,717
2023	1,412,310
Total	\$ 5,491,317

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 was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions and methods applied to all prior periods included in the measurement:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA	Pre-1/7/13 Retirees: 3 percent, simple Post-1/7/13 Retirees: 3 percent simple through 2018, then 2.15 percent simple
Investment Rate of Return	7.2 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 9 - Defined Benefit Pension Plan (Continued)

Discount Rate The discount rate used to measure the total pension liability was 7.2 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.

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 a discount rate of 7.2 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 (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.2%)	Discount Rate (7.2%)	1% Increase (8.2%)
District's proportionate share of the net pension liability Traditional Plan	\$ 33,052,425	\$ 22,373,676	\$13,499,539

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS 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 following table displays the OPERS Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.79 %
Domestic Equities	19.00	6.21
Real Estate	10.00	4.90
Private Equity	10.00	10.81
International Equities	20.00	7.83
Other investments	18.00	5.50
Total	100.00 %	5.95 %

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.

**Columbus and Franklin County
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Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 9 - Defined Benefit Pension Plan (Continued)

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. 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 annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 2.94% for 2018.

Note 10 – Defined Benefit OPEB Plan

Net OPEB Liability

OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB 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 net OPEB liability represents the District’s proportionate share of the OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB 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 these estimates 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 OPEB are financed; however, the District does receive the benefit of employees’ services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 10 – Defined Benefit OPEB Plan (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care 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. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty 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 meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2019, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary. This is the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

With the assistance of OPERS' actuary and OPERS Board approval, a portion of each employer contribution to OPERS may be set aside for the funding of post-employment health care coverage. The portion of Traditional Pension Plan and Combined Plan employer contributions allocated to health care was zero for 2019. The employer contribution as a percent of covered payroll deposited for Member-Directed Plan health care accounts for 2019 was 4.0 percent.

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 10 – Defined Benefit OPEB Plan (Continued)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was \$0 for 2019.

Net OPEB Liability

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The District's proportion of the net OPEB liability was based on the District's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	<u>OPERS</u>
Proportion of the Net OPEB Liability	
Current Measurement Date	0.0800930%
Prior Measurement Date	0.0727659%
	<u>0.0073271%</u>
Change in Proportionate Share	
Proportionate Share of the Net OPEB Liability	\$ 10,442,239
OPEB Expense	\$ 1,221,761

At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>
Deferred Outflows of Resources	
Differences between expected and actual experience	\$ 3,537
Changes of assumptions	336,670
Net difference between projected and actual earnings on pension plan investments	478,716
Change in proportionate share	<u>547,451</u>
Total Deferred Outflows of Resources	<u>\$ 1,366,374</u>
Deferred Inflows of Resources	
Differences between expected and actual experience	\$ 28,333
Total Deferred Inflows of Resources	<u>\$ 28,333</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 10 – Defined Benefit OPEB Plan (Continued)

	OPERS
Year Ending December 31:	
2020	\$ 649,759
2021	360,255
2022	86,867
2023	241,160
Total	\$ 1,338,041

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 and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018.

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent (including wage inflation at 3.25 percent)
Single Discount Rate:	
Current measurement date	3.96 percent
Prior Measurement date	3.85 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	3.71 percent
Health Care Cost Trend Rate	10.0 percent, initial 3.25 percent, ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 10 – Defined Benefit OPEB Plan (Continued)

The most recent experience study was completed for the five-year period ended December 31, 2015.

Discount Rate A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.71 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the District’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the District’s proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

	1% Decrease (2.96%)	Discount Rate (3.96%)	1% Increase (4.96%)
District's proportionate share of the net OPEB liability	\$ 13,359,516	\$ 10,442,239	\$ 8,122,233

Sensitivity of the District’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.0 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 10 – Defined Benefit OPEB Plan (Continued)

	Current Health Care		
	1% Decrease	Trend Rate Assumption	1% Increase
District's proportionate share of the net OPEB liability	\$10,037,257	\$ 10,442,239	\$10,908,669

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 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	34.00 %	2.42 %
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other investments	17.00	5.57
Total	<u>100.00 %</u>	<u>5.16 %</u>

The long-term expected rate of return on health care 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.

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is a loss of 5.6 percent for 2018.

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 11 - Employee Benefits

Compensated Absences

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

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

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

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

Deferred Compensation

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

Insurance

The District provides health insurance coverage to all full-time employees. There was no significant changes to coverage in 2019.

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**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 12 - Long-Term Obligations

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

<u>Types / Issues</u>	<u>Balance 12/31/2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/2019</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>					
Compensated Absences	\$ 1,034,534	\$ 589,739	\$ (660,814)	\$ 963,459	\$ 505,120
Net Pension Liability - OPERS	11,645,039	10,728,637	-	22,373,676	-
Net OPEB Liability - OPERS	7,901,842	2,540,397	-	10,442,239	-
Total Governmental Activities	<u>\$ 20,581,415</u>	<u>\$ 13,858,773</u>	<u>\$ (660,814)</u>	<u>\$ 33,779,374</u>	<u>\$ 505,120</u>

Compensated absences will be paid from the fund in which the employees’ salaries are paid, which is from the General Fund and the Golf Course Special Revenue Fund.

There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the General Fund and Golf Course Special Revenue Fund. For additional information related to the net pension liability and net OPEB liability see Notes 9 and 10.

Note 13 - Interfund Activity

The transfer made during the year ended December 31, 2019, was as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 4,349,850
Capital Improvement Fund	3,886,300	-
Golf Course Fund	463,550	-
Total Transfers	<u>\$ 4,349,850</u>	<u>\$ 4,349,850</u>

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

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**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 14 - Contingent Liabilities

Federal and State Grants

For the period January 1, 2019 to December 31, 2019, the District received federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the District believes such disallowance, if any, would be immaterial.

Litigation

The District is not party to any legal proceedings.

Note 15 – Significant Commitments

Contractual Commitments

At December 31, 2019, the District’s significant contractual commitments consisted of:

	Contract Amount	Amount Completed	Balance at 12/31/2019
Projects			
BLK Nature Center	\$ 359,038	\$ 9,038	350,000
Camp Chase Trail - BD Creek to Kropp Road	907,646	841,017	66,629
BDC Restoration Memory Lane	30,800	18,642	12,158
CLC Salvage/Demo of Benua House	104,480	2,500	101,980
Homestead Master Plan/Improvements	27,800	19,830	7,970
Invasive Species Control	79,800	70,505	9,295
Olentangy River Trail Connector	245,009	136,213	108,796
District-Wide Signage	3,696	-	3,696
TCR Alum Creek Stabilization	175,000	140,000	35,000
PKN Day Use Design	2,598,208	1,845,342	752,866
Sharon Woods Trail along Park Road	18,600	-	18,600
QUA Design	479,470	467,140	12,330
QUA Middle Tier Development	560,000	91,060	468,940
QUA South-End Development	195,016	85,466	109,550
QUA Waterfall Site Development	110,171	85,056	25,115
Totals	<u>\$ 5,894,734</u>	<u>\$ 3,811,809</u>	<u>\$ 2,082,925</u>

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods and services. Encumbrances accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

**Columbus and Franklin County
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Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 15 – Significant Commitments (Continued)

Governmental Funds:

General	\$ 201,107
Golf Course	11,221
Capital Improvement	2,382,902
Total	\$ 2,595,230

Note 16 - Fund Balances

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

Fund Balances	General	Capital Improvement	Nonmajor Governmental Funds	Total
<i>Nonspendable</i>				
Prepays	\$ 98,025	\$ -	\$ 2,376	\$ 100,401
Inniswood Capital Improvements	-	-	22,808	22,808
E.S. Thomas Educational Fund	-	-	89,011	89,011
J.C. Hambleton Memorial Fund	-	-	8,785	8,785
Total Nonspendable	98,025	-	122,980	221,005
<i>Restricted for</i>				
Educational Programs	-	-	122,556	122,556
Inniswood Capital and Maintenance Projects	-	-	979,511	979,511
Total Restricted	-	-	1,102,067	1,102,067
<i>Committed to</i>				
Beck Forest Preservice				
Capital and Maintenance Projects	-	-	20,279	20,279
Golf Course	-	-	100,940	100,940
Total Committed	-	-	121,219	121,219
<i>Assigned</i>				
Operations/Programming	201,107	-	-	201,107
Capital Projects	-	4,762,864	-	4,762,864
Total Assigned	201,107	4,762,864	-	4,963,971
<i>Unassigned</i>				
	7,644,406	-	-	7,644,406
Total Funds Balances	\$ 7,943,538	\$ 4,762,864	\$ 1,346,266	\$ 14,052,668

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 17 - Donor Restricted Endowments

The District's permanent funds include donor restricted endowments of \$220,352. Endowments in the amount of \$97,796 represent the principal portion. The amount of net appreciation in donor restricted investments that is available for expenditures by the District is \$122,556 and is included as held in trust for educational programs. State law permits the District to appropriate, for purposes consistent with the endowment's intent, net appreciation, realized and unrealized, unless the endowment terms specify otherwise. The endowments indicate that the interest should be used to provide educational programs.

