

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

**AUDIT REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2015**







# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the Metropolitan Park District of the Toledo Area, Lucas County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2015 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

December 30, 2016

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

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditors' Report.....	1
Management's Discussion and Analysis .....	5
Government-wide Financial Statements:	
Statement of Net Position .....	13
Statement of Activities .....	14
Balance Sheet .....	16
Reconciliation of total Governmental Fund Balances to Net Position of Governmental Activities .....	18
Fund Financial Statements:	
Statement of Revenues, Expenditures and Changes in Fund Balances .....	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	22
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) – General Fund .....	23
Statement of Net Position – Enterprise Fund .....	24
Statement of Revenues, Expenses and Changes in Fund Net Position – Enterprise Fund .....	25
Notes to the Basic Financial Statements.....	26
Required Supplementary Information	
Schedule of City's Proportionate Share of the Net Pension Liability – Last Two Years.....	56
Schedule of City Contributions – Last Three Years.....	57
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	58
Schedule of Findings.....	60
Schedule of Prior Audit Findings.....	61

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

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## **INDEPENDENT AUDITORS' REPORT**

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

To the Board of Park Commissioners:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Metropolitan Park of Toledo Area, Lucas County, Ohio (the District), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Metropolitan Park District of the Toledo Area, Lucas County, Ohio as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 2 to the financial statements, during the year ended December 31, 2015, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – An amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding these matters.

### **Other Matters**

#### *Required Supplementary Information*

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2016, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



**Charles E. Harris & Associates, Inc.**  
September 20, 2016



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

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***Management's Discussion and Analysis - Unaudited  
For the Year Ended December 31, 2015***

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The discussion and analysis of Metropolitan Park District of the Toledo Area's (the District) financial performance provides an overall review of the District's financial activities for the year ended December 31, 2015. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

**Key financial highlights for 2015 are as follows:**

- ❑ Net position of governmental activities increased \$7,281,893, which represents a 7.2% increase from 2014. Business-type activities did not have any activity in 2015.
- ❑ General revenues accounted for \$17,811,450 in revenue or 77.7% of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$5,126,155 or 22.3% of total revenues of \$22,937,605.
- ❑ The District had \$15,655,712 in expenses related to governmental activities; only \$5,126,155 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and unrestricted intergovernmental revenues) of \$17,811,450 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$18,010,289 in revenues and \$22,121,131 in expenditures and other financing uses. The general fund's fund balance decreased \$4,110,842 to \$5,966,736 for 2015. The net increase of all governmental funds was \$229,923.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

These statements are as follows:

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

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

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

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***Management's Discussion and Analysis - Unaudited  
For the Year Ended December 31, 2015***

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**Government-wide Statements**

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

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

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

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

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

**Fund Financial Statements**

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

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

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

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

***Management's Discussion and Analysis - Unaudited***  
***For the Year Ended December 31, 2015***

**Government-Wide Financial Analysis**

The following table provides a comparison of the District's net position between December 31, 2015 and 2014:

	Governmental		Business-type		Total	
	Activities		Activities			
	2015	Restated 2014	2015	2014	2015	Restated 2014
Current and other assets	\$37,831,254	\$37,065,654	\$37,654	\$37,654	\$37,868,908	\$37,103,308
Capital assets, Net	92,416,283	85,463,120	0	0	92,416,283	85,463,120
Total assets	130,247,537	122,528,774	37,654	37,654	130,285,191	122,566,428
Deferred Outflows of Resources	1,054,824	747,274	0	0	1,054,824	747,274
Net Pension Liability	6,098,342	5,960,601	0	0	6,098,342	5,960,601
Long-term debt outstanding	1,268,765	1,092,387	0	0	1,268,765	1,092,387
Other liabilities	1,039,384	1,248,219	0	0	1,039,384	1,248,219
Total liabilities	8,406,491	8,301,207	0	0	8,406,491	8,301,207
Deferred Inflows of Resources	14,105,136	13,466,000	0	0	14,105,136	13,466,000
Net position						
Net Investment in capital assets	92,392,823	85,428,539	0	0	92,392,823	85,428,539
Restricted	13,768,273	9,427,508	0	0	13,768,273	9,427,508
Unrestricted	2,629,638	6,652,794	37,654	37,654	2,667,292	6,690,448
Total net position	<u>\$108,790,734</u>	<u>\$101,508,841</u>	<u>\$37,654</u>	<u>\$37,654</u>	<u>\$108,828,388</u>	<u>\$101,546,495</u>

During 2015, the District adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

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

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***Management's Discussion and Analysis - Unaudited***  
***For the Year Ended December 31, 2015***

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

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

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

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

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

As a result of implementing GASB 68, the District is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014. The net pension liability and associated deferred outflows reduced beginning of year net position (net) by \$5,213,327 in governmental activities.