Note 18 – Change in Accounting Principles

For fiscal year 2019, the District implemented GASB Statement No. 83, "*Certain Asset Retirement Obligations*" which enhances comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain asset retirement obligations, including obligations that may not have been previously reported. The implementation of this statements did not have an effect on the financial statements of the District.

For fiscal year 2019, the District implemented GASB Statement No. 88, "*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*" which improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of this statement did not have an effect on the financial statements of the District.

For fiscal year 2019, the District implemented GASB Statement No. 90, "*Majority Equity Interests-an amendment of GASB Statements No. 14, and No. 61*" which improves consistency and comparability of reporting a government's major equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The implementation of this statement did not have an effect on the financial statements of the District.

For fiscal year 2019, the District implemented GASB Statement No. 84, "*Fiduciary Activities*" which enhances consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities. The implementation of this statement did not have an effect on the financial statements of the District.

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Note 19 – Restatement of Net Position

In fiscal year 2019, the District had to restate net position to correct errors in accounting for capital assets in fiscal years 2018 and prior. This correction related to capital asset accounting had the following effect on net position as reported December 31, 2018:

	Governmental Activities
Net Position December 31, 2018	230,058,659
Adjustments:	
Nondepreciable Capital Assets	(4,508)
Depreciable Capital Assets	5,439
Restated Net Position December 31, 2018	230,059,590

Note 20 – Effect of Newly Issued Accounting Pronouncements

In May 2019, GASB issued GASB Statement No. 91, *Conduit Debt Obligations*. This statement aims to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with the commitments extended by the issuers, arrangements associated with conduit debt obligations, and the related note disclosures. The requirements of this statement are effective for financial statements for reporting periods beginning after June 15, 2020. The District has not yet determined the effect that the adoption of GASB Statement No. 91 may have on its financial statements.

Note 21 – Subsequent Event

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. The District’s investment portfolio and the investments of the pension and other employee benefit plan in which the District participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the District’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**COLUMBUS AND FRANKLIN COUNTY
METROPOLITAN PARKS DISTRICT
Required Supplementary Information
Schedule of District's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System**

Last Five Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Pension Liability	0.08169161%	0.07422867%	0.075215%	0.076197%	0.073409%
District's Proportionate Share of the Net Pension Liability	\$ 22,373,676	\$ 11,645,039	\$ 17,080,035	\$ 13,198,277	\$ 8,853,926
District's Covered Payroll	\$ 10,111,177	\$ 9,325,436	\$ 9,924,033	\$ 9,143,281	\$ 8,290,855
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	221.28%	124.87%	172.11%	144.35%	106.79%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	84.66%	77.25%	81.08%	86.45%

(1) This schedule is intended to show information for ten years. Information prior to 2015 is not available.

Amounts presented as of the District's measurement date, which is the prior fiscal year-end.

See accompanying notes to the required supplementary information.

**COLUMBUS AND FRANKLIN COUNTY
METROPOLITAN PARKS DISTRICT
Schedule of District Pension Contributions
Ohio Public Employees Retirement System**

Last Six Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,517,223	\$ 1,415,565	\$ 1,212,307	\$ 1,190,884	\$ 1,097,194	\$ 1,077,811
Contributions in Relation to the Contractually Required Contribution	<u>\$ 1,517,223</u>	<u>\$ 1,415,565</u>	<u>\$ 1,212,307</u>	<u>\$ 1,190,884</u>	<u>\$ 1,097,194</u>	<u>\$ 1,077,811</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 10,837,304	\$ 10,111,177	\$ 9,325,436	\$ 9,924,033	\$ 9,143,281	\$ 8,290,855
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.00%	12.00%	12.00%	13.00%

(1) This schedule is intended to show information for ten years. Information prior to 2014 is not available.

See accompanying notes to the required supplementary information.

**COLUMBUS AND FRANKLIN COUNTY
METROPOLITAN PARKS DISTRICT
Required Supplementary Information
Schedule of District's Proportionate Share of the Net OPEB Liability
Ohio Public Employees Retirement System**

Last Three Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's Proportion of the Net OPEB Liability	0.0800930%	0.0727659%	0.0723774%
District's Proportionate Share of the Net OPEB Liability	\$ 10,442,239	\$ 7,901,842	\$ 7,310,367
District's Covered Payroll	\$ 10,111,177	\$ 9,325,436	\$ 9,924,033
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	103.27%	84.73%	73.66%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.33%	54.14%	54.05%

(1) This schedule is intended to show information for ten years. Information prior to 2017 is not available.

Amounts presented as of the District's measurement date, which is the prior fiscal year-end.

See accompanying notes to the required supplementary information.

**COLUMBUS AND FRANKLIN COUNTY
METROPOLITAN PARKS DISTRICT
Required Supplementary Information
Schedule of District OPEB Contributions
Ohio Public Employees Retirement System**

Last Six Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ -	\$ -	\$ 93,255	\$ 198,481	\$ 182,866	\$ 82,909
Contributions in Relation to the Contractually Required Contribution		<u>\$ -</u>	<u>\$ 93,255</u>	<u>\$ 198,481</u>	<u>\$ 182,866</u>	<u>\$ 82,909</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 10,837,304	\$ 10,111,177	\$ 9,325,436	\$ 9,924,033	\$ 9,143,281	\$ 8,290,855
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	1.00%	2.00%	2.00%	1.00%

(1) This schedule is intended to show information for ten years. Information prior to 2014 is not available.

See accompanying notes to the required supplementary information.

COLUMBUS FRANKLIN COUNTY METROPOLITAN PARKS DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

Ohio Public Employees Retirement System

Net Pension Liability

Changes of benefit terms. There were no significant changes of benefit terms in 2019.

Changes of assumptions. Amounts reported in 2019 reflect changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.5% down to 7.2%, for the defined benefit investments.

Net OPEB Liability

Changes of benefit terms. There were no significant changes of benefit terms in 2019.

Changes of assumptions. For 2019, the single discount rate changed from 3.85 percent to 3.96 percent and the municipal bond rate changed from 3.31 percent to 3.71 percent. There was also a reduction in the actuarial assumed rate of return from 6.50 percent down to 6.00 percent.

**Columbus and Franklin County
Metropolitan Parks District**

Management's Discussion & Analysis
For the Year Ended December 31, 2018
(Unaudited)

The discussion and analysis of the Columbus and Franklin County Metropolitan Parks District's (the "District") financial performance provides an overall review of the District's financial activities for the year ended December 31, 2018. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the financial statements and the Notes to the Basic Financial Statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by approximately \$230.1 million (net position). Of this amount, approximately negative \$5.7 million (unrestricted net position) may be used to meet the District's ongoing obligations.

The District's net position increased approximately \$6.5 million during the year.

At the close of the current year, the District reported combined ending fund balances of approximately \$13.2 million, an increase of \$557,537 in comparison with the prior year.

At the end of the current fiscal year, unassigned fund balance in the General Fund was approximately \$4.5 million, or 24 percent of total general fund expenditures.

USING THIS ANNUAL FINANCIAL REPORT

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

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

REPORTING THE DISTRICT AS A WHOLE

One of the most important questions asked about the District is "How did we do financially during 2018?" The Statement of Net Position and the Statement of Activities, which appear first in the District's financial statements, report information on the District as a whole and its activities in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**Columbus and Franklin County
Metropolitan Parks District**

Management's Discussion & Analysis
For the Year Ended December 31, 2018
(Unaudited)

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

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

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

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

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

**Columbus and Franklin County
Metropolitan Parks District**

Management's Discussion & Analysis
For the Year Ended December 31, 2018
(Unaudited)

THE DISTRICT AS A WHOLE

As stated previously, the Statement of Net Position provides the perspective of the District as a whole. Table 1 provides a summary of the District's net position for 2018 compared to 2017.

Table 1
Net Position

	Governmental Activities		Increase (Decrease)
	2018	2017 - Restated	
Assets			
Current and Other Assets	\$ 34,275,911	\$ 35,219,177	\$ (943,266)
Land, Wetlands, Land Restoration and Construction In Progress	170,494,252	162,474,232	8,020,020
Depreciable Capital Assets, Net	64,262,136	64,239,980	22,156
Total Assets	<u>269,032,299</u>	<u>\$261,933,389</u>	<u>7,098,910</u>
Deferred Outflows of Resources			
Pension	2,836,242	6,698,025	(3,861,783)
OPEB	608,039	93,254	514,785
Total Deferred Outflows of Resources	<u>3,444,281</u>	<u>6,791,279</u>	<u>(3,346,998)</u>
Liabilities			
Current and Other Liabilities	1,001,676	1,343,192	(341,516)
Long-Term Liabilities			
Due Within One Year	542,763	414,487	128,276
Due In More Than One Year:			
Net Pension Liability	11,645,039	17,080,035	(5,434,996)
Net OPEB Liability	7,901,842	7,310,367	
Other Amounts	491,771	403,881	87,890
Total Liabilities	<u>21,583,091</u>	<u>26,551,962</u>	<u>(5,560,346)</u>
Deferred Inflows of Resources			
Property Taxes	17,369,982	18,457,699	(1,087,717)
Pension	2,876,214	185,054	2,691,160
OPEB	588,634	0	588,634
Total Deferred Inflows of Resources	<u>20,834,830</u>	<u>18,642,753</u>	<u>2,192,077</u>
Net Position			
Net Investment in Capital Assets	234,687,768	226,286,456	8,401,312
Restricted	1,096,120	1,104,085	
Unrestricted	(5,725,229)	(3,860,588)	(1,864,641)
Total Net Position	<u>\$ 230,058,659</u>	<u>\$ 223,529,953</u>	<u>\$ 6,536,671</u>

The net pension liability (NPL) is the largest single liability reported by the District at December 31, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For 2018, the District adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB).

**Columbus and Franklin County
Metropolitan Parks District**

Management's Discussion & Analysis
For the Year Ended December 31, 2018
(Unaudited)

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 OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the District's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 District is not responsible for certain key factors affecting the balance of these liabilities. 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 Ohio revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *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 retirement system is responsible for the administration of the pension and OPEB plans.

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 or the net OPEB liability.

**Columbus and Franklin County
Metropolitan Parks District**

Management's Discussion & Analysis
For the Year Ended December 31, 2018
(Unaudited)

As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities 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 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the District is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2017, from \$230,878,880 to \$223,661,767.

Total assets increased significantly in comparison with the prior year. This increase was due to land purchases and construction in progress relating to the completion of, and continuing construction of, various projects.

Current and other liabilities decreased slightly in comparison with the prior year. This decrease is primarily the result of a decrease in contracts payable.

Net investment in capital assets increased approximately \$8.5 million. This is primarily due to current year capital assets additions exceeding current year depreciation and disposals.

The net pension and net OPEB liabilities and related deferred outflows and inflows of resources all fluctuated significantly in comparison with the prior year. These fluctuations are primarily the result of the greater than expected returns on pension plan investments.

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**Columbus and Franklin County
Metropolitan Parks District**

Management's Discussion & Analysis
For the Year Ended December 31, 2018
(Unaudited)

Table 2 shows the changes in net position for the years ended December 31, 2018 and 2017.

Table 2
Changes in Net Positions

	2018	2017	Increase/ (Decrease)
Revenues:			
Program Revenues:			
Charges For Services	\$ 1,646,981	\$ 1,708,788	\$ (61,807)
Operating Grants, Contributions, and Interest	35,490	121,882	(86,392)
Capital Grants, Contributions, and Interest	1,883,918	-	1,883,918
Total Program Revenues	<u>3,566,389</u>	<u>1,830,670</u>	<u>1,735,719</u>
General Revenues:			
Property Taxes	19,664,039	18,097,693	1,566,346
Unrestricted Investment Earnings	170,319	129,423	40,896
Grants and Entitlements Not Restricted			
To Specific Programs	8,483,554	8,693,130	(209,576)
Contributions and Donations	20,556	16,496	4,060
Gain on Sale of Capital Asset	30,024	9,985	20,039
Miscellaneous	133,407	5,864	127,543
Total General Revenues	<u>28,501,899</u>	<u>26,952,591</u>	<u>1,549,308</u>
Total Revenues	<u>\$ 32,068,288</u>	<u>\$ 28,783,261</u>	<u>\$ 3,285,027</u>
Program Expenses			
Administration	\$ 3,214,464	\$ 3,268,477	\$ (54,013)
Education	3,559,712	3,130,312	429,400
Park Operations	12,405,793	11,226,628	1,179,165
Park Planning	196,467	183,681	12,786
Park Promotion	854,702	703,178	151,524
Rental Property	191,975	306,120	(114,145)
Natural Resource Management	649,663	679,030	(29,367)
Golf Course	1,143,899	1,419,599	(275,700)
Park Safety	3,322,907	2,894,667	428,240
Total Expenses	<u>25,539,582</u>	<u>23,811,692</u>	<u>1,727,890</u>
Change in Net Position	6,528,706	4,971,569	<u>\$ 1,557,137</u>
Net Position At Beginning Of Year, Restated	<u>223,529,953</u>	N/A	
Net Position At End of Year	<u>\$ 230,058,659</u>	<u>\$ 223,529,953</u>	

Some 2017 expenses have been reclassified to correlate with the 2018 classifications.

**Columbus and Franklin County
Metropolitan Parks District**

Management's Discussion & Analysis
For the Year Ended December 31, 2018
(Unaudited)

GOVERNMENTAL ACTIVITIES

Program revenues, which are primarily represented by charges for District services, fines, and charges generated by the golf course, as well as restricted intergovernmental revenues, and restricted donations, were approximately \$3.6 million of total revenues for 2018 and were significantly higher than the prior fiscal year. This increase is primarily due to an increase in donations received during the year.

As previously mentioned, general revenues were approximately \$28.5 million of total revenues for 2018, an approximate \$1.5 million increase from the prior year. This increase is primarily the result of an increase in property tax revenue due to the timing of property tax collections by Franklin County.

Total versus Net Cost of Services

The Statement of Activities shows the cost of program services and the charges for services and grants associated with those services. Table 3 below reflects the cost of program services and the net cost of those services after taking into account the program revenues. When applicable, the net cost of program services must be supported by general revenues including tax revenue, investment earnings and unrestricted grants.

Table 3

	Total Cost of Services		Net Cost of Services	
	2018	2017	2018	2017
Governmental Activities:				
Administration	\$ 3,214,464	\$ 3,268,477	\$ 3,183,182	\$ 3,214,485
Education	3,559,712	3,130,312	3,333,033	2,915,684
Park Operations	12,405,793	11,226,628	10,087,325	11,163,616
Park Planning	196,467	183,681	196,467	183,681
Park Promotion	854,702	703,178	854,702	703,178
Rental Property	191,975	306,120	50,213	(208,187)
Natural Resource Management	649,663	679,030	649,663	679,030
Golf Course	1,143,899	1,419,599	296,116	444,090
Park Safety	3,322,907	2,894,667	3,322,492	2,885,445
Total Governmental Activities	<u>\$ 25,539,582</u>	<u>\$ 23,811,692</u>	<u>\$ 21,973,193</u>	<u>\$ 21,981,022</u>

THE DISTRICT'S FUNDS

Information about the District's major governmental funds begins on page 16. All governmental funds had total revenues of approximately \$31.9 million and expenditures of \$31.4 million. The General Fund balance increased \$589,104 during 2018.

The Capital Improvement Fund balance decreased \$26,788. This decrease represents the amount in which expenditures related to capital improvement projects exceeded intergovernmental receipts, donations, and transfers in from the General Fund during the year.

**Columbus and Franklin County
Metropolitan Parks District**

Management's Discussion & Analysis
For the Year Ended December 31, 2018
(Unaudited)

GENERAL FUND BUDGETING HIGHLIGHTS

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

Actual revenues and other financing sources of approximately \$24.0 million came in \$264,101 higher than the final budgeted amount of approximately \$23.8 million. This increase is primarily the result of higher than expected intergovernmental revenues and investment earnings received by the District. The final budgeted revenues and other financing sources increased \$980,430 from the original budget during the year. This increase is mostly due to higher than expected receipts from rent and charges for services provided by the District.

Actual expenditures and other financing uses of approximately \$24.9 million came in \$3.4 million lower than the final budgeted expenditures and other financing uses of approximately \$28.3 million. This decrease is primarily the result of the District carefully monitoring its expenditures and actual transfers to other funds being less than expected. The original and final expenditures and other financing uses were both approximately \$28.3 million.

DEBT

In 2018, the District had no outstanding debt obligations.

CAPITAL ASSETS

At the end of 2018, the District had approximately \$234.8 million invested in capital assets (net of accumulated depreciation) for governmental activities, an increase of \$8.0 million from the prior year. The increase in capital assets is primarily related to the continuing development of infrastructure additions and improvements, including roads and trails.

See Note 7 of the Notes to the Basic Financial Statements for more detailed capital assets information.

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**Columbus and Franklin County
Metropolitan Parks District**

Management's Discussion & Analysis
For the Year Ended December 31, 2018
(Unaudited)

CURRENT ISSUES

The mission of Metro Parks is to conserve open spaces, while providing places and opportunities that encourage people to discover and experience nature. The voters of Franklin County demonstrated support for this mission through their approval of a 0.95 mill levy, passed in November 2018. Beginning in 2020, this levy will provide the core funding for Metro Parks through 2029.

The levy provides a sound financial base for operating and improving existing parks, as well as acquiring additional land for future preservation. Below you will find just a snapshot of some of the fine and wonderful accomplishments of 2018.

November 2018 Levy – On Tuesday, November 6, 2018 the voters of Franklin County approved our 10-year 0.95 mill levy to fund District operations through December of 2029. With over 312,000 votes (67%) in support of the plan the District put forward, staff is already hard at work in implementing the initiatives laid out in this campaign.