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

**Management's Discussion and Analysis - Unaudited  
For the Year Ended December 31, 2015**

**Changes in Net Position** – The following table provides a comparison of the changes in net position for fiscal year 2015 and 2014:

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues:						
Charges for Services and Sales	\$832,518	\$559,303	\$0	\$0	\$832,518	\$559,303
Capital Grants and Contributions	4,293,637	1,594,930	0	0	4,293,637	1,594,930
General revenues:						
Property Taxes	14,381,591	13,705,580	0	0	14,381,591	13,705,580
Intergovernmental Revenue, Unrestricted	3,043,321	2,675,131	0	0	3,043,321	2,675,131
Investment Earnings	111,311	131,709	0	0	111,311	131,709
Miscellaneous	275,227	392,715	0	0	275,227	392,715
Total revenues	<u>22,937,605</u>	<u>19,059,368</u>	<u>0</u>	<u>0</u>	<u>22,937,605</u>	<u>19,059,368</u>
Program Expenses						
Parks and Recreation	15,654,731	14,762,105	0	0	15,654,731	14,762,105
Debt Service:						
Interest and Fiscal Charges	981	832	0	0	981	832
Retail Operations Fund	0	0	0	783	0	783
Total expenses	<u>15,655,712</u>	<u>14,762,937</u>	<u>0</u>	<u>783</u>	<u>15,655,712</u>	<u>14,763,720</u>
Change in Net Position	7,281,893	4,296,431	0	(783)	7,281,893	4,295,648
Beginning Net Position, Restated	<u>101,508,841</u>	N/A	<u>37,654</u>	<u>38,437</u>	<u>101,546,495</u>	N/A
Ending Net Position	<u>\$108,790,734</u>	<u>\$101,508,841</u>	<u>\$37,654</u>	<u>\$37,654</u>	<u>\$108,828,388</u>	<u>\$101,546,495</u>

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$747,274 for Governmental Activities computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$666,762 for Governmental Activities.

Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	Governmental Activities
Total 2015 program expenses under GASB 68	\$15,655,712
Pension expense under GASB 68	(666,762)
2015 contractually required contribution	<u>729,435</u>
Adjusted 2015 program expenses	15,718,385
Total 2014 program expenses under GASB 27	<u>14,762,937</u>
Increase in program expenses not related to pension	<u>\$955,448</u>

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

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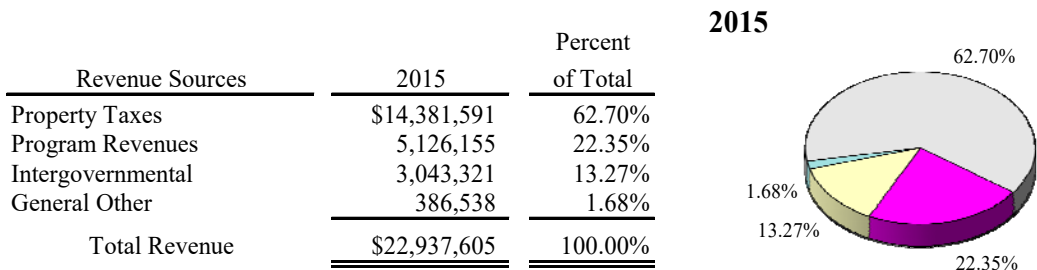
***Management's Discussion and Analysis - Unaudited  
For the Year Ended December 31, 2015***

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***Governmental Activities***

Net position of governmental activities increased \$7,281,893 or 7.2% during 2015. 2015 revenues outpaced expenses accounting for the increase. Tax revenue and intergovernmental revenue both exceeded 2015 budget projections which combined with an increase in grant revenue associated with land acquisition to improve the net position in 2015.

Property taxes made up 62.70% of revenues for governmental activities for the District in fiscal year 2015. The District's reliance upon tax revenues is demonstrated by the following graph:



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

For the General Fund, the final budget basis revenue and other financing sources of \$17,315,169 did not change when compared to original budget estimates. Total actual revenue and other financing sources were 6.5% above final budget estimates. Final budget basis expenditures and other financing uses decreased by \$61,192 when compared to original budget figures. Total actual expenditures and other financing uses were 5.0% below final budgeted figures.