Outdoor Adventure – In late 2018 we saw the creation of our Outdoor Adventure Section of the District. The need for this was identified through not only customer surveys and staff input, but also was predicated by the growing popularity of our backpacking trail at Scioto Grove, canoeing and kayaking programs, as well as demand from our customers. Even though the section has just started, they have already begun programming with great success with events such as our Night Disc Golf Event.

Eagle View at Blacklick Woods Golf Course – In late summer, we opened a new facility providing a



year-round facility overlooking the 18th green at the golf course. This facility can accommodate groups as large as 150 in a beautiful, fully furnished and staffed, facility meeting the growing demand on the east side of the county.

Passport to Parks Program – In partnership with the Friends of Metro Parks, a new Passport to Parks program was kicked off in 2018. Thousands of our very own Passports were distributed throughout the District encouraging people and families to get out and visit all 19 Metro Parks. The Passport program had a major special event tied to the kickoff of this on a Saturday in June where thousands of people came out to get their passports and spend a day enjoying Sharon Woods.

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(Unaudited)

Improvements to Glacier Ridge – During the spring of 2018 staff and other partners began working on 3 major improvements to the central area of this park. Additions included a multi stage challenge course, a 3 acre fenced dog park, and a new kids exploration area including 3 new play units designed by students at the Knowlton School of Architecture at The Ohio State University. When these units opened in the summer of 2018, our park attendance has almost doubled.



Education – Environmental education still remains as one of the pillars of everything we do here in Metro Parks and 2018 has the numbers to prove it. We made considerable effort this year to provide more spontaneous programming opportunities throughout the District. Along with our naturalist led programs, Students Exploring Ecosystem Dynamics (SEED) is still growing throughout many of the Franklin County School Districts.



Special Events – From huge events such as Wagfest, Outdoor Adventure, and Red White and Boom to the smaller events like campouts and tailgate parties, our efforts into bringing people into the parks is nothing short of amazing. 2018 saw the introduction of several new events that drew thousands of new participants to Metro Parks including: Barktoberfest, Friends of Metro Parks Golf Outing, and the Summer Movie Series at many of our parks throughout the summer and fall.

THE YEAR AHEAD – 2019

In keeping with our vision of clean and safe parks, our efforts will continue towards the overall customer satisfaction and experience. Within these parks the operational side of our budget will focus on park maintenance, patron safety, education, and the control of invasive species. Outside of operations we will continue looking at ways we can control costs while providing the proper level of support to the 19 parks. Listed below are just a few of the projects we are looking at in 2019.

A wide variety of capital projects are being contemplated for this 2019. Priority will be given to those projects which either meet our mission and/or vision. A more complete list can be found in the Capital Projects section of the budget. Examples of these capital projects include:

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Management's Discussion & Analysis
For the Year Ended December 31, 2018
(Unaudited)

Quarry Trails – As this was the most commonly mentioned project during our campaign efforts, staff is already working on the schematic designs for Phase I of this park development. While we are dependent on our partners in this project, there are several significant areas we can focus on completing in 2019.

Burning Lake at Pickerington Ponds – With the basic road system in place and site grading complete, staff will begin in earnest in completing this project in 2019.

Homestead Park – Staff will undertake an effort to revitalize some of the heaviest use areas of this park. Several areas and play features are nearing their useful lifespan, which gives staff a chance to evaluate use and future potential.



Land Acquisition – We are currently in discussion with a few critical properties adjacent to existing parks, to acquire and protect these areas. These additions all have a special focus on the water sources of Central Ohio.

In conclusion, the 2019 proposed budget further completes our ongoing promises to the residents of Franklin County on building on the commitments we completed as part of the 2009 levy and the commitment we make each and every day to provide the best park system for all to enjoy.

CONTACTING THE DISTRICT'S FINANCE DEPARTMENT

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

COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARKS DISTRICT

Statement of Net Position

December 31, 2018

	Governmental Activities
Assets	
Equity in Pooled Cash and Investments	\$ 11,965,546
Cash and Cash Equivalents with Fiscal Agents	531,725
Receivables:	
Property Taxes	19,514,164
Accounts	32,097
Due From Other Governments	2,147,884
Interest	6,605
Prepaid Items	77,890
Capital Assets:	
Nondepreciable Capital Assets	170,494,252
Depreciable Capital Assets, Net	64,262,136
Total Assets	269,032,299
 Deferred Outflows of Resources	
Pension	2,836,242
OPEB	608,039
Total Deferred Outflows of Resources	3,444,281
 Liabilities	
Accounts Payable	95,160
Accrued Wages and Benefits Payable	590,445
Due To Other Governments	111,208
Retainage Payable	3,271
Contracts Payable	69,136
Claims Payable	129,040
Security Deposits	3,416
Long-term Liabilities:	
Due Within One Year	542,763
Due in More Than One Year:	
Net Pension Liability	11,645,039
Net OPEB Liability	7,901,842
Other Amounts Due in More Than One Year	491,771
Total Liabilities	21,583,091
 Deferred Inflows of Resources	
Property Taxes	17,369,982
Pension	2,876,214
OPEB	588,634
Total Deferred Inflows of Resources	20,834,830
 Net Position	
Net Investment in Capital Assets	234,687,768
Restricted for:	
Capital and Maintenance Projects:	
Expendable	431,384
Nonexpendable	452,558
Educational Programs:	
Expendable	114,382
Nonexpendable	97,796
Unrestricted	(5,725,229)
Total Net Position	\$ 230,058,659

See accompanying notes to the basic financial statements

COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARKS DISTRICT

Statement of Activities

For the Year Ended December 31, 2018

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities
Governmental Activities:					
Administration:					
Salaries and Benefits	\$ 2,021,969	\$ -	\$ -	\$ -	\$ (2,021,969)
All Other	1,192,495	-	31,282	-	(1,161,213)
Education	3,559,712	222,471	4,208	-	(3,333,033)
Park Operations	12,405,793	434,550	-	1,883,918	(10,087,325)
Park Planning	196,467	-	-	-	(196,467)
Park Promotion	854,702	-	-	-	(854,702)
Rental Property	191,975	141,762	-	-	(50,213)
Natural Resource Management	649,663	-	-	-	(649,663)
Golf Course	1,143,899	847,783	-	-	(296,116)
Park Safety	3,322,907	415	-	-	(3,322,492)
Total Governmental Activities	\$ 25,539,582	\$ 1,646,981	\$ 35,490	\$ 1,883,918	(21,973,193)
General Revenues:					
					19,664,039
					8,483,554
					20,556
					170,319
					30,024
					133,407
					<u>28,501,899</u>
					6,528,706
					223,529,953
					<u>\$ 230,058,659</u>

See accompanying notes to the basic financial statements

COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARKS DISTRICT

Balance Sheet
Governmental Funds
December 31, 2018

	General Fund	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$ 7,221,335	\$ 4,053,286	\$ 690,925	\$ 11,965,546
Cash and Cash Equivalents with Fiscal Agents	34,722	-	497,003	531,725
Receivables:				
Property Taxes	19,514,164	-	-	19,514,164
Accounts	32,097	-	-	32,097
Due From Other Governments	2,147,884	-	-	2,147,884
Interest	-	6,605	-	6,605
Prepaid Items	77,704	-	186	77,890
Total Assets	<u>\$ 29,027,906</u>	<u>\$ 4,059,891</u>	<u>\$ 1,188,114</u>	<u>\$ 34,275,911</u>
Liabilities:				
Accounts Payable	\$ 91,654	\$ -	\$ 3,506	\$ 95,160
Accrued Wages and Benefits Payable	563,195	-	27,250	590,445
Due To Other Governments	101,972	4,781	4,455	111,208
Matured Compensated Absences Payable	48,430	-	-	48,430
Contracts Payable	-	65,787	3,349	69,136
Retainage Payable	-	3,271	-	3,271
Security Deposits	3,416	-	-	3,416
Total Liabilities	<u>808,667</u>	<u>73,839</u>	<u>38,560</u>	<u>921,066</u>
Deferred Inflows of Resources:				
Property Taxes	17,369,982	-	-	17,369,982
Unavailable Revenue	2,807,738	3,794	-	2,811,532
Total Deferred Inflows of Resources	<u>20,177,720</u>	<u>3,794</u>	<u>-</u>	<u>20,181,514</u>
Fund Balances:				
Nonspendable:				
Prepaid Items	77,704	-	186	77,890
Permanent Fund Principal	-	-	550,354	550,354
Restricted for:				
Educational Programs	-	-	114,382	114,382
Inniswood Capital and Maintenance Projects	-	-	431,384	431,384
Committed for:				
Golf Course	-	-	33,365	33,365
Capital and Maintenance Projects	-	-	19,883	19,883
Assigned for:				
Future Appropriations	3,468,032	-	-	3,468,032
Capital Projects	-	3,982,258	-	3,982,258
Unassigned	4,495,783	-	-	4,495,783
Total Fund Balances	<u>8,041,519</u>	<u>3,982,258</u>	<u>1,149,554</u>	<u>13,173,331</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 29,027,906</u>	<u>\$ 4,059,891</u>	<u>\$ 1,188,114</u>	<u>\$ 34,275,911</u>

See accompanying notes to the basic financial statements

COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARKS DISTRICT
 Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2018

Total Governmental Fund Balances	\$ 13,173,331
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	234,756,388
Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable in the funds.	
Property Taxes Receivable	853,096
Intergovernmental Receivable	1,952,903
Interest Receivable	3,794
Miscellaneous Receivable	1,739
Some liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated Absences Payable	(986,104)
Claims Payable	(129,040)
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:	
Deferred Outflows - Pension	2,836,242
Deferred Outflows - OPEB	608,039
Deferred Inflows - Pension	(2,876,214)
Deferred Inflows - OPEB	(588,634)
Net Pension Liability	(11,645,039)
Net OPEB Liability	(7,901,842)
Net Position of Governmental Activities	<u>\$ 230,058,659</u>

COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARKS DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2018

	General Fund	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property Taxes	\$ 19,793,882	\$ -	\$ -	\$ 19,793,882
Intergovernmental	4,367,785	4,114,233	-	8,482,018
Charges for Services	249,757	-	554,773	804,530
Licenses and Permits	13,000	-	-	13,000
Fines and Forfeitures	415	-	-	415
Investment Earnings	157,204	32,893	(23,572)	166,525
Rent	536,026	-	293,010	829,036
Contributions and Donations	20,556	1,652,983	35,490	1,709,029
Refunds	89,799	-	-	89,799
Miscellaneous	41,139	-	730	41,869
Total Revenues	25,269,563	5,800,109	860,431	31,930,103
Expenditures:				
Current Operations and Maintenance:				
Administration				
Salaries and Benefits	1,797,504	-	-	1,797,504
All Other	1,100,841	-	-	1,100,841
Education	2,616,811	-	-	2,616,811
Park Operations	8,622,920	5,219	-	8,628,139
Park Planning	176,102	-	-	176,102
Park Promotion	822,180	-	-	822,180
Rental Property	167,998	-	-	167,998
Natural Resource Management	574,186	-	-	574,186
Golf Course	569	-	1,063,982	1,064,551
Park Safety	2,802,543	-	-	2,802,543
Capital Outlay	320,057	11,331,678	-	11,651,735
Total Expenditures	19,001,711	11,336,897	1,063,982	31,402,590
Excess of Revenues Over (Under) Expenditures	6,267,852	(5,536,788)	(203,551)	527,513
Other Financing Sources:				
Proceeds from Sale of Capital Assets	28,002	-	2,022	30,024
Transfers In	-	5,510,000	196,750	5,706,750
Transfers Out	(5,706,750)	-	-	(5,706,750)
Total Other Financing Sources	(5,678,748)	5,510,000	198,772	30,024
Net Change in Fund Balances	589,104	(26,788)	(4,779)	557,537
Fund Balance at Beginning of Year	7,452,415	4,009,046	1,154,333	12,615,794
Fund Balance at End of Year	\$ 8,041,519	\$ 3,982,258	\$ 1,149,554	\$ 13,173,331

See accompanying notes to the basic financial statements

COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARKS DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances to the Statement of Activities
 Governmental Funds
 For the Year Ended December 31, 2018

Net Change in Fund Balances - Total Governmental Funds		\$ 557,537
<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.		
	Capital Outlays	11,955,714
	Depreciation Expense	(3,902,423)
The effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and disposals) is to decrease net position.		
		(11,115)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
		(122,774)
Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.		
		1,415,565
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the Statement of Activities.		
		(2,533,512)
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as OPEB expense in the Statement of Activities.		
		(665,324)
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.		
	Compensated Absences	(167,736)
	Self-Insurance Claims	2,774
Change in Position of Governmental Activities		<u>\$ 6,528,706</u>

COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARKS DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non-GAAP Basis) and Actual

General Fund

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Property Taxes	\$ 18,457,699	\$ 18,506,698	\$ 18,502,796	\$ (3,902)
Intergovernmental	3,424,961	4,270,802	4,365,431	94,629
Charges for Services	195,480	225,936	249,157	23,221
Licenses and Permits	10,199	10,700	13,000	2,300
Fines and Forfeitures	326	800	415	(385)
Investment Earnings	123,337	82,700	157,204	74,504
Rent	397,528	537,564	506,686	(30,878)
Contributions and Donations	16,127	14,800	20,556	5,756
Refunds	70,453	19,500	89,799	70,299
Miscellaneous	59,792	4,900	76,211	71,311
Total Revenues	<u>22,755,902</u>	<u>23,674,400</u>	<u>23,981,255</u>	<u>306,855</u>
Expenditures				
Current Operations and Maintenance:				
Administration				
Salaries and Benefits	1,951,308	1,951,308	1,788,973	162,335
All Other	1,390,563	1,390,563	1,111,100	279,463
Education	2,909,331	2,909,331	2,643,773	265,558
Park Operations	9,515,660	9,515,660	8,665,329	850,331
Park Planning	195,392	195,392	176,505	18,887
Park Promotion	887,653	887,653	829,140	58,513
Rental Property	223,190	223,190	167,998	55,192
Natural Resource Management	665,711	665,711	597,619	68,092
Park Safety	3,051,736	3,051,736	2,818,979	232,757
Capital Outlay	478,093	478,093	404,186	73,907
Total Expenditures	<u>21,268,637</u>	<u>21,268,637</u>	<u>19,203,602</u>	<u>2,065,035</u>
Excess of Revenues Over Expenditures	1,487,265	2,405,763	4,777,653	2,371,890
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	21,768	83,700	27,746	(55,954)
Transfers Out	(7,018,150)	(7,018,150)	(5,706,750)	1,311,400
Advance In	-	-	13,200	13,200
Total Other Financing Sources (Uses)	<u>(6,996,382)</u>	<u>(6,934,450)</u>	<u>(5,665,804)</u>	<u>1,268,646</u>
Net Change in Fund Balance	(5,509,117)	(4,528,687)	(888,151)	3,640,536
Fund Balances at Beginning of Year	7,650,844	7,650,844	7,650,844	-
Prior Year Encumbrances Appropriated	236,387	236,387	236,387	-
Fund Balances at End of Year	<u>\$ 2,378,114</u>	<u>\$ 3,358,544</u>	<u>\$ 6,999,080</u>	<u>\$ 3,640,536</u>

See accompanying notes to the basic financial statements

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 1 - Description of the District and Reporting Entity

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

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

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

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

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

Note 2 - Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include all financial activities of the District. The statements usually distinguish between those activities of the District that are governmental in nature and those that are considered business-type activities. The District, however, has no activities that are classified as business-type.

Columbus and Franklin County
Metropolitan Parks District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (Continued)

The Statement of Net Position presents the financial condition of the governmental activities of the District at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

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

Fund Accounting

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

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

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

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

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

Columbus and Franklin County
Metropolitan Parks District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (Continued)

Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities and deferred inflows of resources generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Basis of Accounting

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

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. “Measurable” means that the amount of the transaction can be determined and “available” means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the District, available means expected to be received within 31 days of year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (See Note 5). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Columbus and Franklin County
Metropolitan Parks District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (Continued)

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources are reported on the government-wide statement of net position for pensions and other postemployment benefits (OPEB). The deferred outflows of resources related to pension and OPEB are explained in Notes 9 and 10.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, pension, other postemployment benefits (OPEB) and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2018, but which were levied to finance 2019 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position. (See Notes 9 and 10).

Pensions/Other Postemployment Benefits (OPEB)

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

Expenses/Expenditures

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

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

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

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

During 2018, the District's investments were limited to US Treasury Notes, Municipal Bonds, Negotiable Certificates of Deposit and PNC Government Mortgage Fund-Class I Mutual Fund. Investments are reported at fair value.

Interest income is distributed to the funds according to Ohio constitutional and statutory requirements. Interest revenue credited to the General Fund during 2018 amounted to \$157,204 which includes \$39,604 assigned from other funds.

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2018 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which the services are consumed.

Capital Assets

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

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

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

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (Continued)

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

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

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

Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “advances to/advances from other funds”. Interfund balance amounts are eliminated in the statement of net position, except for any net residual amounts due between governmental and business- type activities, which are presented as internal balances.

Compensated Absences

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

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

The entire compensated absences liability is reported on the government-wide financial statements.

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent that payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “Matured Compensated Absences Payable” in the funds from which the employees are paid.

Columbus and Franklin County
Metropolitan Parks District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (Continued)

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance

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

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

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

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

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

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

Columbus and Franklin County
Metropolitan Parks District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (Continued)

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

Internal Activity

Transfers within governmental activities are eliminated on the government-wide financial statements. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

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

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.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. The unrelated portion of these liabilities is included in the calculation of unrestricted net position.