In 2015, the District's General Fund balance decreased by \$4,110,842 or 40.8% from 2014. This is a result of increased transfers out (higher by \$1,565,900) to other funds to help with capital improvements and project costs. General Fund revenues increased by \$854,681 while expenditures and transfers out increased \$1,556,053.

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

***Business-Type Activities***

The Retail Operations Fund was established in 2005 to separately account for retail operations activity that was previously accounted for in the General Fund. In 2015, activity in the fund was non-existent.



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

***Management's Discussion and Analysis - Unaudited  
For the Year Ended December 31, 2015***

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

***Capital Assets***

At the end of fiscal 2015 the District had \$92,416,283 net of accumulated depreciation invested in land, antiques and art, buildings, land improvements, machinery and equipment and infrastructure. The following table shows fiscal year 2015 and 2014 balances:

	Governmental Activities		Increase (Decrease)
	2015	2014	
Land	\$65,937,494	\$61,993,457	\$3,944,037
Antiques and Art	553,061	553,061	0
Land Improvements	14,572,045	11,787,844	2,784,201
Buildings	22,595,096	21,673,776	921,320
Machinery and Equipment	5,029,943	4,576,993	452,950
Infrastructure	5,701,716	5,607,815	93,901
Less: Accumulated Depreciation	(21,973,072)	(20,729,826)	(1,243,246)
Totals	<u>\$92,416,283</u>	<u>\$85,463,120</u>	<u>\$6,953,163</u>

The primary increases occurred in land, land improvements and buildings due to various property acquisitions and capital improvement projects in 2015. The addition of 217 acres on the west side of Oak Openings Preserve as well as various smaller properties in the Oak Openings Corridor contribute to the increase in land with the total acreage of Metroparks surpassing the 12,000 acre mark in 2015. The opening of three new parks, Wirgegrass, West Winds and the Fallen Timbers Battle Field, account for a large portion of land improvements in 2015.

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

***Debt***

At December 31, 2015, the District had \$7,367,107 in noncurrent liabilities, \$683,380 due within one year. The following table summarizes the District's noncurrent liabilities outstanding as of December 31, 2015 and 2014:

	2015	Restated 2014
Governmental Activities:		
Compensated Absences	\$1,245,305	\$1,057,806
Capital Leases Payable	23,460	34,581
Net Pension Liability	<u>6,098,342</u>	<u>5,960,601</u>
Total Governmental Activities	<u>\$7,367,107</u>	<u>\$7,052,988</u>

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

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***Management's Discussion and Analysis - Unaudited***  
***For the Year Ended December 31, 2015***

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**ECONOMIC FACTORS**

The Metropolitan Park District of the Toledo Area acquires lands for the conservation of significant natural, historical and cultural resources. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of same as the Board deems conducive to the general welfare. The District receives the majority of its funding from property taxes, state and federal grants and charges for services (program fees). The District employs 89 full time, 36 part-time, and 83 seasonal/intern employees. The Board periodically reviews park fees to help offset the costs of park operations.

**REQUESTS FOR INFORMATION**

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



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

**Statement of Net Position  
December 31, 2015**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 20,442,390	\$ 37,654	\$ 20,480,044
Receivables:			
Taxes	15,918,997	0	15,918,997
Intergovernmental	1,469,867	0	1,469,867
Non-Depreciable Capital Assets	66,490,555	0	66,490,555
Depreciable Capital Assets, Net	25,925,728	0	25,925,728
<b>Total Assets</b>	<b>130,247,537</b>	<b>37,654</b>	<b>130,285,191</b>
Deferred Outflows of Resources:			
Pension	1,054,824	0	1,054,824
<b>Liabilities:</b>			
Accounts Payable	548,114	0	548,114
Accrued Wages and Benefits Payable	87,306	0	87,306
Intergovernmental Payable	272,405	0	272,405
Unearned Revenue	130,994	0	130,994
Accrued Interest Payable	565	0	565
Noncurrent liabilities:			
Due within one year	683,380	0	683,380
Due in more than one year:			
Net Pension Liability	6,098,342	0	6,098,342
Other Amounts Due in More Than One Year	585,385	0	585,385
<b>Total Liabilities</b>	<b>8,406,491</b>	<b>0</b>	<b>8,406,491</b>
<b>Deferred Inflows of Resources:</b>			
Property Tax Levy for Next Year	13,998,000	0	13,998,000
Pension	107,136	0	107,136
<b>Total Deferred Inflows of Resources</b>	<b>14,105,136</b>	<b>0</b>	<b>14,105,136</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	92,392,823	0	92,392,823
Restricted For:			
Capital Projects	8,155,201	0	8,155,201
Other Purposes	5,526,468	0	5,526,468
Expendable	46,604	0	46,604
Nonexpendable	40,000	0	40,000
Unrestricted	2,629,638	37,654	2,667,292
<b>Total Net Position</b>	<b>\$ 108,790,734</b>	<b>\$ 37,654</b>	<b>\$ 108,828,388</b>