Net position is reported as restricted when there are limitations imposed on their use either through external restrictions imposed by creditors, grantors or laws or regulations of other governments or by enabling legislation.

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

Columbus and Franklin County
Metropolitan Parks District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 2 - Summary of Significant Accounting Policies (Continued)

Budgetary Process

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

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

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

Note 3 - Budgetary Basis of Accounting

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

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

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

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 3 - Budgetary Basis of Accounting (Continued)

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis for the General Fund is as follows:

Net Change in Fund Balance

	General Fund
GAAP Basis	\$ 589,104
Net Adjustment for Revenue Accruals	(1,288,308)
Net Adjustment for Expenditure Accruals	55,086
Net Adjustment for Other Financing Sources/Uses	12,944
Adjustment for Encumbrances	(256,977)
Budget Basis	\$ (888,151)

Note 4 - Deposits and Investments

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

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

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

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

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

1. United States Treasury notes, bills, bonds, notes, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other 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, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 4 - Deposits and Investments (Continued)

3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio and certain limitations of bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio and STAR Ohio Plus);
7. Certain banker's acceptances and commercial paper notes in an amount not to exceed 25% of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits: At year-end, the carrying amount of all of the District's deposits was \$3,408,573. Of the District's bank balance, \$750,000 was covered by the Federal Deposit Insurance Corporation (FDIC) and the remaining was uninsured and collateralized. The District's financial institution was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System.

Custodial credit risk for deposits is the risk that in the event of bank failure, the District's deposits may not be returned. The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or protected by:

1. Eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
2. Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 4 - Deposits and Investments (Continued)

Investments: As of December 31, 2018, the District had the following investments. All investments, except the PNC Government Mortgage Fund-Class I, are in an internal investment pool.

	Investment Maturities (in Years)		
	Fair Value	Less than 1	More than 1
Money Market Funds	\$ 6,107,631	\$ 6,107,631	\$ -
Federal Agency Securities	494,490	49,597	444,893
Municipal Bonds	153,023	153,023	-
Negotiable Certificates of Deposit	1,836,551	1,394,342	442,209
PNC Government Mortgage Fund - Class I Mutual Fund	497,003	-	497,003
Totals	\$ 9,088,698	\$ 7,704,593	\$ 1,384,105

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

Credit Risk: The District has no policy regarding credit risk. The District's investments in negotiable certificates of deposit and money market funds are not rated. The District's investments in federal agency securities are rated AAA by Standard & Poor's. The District's investment in municipal bonds are rated AA by Standard & Poor's. The District's investment in the PNC Government Mortgage Fund – Class I Mutual Fund is not subject to ratings.

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. The above tables identify the District's recurring fair value measurement as of December 31, 2018. All investments of the District are valued using quoted market prices (Level 1 inputs).

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**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 5 - Property Taxes

Property taxes include amounts levied against all real and public utility property located in the District. Property tax revenue received during 2018 for real and public utility property taxes represents collections of 2017 taxes.

2018 real property taxes were levied after October 1, 2018, on the assessed value as of January 1, 2018, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2018 real property taxes are collected in and intended to finance 2019.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2018 public utility property taxes which became a lien December 31, 2017, are levied after October 1, 2018, and are collected in 2018 with real property taxes.

The full tax rate for all District operations for the year ended December 31, 2019, was \$0.75 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2018 property tax receipts were based are as follows:

Category	Assessed Value
Real Property:	
Agricultural/Residential	\$ 20,518,381,820
Commercial/Industrial/Mineral	8,840,279,820
Tangible Personal Property	
Public Utility Personal	1,147,355,210
Total	\$ 30,506,016,850

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the District. The County Auditor periodically remits to the District its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2018, and for which there was an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2018 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

The District has a .75 mill property tax levy that started in 2010 and runs through 2019, for the purpose of conserving natural resources; developing, improving, maintaining, and operating the various parks and other properties of the District; and for acquiring, developing, improving, maintaining and operating additional lands. The District records all of the levy monies in the General Fund. Transfers to the Capital Improvement Capital Projects Fund will be made when funds are needed to complete projects.

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 6 - Receivables

Receivables at December 31, 2018, consisted of Property Taxes and Due From Other Governments. All receivables are considered fully collectible and will be collected within one year, with the exception of Property Taxes. Property Taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

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

	<u>Amount</u>
<u>Governmental Activities</u>	
Local Government	\$ 1,185,461
Homestead And Rollback	<u>962,423</u>
Total Due From Other Governments	<u>\$ 2,147,884</u>

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**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 7 - Capital Assets

Capital assets activity for the year ended December 31, 2018, was as follows:

<i>Governmental Activities</i>	Beginning Balance	Additions	Deductions	Transfers	Ending Balance
Nondepreciable Capital Assets					
Land	\$ 143,512,143	\$ 7,234,044	\$ -	\$ -	\$ 150,746,187
Wetlands	3,981,412	-	-	-	3,981,412
Land Restoration	13,694,503	-	-	167,462	13,861,965
Construction in Progress	1,286,174	3,903,637	-	(3,285,123)	1,904,688
Total Nondepreciable Assets	162,474,232	11,137,681	-	(3,117,661)	170,494,252
Depreciable Capital Assets					
Land Improvements	15,259,938	-	-	986,387	16,246,325
Buildings	33,919,687	126,830	(53,160)	1,834,387	35,827,744
Equipment	4,889,639	274,617	(117,700)	-	5,046,556
Furnishings	247,496	44,594	(19,268)	-	272,822
Radios	511,280	-	(10,000)	-	501,280
Vehicles	2,334,792	257,169	(83,629)	-	2,508,332
Computer Equipment	272,420	11,718	-	-	284,138
Infrastructure	55,468,278	103,105	-	296,887	55,868,270
Total Depreciable Assets	112,903,530	818,033	(283,757)	3,117,661	116,555,467
Less accumulated depreciation					
Land Improvements	(9,552,071)	(1,212,947)	-	-	(10,765,018)
Buildings	(13,440,585)	(861,134)	42,045	-	(14,259,674)
Equipment	(4,135,123)	(238,609)	117,700	-	(4,256,032)
Furnishings	(200,330)	(33,515)	19,268	-	(214,577)
Radios	(451,555)	(29,062)	10,000	-	(470,617)
Vehicles	(1,856,361)	(219,251)	83,629	-	(1,991,983)
Computer Equipment	(184,450)	(28,712)	-	-	(213,162)
Infrastructure	(18,843,075)	(1,279,193)	-	-	(20,122,268)
Total accumulated depreciation	(48,663,550)	(3,902,423)	272,642	-	(52,293,331)
Depreciable Capital Assets, Net of accumulated depreciation	64,239,980	(3,084,390)	(11,115)	3,117,661	64,262,136
Total Capital Assets, Net	\$ 226,714,212	\$ 8,053,291	\$ (11,115)	\$ -	\$ 234,756,388

Depreciation expense was charged to the governmental programs as follows:

Administration	\$ 85,087
Education	638,057
Park Operations	2,945,487
Rental Property	20,802
Natural Resource Management	10,146
Park Safety	202,844
Total depreciation expense	<u>\$ 3,902,423</u>

Columbus and Franklin County
Metropolitan Parks District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 8 - Risk Management

The District is exposed to various risks of property and casualty losses, and injuries to employees. For property and casualty coverage, the City belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Insurance

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2017, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2017 and 2016:

<u>Casualty & Property Coverage</u>	<u>2017</u>	<u>2016</u>
Assets	\$44,452,326	\$42,182,281
Liabilities	<u>(13,004,011)</u>	<u>(13,396,700)</u>
Net Position	\$31,448,315	\$28,785,581

At December 31, 2016 and 2017, respectively, the liabilities above include approximately \$12.0 million and \$11.8 million of estimated incurred claims payable. The assets above also include approximately \$11.0 million and \$11.3 million of unpaid claims to be billed to approximately 520 and 527 member governments in the future, as of December 31, 2016 and 2017, respectively. These amounts will be included in future contributions from members when the related claims are due for payment.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>Contributions to PEP</u>	
2018	\$ 141,476
2017	\$ 137,273

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 8 - Risk Management (Continued)

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also, upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

Beginning in 2012, the District self-insured its worker's compensation costs by participating in Franklin County Workers' Compensation self-insurance program. The County establishes rates for its member agencies based on an independent actuarial evaluation, and those charges are intended to cover administrative costs and maintain a sufficient reserve. The reserve is intended to cover costs in excess of \$100,000 per claim. The District is liable to cover the claim costs up to \$100,000. Based on information provided by the program administrator, the District's claims liability at year-end was \$129,040.

Note 9 - Defined Benefit Pension Plan

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.

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For the Year Ended December 31, 2018

Note 9 - Defined Benefit Pension Plan (Continued)

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 *due to other governments* 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.

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):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1.0% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1.0% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1.0% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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Notes to the Basic Financial Statements
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Note 9 - Defined Benefit Pension Plan (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:

	<u>State and Local</u>
2018 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2018 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	<u>0.0 %</u>
Total Employer	<u>14.0 %</u>
Employee	<u><u>10.0 %</u></u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was \$1,415,565 for 2018. Of this amount, \$82,662 is reported as a due to other governments.

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, 2017, 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:

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
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Note 9 - Defined Benefit Pension Plan (Continued)

	<u>Traditional Plan</u>
Proportionate Share of the Net Pension Liability	\$ 11,645,039
2017 Proportion of the Net Pension Liability	0.07422867%
2016 Proportion of the Net Pension Liability	0.07521493%
2017 Change in Proportionate Share	<u>-0.0009863%</u>
Pension Expense	\$ 2,533,512

At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS Traditional Plan</u>
Deferred Outflows of Resources	
Differences between expected and actual experience	\$ 11,892
Changes of assumptions	1,391,658
Change in proportionate share	17,127
City contributions subsequent to the measurement date	<u>1,415,565</u>
Total Deferred Outflows of Resources	<u>\$ 2,836,242</u>
Deferred Inflows of Resources	
Differences between expected and actual experience	\$ 229,487
Change in proportionate share	146,690
Net difference between projected and actual earnings on pension plan investments	<u>2,500,037</u>
Total Deferred Inflows of Resources	<u>\$ 2,876,214</u>

\$1,415,565 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 9 - Defined Benefit Pension Plan (Continued)

	OPERS <u>Traditional Plan</u>
Year Ending December 31:	
2019	\$ 967,378
2020	(331,298)
2021	(1,064,317)
2022	<u>(1,027,300)</u>
Total	<u>\$ (1,455,537)</u>

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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA	Pre-1/7/13 Retirees: 3 percent, simple Post-1/7/13 Retirees: 3 percent simple through 2018, then 2.15 percent simple
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

**Columbus and Franklin County
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Notes to the Basic Financial Statements
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Note 9 - Defined Benefit Pension Plan (Continued)

Discount Rate The discount rate used to measure the total pension liability was 7.5 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.

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 a discount rate of 7.5 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 (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
District's proportionate share of the net pension liability			
Traditional Plan	\$ 20,678,631	\$ 11,645,039	\$ 4,113,755

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS 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 following table displays the OPERS Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation		Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %		2.20 %
Domestic Equities	19.00		6.37
Real Estate	10.00		5.26
Private Equity	10.00		8.97
International Equities	20.00		7.88
Other investments	18.00		5.26
Total	100.00 %		5.66 %

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.

Columbus and Franklin County
Metropolitan Parks District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 9 - Defined Benefit Pension Plan (Continued)

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. 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 annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82% for 2017.

Note 10 – Defined Benefit OPEB Plan

Net OPEB Liability

For 2018, Governmental Accounting Standards Board (GASB) Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” was effective. The net OPEB liability has been disclosed below.

OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB 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 net OPEB liability represents the District’s proportionate share of the OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB 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 these estimates 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 OPEB are financed; however, the District does receive the benefit of employees’ services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

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Metropolitan Parks District**
Notes to the Basic Financial Statements
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Note 10 – Defined Benefit OPEB Plan (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care 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. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty 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 meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary. This is the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board 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 1.0 percent during calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0.00 percent for both plans. The OPERS 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 into the RMA for participants in the Member-Directed Plan for 2017 was 4.0 percent.

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Metropolitan Parks District**
Notes to the Basic Financial Statements
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Note 10 – Defined Benefit OPEB Plan (Continued)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was \$0 for 2018.

Net OPEB Liability

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The District's proportion of the net OPEB liability was based on the District's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

	<u>OPERS</u>
Proportion of the Net OPEB Liability	
Current Measurement Date	0.0727659%
Prior Measurement Date	0.0723774%
	<u>0.0003885%</u>
Change in Proportionate Share	
Proportionate Share of the Net OPEB Liability	\$ 7,901,842
OPEB Expense	\$ 665,324

At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>
Deferred Outflows of Resources	
Differences between expected and actual experience	\$ 6,155
Changes of assumptions	575,338
Change in proportionate share	26,546
Total Deferred Outflows of Resources	<u>\$ 608,039</u>
Deferred Inflows of Resources	
Net difference between projected and actual earnings on OPEB plan investments	\$ 588,634
Total Deferred Inflows of Resources	<u>\$ 588,634</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Columbus and Franklin County
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Note 10 – Defined Benefit OPEB Plan (Continued)

	OPERS
Year Ending December 31:	
2019	\$ 143,546
2020	143,546
2021	(120,531)
2022	(147,156)
Total	\$ 19,405

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 and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.85 percent
Prior Measurement date	4.23 percent
Investment Rate of Return	6.50 percent
Municipal Bond Rate	3.31 percent
Health Care Cost Trend Rate	7.5 percent, initial 3.25 percent, ultimate in 2028
Actuarial Cost Method	Individual Entry Age

Columbus and Franklin County
Metropolitan Parks District
Notes to the Basic Financial Statements
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Note 10 – Defined Benefit OPEB Plan (Continued)

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term expected rate of return on health care 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.

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio.

The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2 percent for 2017.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

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Metropolitan Parks District**
Notes to the Basic Financial Statements
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Note 10 – Defined Benefit OPEB Plan (Continued)

<u>Asset Class</u>	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.88 %
Domestic Equities	21.00	6.37
Real Estate Investment Trust	6.00	5.91
International Equities	22.00	7.88
Other investments	17.00	5.39
Total	100.00 %	4.98 %

Discount Rate A single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2017. A single discount rate of 4.23 percent was used to measure the OPEB liability on the measurement date of December 31, 2016. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the District's proportionate share of the net OPEB liability calculated using the single discount rate of 3.85 percent, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.85 percent) or one-percentage-point higher (4.85 percent) than the current rate:

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
District's proportionate share of the net OPEB liability	\$ 10,497,936	\$ 7,901,842	\$ 5,801,625

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

**Columbus and Franklin County
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Notes to the Basic Financial Statements
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Note 10 – Defined Benefit OPEB Plan (Continued)

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	Current Health Care Cost Trend Rate		
	<u>1% Decrease</u>	<u>Assumption</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB liability	\$ 7,560,377	\$ 7,901,842	\$ 8,254,564

Note 11 - Employee Benefits

Compensated Absences

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

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

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

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

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Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 11 - Employee Benefits (Continued)

Deferred Compensation

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

Insurance

The District provides health insurance coverage to all full-time employees. There was no significant changes to coverage in 2018.

Note 12 - Long-Term Obligations

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

<u>Types / Issues</u>	<u>Restated Balance 12/31/2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/2018</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>					
Compensated Absences	\$ 818,368	\$ 455,406	\$ (239,240)	\$ 1,034,534	\$ 542,763
Net Pension Liability - OPERS	17,080,035	-	(5,434,996)	11,645,039	-
Net OPEB Liability - OPERS	7,310,367	591,475	-	7,901,842	-
Total Governmental Activities	<u>\$ 25,208,770</u>	<u>\$ 1,046,881</u>	<u>\$ (5,674,236)</u>	<u>\$ 20,581,415</u>	<u>\$ 542,763</u>

Compensated absences will be paid from the fund in which the employees' salaries are paid, which is from the General Fund and the Golf Course Special Revenue Fund.

There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the General Fund and Golf Course Special Revenue Fund. For additional information related to the net pension liability and net OPEB liability see Notes 9 and 10.

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 13 - Interfund Activity

The transfer made during the year ended December 31, 2018, was as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 5,706,750
Capital Improvement Fund	5,510,000	-
Golf Course Fund	196,750	-
Total Transfers	<u>\$ 5,706,750</u>	<u>\$ 5,706,750</u>

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

Note 14 - Contingent Liabilities

Federal and State Grants

For the period January 1, 2018 to December 31, 2018, the District received federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the District believes such disallowance, if any, would be immaterial.

Litigation

The District is not party to any legal proceedings.