See accompanying notes to the basic financial statements

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

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**Statement Of Activities  
For The Year Ended December 31, 2015**

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		Program Revenues	
	Expenses	Charges for Services and Sales	Capital Grants and Contributions
<b>Governmental Activities:</b>			
Parks and Recreation	\$ 15,654,731	\$ 832,518	\$ 4,293,637
Interest and Fiscal Charges	981	0	0
<b>Total Governmental Activities</b>	15,655,712	832,518	4,293,637
<b>Business-Type Activities:</b>			
Retail Operations	0	0	0
<b>Total Business-Type Activities</b>	0	0	0
<b>Totals</b>	\$ 15,655,712	\$ 832,518	\$ 4,293,637

**General Revenues:**

Property Taxes  
Intergovernmental Revenues, Unrestricted  
Investment Earnings  
Miscellaneous  
Total General Revenues and Transfers

Change in Net Position

Net Position Beginning of Year, Restated

Net Position End of Year

See accompanying notes to the basic financial statements

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

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Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (10,528,576)	\$ 0	\$ (10,528,576)
(981)	0	(981)
<u>(10,529,557)</u>	<u>0</u>	<u>(10,529,557)</u>
<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>
<u>(10,529,557)</u>	<u>0</u>	<u>(10,529,557)</u>
14,381,591	0	14,381,591
3,043,321	0	3,043,321
111,311	0	111,311
275,227	0	275,227
<u>17,811,450</u>	<u>0</u>	<u>17,811,450</u>
7,281,893	0	7,281,893
<u>101,508,841</u>	<u>37,654</u>	<u>101,546,495</u>
<u>\$ 108,790,734</u>	<u>\$ 37,654</u>	<u>\$ 108,828,388</u>

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

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**Balance Sheet  
Governmental Funds  
December 31, 2015**

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	General	New Capital Construction	Land Development
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 6,166,046	\$ 4,969,875	\$ 3,339,552
Receivables:			
Property Taxes	15,918,997	0	0
Intergovernmental	1,355,227	0	0
Advance to Other Funds	240,493	0	0
<b>Total Assets</b>	<u>\$ 23,680,763</u>	<u>\$ 4,969,875</u>	<u>\$ 3,339,552</u>
<b>Liabilities:</b>			
Accounts Payable	\$ 233,736	\$ 264,809	\$ 14,774
Accrued Wages and Benefits Payable	76,557	0	0
Intergovernmental Payable	219,216	42,000	0
Unearned Revenue	127,092	0	0
Advances from Other Funds	0	0	0
<b>Total Liabilities</b>	<u>656,601</u>	<u>306,809</u>	<u>14,774</u>
<b>Deferred Inflows of Resources:</b>			
Unavailable Amounts	3,059,426	0	0
Property Tax Levy for Next Fiscal Year	13,998,000	0	0
<b>Total Deferred Inflows of Resources</b>	<u>17,057,426</u>	<u>0</u>	<u>0</u>
<b>Fund Balances:</b>			
Nonspendable	0	0	0
Restricted	0	0	3,324,778
Committed	0	4,663,066	0
Assigned	284,198	0	0
Unassigned	5,682,538	0	0
<b>Total Fund Balances</b>	<u>5,966,736</u>	<u>4,663,066</u>	<u>3,324,778</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 23,680,763</u>	<u>\$ 4,969,875</u>	<u>\$ 3,339,552</u>

See accompanying notes to the basic financial statements

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

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Other Governmental Funds	Total Governmental Funds
\$ 5,966,917	\$ 20,442,390
0	15,918,997
114,640	1,469,867
0	240,493
\$ 6,081,557	\$ 38,071,747
\$ 34,795	\$ 548,114
10,749	87,306
11,189	272,405
3,902	130,994
240,493	240,493
301,128	1,279,312
0	3,059,426
0	13,998,000
0	17,057,426
40,000	40,000
1,003,005	4,327,783
4,755,649	9,418,715
0	284,198
(18,225)	5,664,313
5,780,429	19,735,009
\$ 6,081,557	\$ 38,071,747

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

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***Reconciliation Of Total Governmental Fund Balances  
To Net Position Of Governmental Activities  
December 31, 2015***