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 15 – Significant Commitments

Contractual Commitments

At December 31, 2018, the District’s significant contractual commitments consisted of:

Projects	Contract Amount	Amount Completed	Balance at 12/31/2018
District-Wide Signage	\$ 14,380	\$ 6,282	\$ 8,098
BLK Paving at Ashton Pond Area	52,401	44,438	7,963
BLN - Various CIP Upgrades	90,854	56,334	34,520
Camp Chase Trail - BD Creek to Kropp Road	799,272	53,632	745,640
BDC Paving Improvements	80,821	78,872	1,949
HBK Precast Restroom	92,850	71,275	21,575
Slate Run Playground	140,296	1,473	138,823
PKN Day Use Design	1,120,118	1,093,103	27,015
BGC Activities Building Upgrade	1,421,050	1,418,547	2,503
BGC Water Meter Pit	11,439	-	11,439
GLR Site Improvements	501,341	498,770	2,571
GLR Homestead Improvements	47,368	32,830	14,538
GLR Paving at Honda Wetland	116,575	110,578	5,997
Sio Precast Restrooms	84,730	1,375	83,355
SGR Scioto River Overlook Deck	156,621	3,078	153,543
QUA Design	473,335	301,579	171,756
QUA Security Fence	230,367	220,257	10,110
QUA Waterfall Site Development	62,678	58,998	3,680
Totals	<u>\$ 5,496,496</u>	<u>\$ 4,051,421</u>	<u>\$ 1,445,075</u>

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods and services. Encumbrances accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

<u>Governmental Funds:</u>	
General	\$ 256,977
Capital Improvement	<u>1,514,693</u>
Total	<u>\$ 1,771,670</u>

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 16 - Fund Balances

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

Fund Balances	General	Capital Improvement	Nonmajor Governmental Funds	Total
<i>Nonspendable</i>				
Prepays	\$ 77,704	\$ -	\$ 186	\$ 77,890
Inniswood Capital Improvements	-	-	452,558	452,558
E.S. Thomas Educational Fund	-	-	89,011	89,011
J.C. Hambleton Memorial Fund	-	-	8,785	8,785
<i>Total Nonspendable</i>	77,704	-	550,540	628,244
<i>Restricted for</i>				
Educational Programs	-	-	114,382	114,382
Inniswood Capital and Maintenance Projects	-	-	431,384	431,384
<i>Total Restricted</i>	-	-	545,766	545,766
<i>Committed to</i>				
Beck Forest Preserve Capital and Maintenance Projects	-	-	19,883	19,883
Golf Course	-	-	33,365	33,365
<i>Total Committed</i>	-	-	53,248	53,248
<i>Assigned</i>				
Future Appropriations	3,468,032	-	-	3,468,032
Capital Projects	-	3,982,258	-	3,982,258
<i>Total Assigned</i>	3,468,032	3,982,258	-	7,450,290
<i>Unassigned</i>	4,495,783	-	-	4,495,783
<i>Total Funds Balances</i>	\$ 8,041,519	\$ 3,982,258	\$ 1,149,554	\$ 13,173,331

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 17 - Donor Restricted Endowments

The District’s permanent funds include donor restricted endowments of \$212,178. Endowments in the amount of \$97,796 represent the principal portion. The amount of net appreciation in donor restricted investments that is available for expenditures by the District is \$114,382 and is included as held in trust for educational programs. State law permits the District to appropriate, for purposes consistent with the endowment’s intent, net appreciation, realized and unrealized, unless the endowment terms specify otherwise. The endowments indicate that the interest should be used to provide educational programs.

Note 18 – Change in Accounting Principles and Restatement of Net Position

For fiscal year 2018, the District implemented GASB Statement No. 75 “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*” improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB) and improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities by establishing new accounting and financial reporting requirements for OPEB plans. The District’s 2017 financial statements were also restated as a result of including the payable related to worker’s compensation claims.

The implementation of GASB Statement No. 75 and the inclusion of the payable related to worker’s compensation claims had the following effects on net position as reported December 31, 2017:

	Governmental Activities
Net Position December 31, 2017	230,878,880
Adjustments:	
Net OPEB Liability	(7,310,367)
Deferred Outflows - Payments Subsequent to Measurement Date	93,254
Claims Payable	(131,814)
Restated Net Position December 31, 2017	223,529,953

For fiscal year 2018, the District implemented GASB Statement No. 85 “*Omnibus 2017*” addresses practice issues that have been identified during implementation and application of certain GASB Statements. Specific issues discussed relate to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pension and other postemployment benefits [OPEB]). The implementation of this statement did not have a significant effect on the financial statements of the District.

For fiscal year 2018, the City implemented GASB Statement No. 86 “*Certain Debt Extinguishment Issues*” improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of this statement did not have an effect on the financial statements of the District.

**Columbus and Franklin County
Metropolitan Parks District**
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018

Note 18 – Change in Accounting Principles and Restatement of Net Position (Continued)

For fiscal year 2018, the District early implemented GASB Statement No. 89 “*Accounting for Interest Cost Incurred before the End of a Construction Period*” which addresses capitalizing interest. The implementation of this statement did not have an effect on the financial statements of the District.

Note 19 – Effect of Newly Issued Accounting Pronouncements

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This statement improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this statement are effective for financial statements for reporting periods beginning after June 15, 2018. The District has not yet determined the effect that the adoption of GASB Statement No. 88 may have on its financial statements.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement (1) enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) simplifies accounting for interest cost incurred before the end of a construction period. The requirements of this statement are effective for financial statements for the reporting periods beginning after December 15, 2019. The District has early implemented this statement and its effects are described in Note 18.

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61*. This Statement improves the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this statement are effective for financial statements for the reporting periods beginning after December 15, 2019. The District has not yet determined the effect that the adoption of GASB Statement No. 90 may have on its financial statements.

**COLUMBUS AND FRANKLIN COUNTY
METROPOLITAN PARKS DISTRICT
Required Supplementary Information
Schedule of District's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System**

Last Four Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Pension Liability	0.07422867%	0.075215%	0.076197%	0.073409%
District's Proportionate Share of the Net Pension Liability	\$ 11,645,039	\$ 17,080,035	\$ 13,198,277	\$ 8,853,926
District's Covered Payroll	\$ 9,325,436	\$ 9,924,033	\$ 9,143,281	\$ 8,290,855
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	124.87%	172.11%	144.35%	106.79%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	77.25%	81.08%	86.45%

(1) This schedule is intended to show information for ten years. Information prior to 2015 is not available.

Amounts presented as of the District's measurement date, which is the prior fiscal year-end.

See accompanying notes to the required supplementary information.

**COLUMBUS AND FRANKLIN COUNTY
METROPOLITAN PARKS DISTRICT
Schedule of District Pension Contributions
Ohio Public Employees Retirement System**

Last Five Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 1,415,565	\$ 1,212,307	\$ 1,190,884	\$ 1,097,194	\$ 1,077,811
Contributions in Relation to the Contractually Required Contribution	<u>\$ 1,415,565</u>	<u>\$ 1,212,307</u>	<u>\$ 1,190,884</u>	<u>\$ 1,097,194</u>	<u>\$ 1,077,811</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 10,111,177	\$ 9,325,436	\$ 9,924,033	\$ 9,143,281	\$ 8,290,855
Contributions as a Percentage of Covered Payroll	14.00%	13.00%	12.00%	12.00%	13.00%

(1) This schedule is intended to show information for ten years. Information prior to 2014 is not available.

See accompanying notes to the required supplementary information.

**COLUMBUS AND FRANKLIN COUNTY
METROPOLITAN PARKS DISTRICT
Required Supplementary Information
Schedule of District's Proportionate Share of the Net OPEB Liability
Ohio Public Employees Retirement System**

Last Two Years (1)

	<u>2018</u>	<u>2017</u>
District's Proportion of the Net OPEB Liability	0.0727659%	0.0723774%
District's Proportionate Share of the Net OPEB Liability	\$ 7,901,842	\$ 7,310,367
District's Covered Payroll	\$ 9,325,436	\$ 9,924,033
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	84.73%	73.66%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%	54.05%

(1) This schedule is intended to show information for ten years. Information prior to 2017 is not available.

Amounts presented as of the District's measurement date, which is the prior fiscal year-end.

See accompanying notes to the required supplementary information.

**COLUMBUS AND FRANKLIN COUNTY
METROPOLITAN PARKS DISTRICT
Required Supplementary Information
Schedule of District OPEB Contributions
Ohio Public Employees Retirement System**

Last Five Years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ -	\$ 93,255	\$ 198,481	\$ 182,866	\$ 82,909
Contributions in Relation to the Contractually Required Contribution	<u>\$ -</u>	<u>\$ 93,255</u>	<u>\$ 198,481</u>	<u>\$ 182,866</u>	<u>\$ 82,909</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 10,111,177	\$ 9,325,436	\$ 9,924,033	\$ 9,143,281	\$ 8,290,855
Contributions as a Percentage of Covered Payroll	0.00%	1.00%	2.00%	2.00%	1.00%

(1) This schedule is intended to show information for ten years. Information prior to 2014 is not available.

See accompanying notes to the required supplementary information.

**Columbus and Franklin County
Metropolitan Parks District
Notes to the Required Supplementary Information
For the Year Ended December 31, 2018**

Ohio Public Employees Retirement System

Changes of benefit terms. There were no significant changes of benefit terms in 2018.

Changes of assumptions. There were no significant changes of benefit terms in 2018.

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

Columbus and Franklin County Metropolitan Parks District
1069 East Main Street
Westerville, Ohio 43081

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Columbus and Franklin County Metropolitan Parks District, Franklin County (the District), as of and for the years ended December 31, 2019 and 2018 and the related notes to the financial statements which collectively comprise the District's basic financial statements, and have issued our report thereon dated July 17, 2020. We noted in 2018, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We also noted in 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District.

Internal Control Over Financial Reporting

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

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


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

Compliance and Other Matters

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

Purpose of this Report

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



Charles E. Harris and Associates, Inc.
July 17, 2020

OHIO AUDITOR OF STATE KEITH FABER



COLUMBUS AND FRANKLIN COUNTY METROPOLITAN PARK DISTRICT

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 10/8/2020

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

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