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<b>Total Governmental Fund Balances</b>	\$ 19,735,009
<b><i>Amounts reported for governmental activities in the statement of net position are different because:</i></b>	
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	92,416,283
Other long-term assets are not available to pay for current period expenditures and therefore are reported as deferred inflows in the funds.	3,059,426
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.	(5,150,654)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Capital Lease Payable	(23,460)
Accrued Interest Payable	(565)
Compensated Absences Payable	<u>(1,245,305)</u>
<b><i>Net Position of Governmental Funds</i></b>	<b><u>\$ 108,790,734</u></b>

See accompanying notes to the basic financial statements



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

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**METROPARKS  
TOLEDO**

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

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2015**

	General	New Capital Construction	Land Development
<b>Revenues:</b>			
Property Taxes	\$ 14,162,525	\$ 0	\$ 0
Intergovernmental Revenues	2,963,147	20,000	2,038,292
Fines and Forfeitures	1,977	0	0
Charges for Services	566,740	0	0
Sales	9,242	0	0
Fees	0	0	0
Donations	0	310,035	1,600
Investment Earnings	111,311	0	0
All Other Revenue	195,347	0	50,185
<b>Total Revenue</b>	<u>18,010,289</u>	<u>330,035</u>	<u>2,090,077</u>
<b>Expenditures:</b>			
Current:			
Parks and Recreation	11,614,731	4,287,214	3,887,942
Debt Service:			
Principal Retirement	0	11,121	0
Interest and Fiscal Charges	0	1,248	0
<b>Total Expenditures</b>	<u>11,614,731</u>	<u>4,299,583</u>	<u>3,887,942</u>
Excess (Deficiency) of Revenues Over Expenditures	6,395,558	(3,969,548)	(1,797,865)
<b>Other Financing Sources (Uses):</b>			
Transfers In	0	7,450,000	2,056,400
Transfers Out	(10,506,400)	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>(10,506,400)</u>	<u>7,450,000</u>	<u>2,056,400</u>
Net Change in Fund Balance	(4,110,842)	3,480,452	258,535
<b>Fund Balances at Beginning of Year</b>	<u>10,077,578</u>	<u>1,182,614</u>	<u>3,066,243</u>
<b>Fund Balances End of Year</b>	<u>\$ 5,966,736</u>	<u>\$ 4,663,066</u>	<u>\$ 3,324,778</u>

See accompanying notes to the basic financial statements

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

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Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 14,162,525
454,203	5,475,642
0	1,977
99,522	666,262
45,131	54,373
109,906	109,906
1,556,502	1,868,137
0	111,311
29,695	275,227
<u>2,294,959</u>	<u>22,725,360</u>
2,693,181	22,483,068
0	11,121
0	1,248
<u>2,693,181</u>	<u>22,495,437</u>
(398,222)	229,923
1,000,000	10,506,400
0	(10,506,400)
<u>1,000,000</u>	<u>0</u>
601,778	229,923
<u>5,178,651</u>	<u>19,505,086</u>
<u>\$ 5,780,429</u>	<u>\$ 19,735,009</u>

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

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***Reconciliation Of The Statement Of Revenues, Expenditures  
And Changes In Fund Balances Of Governmental Funds  
To The Statement Of Activities  
For The Fiscal Year Ended December 31, 2015***

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	229,923
 <i>Amounts reported for governmental activities in the statement of activities are different because</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays and contributions exceeded depreciation.		6,953,163
Revenues and transfers in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		212,245
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		729,435
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		(666,762)
The repayment of principal of long-term debt consumes current financial resources of governmental funds, however, it does not effect net assets.		11,121
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		267
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.		(187,499)
		<u>7,281,893</u>
<b><i>Change in Net Position of Governmental Activities</i></b>	<b>\$</b>	<b><u>7,281,893</u></b>

See accompanying notes to the basic financial statements

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

**Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Year Ended December 31, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 13,479,931	\$ 13,479,931	\$ 14,220,751	\$ 740,820
Intergovernmental Revenue	2,800,879	2,800,879	2,954,808	153,929
Fines and Forfeitures	1,874	1,874	1,977	103
Charges for Services	548,509	548,509	578,654	30,145
Sales	8,761	8,761	9,242	481
Investment Earnings	128,055	128,055	135,093	7,038
All Other Revenue	2,554	2,554	2,683	129
Total Revenues	16,970,553	16,970,553	17,903,208	932,655
<b>Expenditures:</b>				
Current:				
Parks and Recreation	13,660,111	13,531,419	12,240,823	1,290,596
Total Expenditures	13,660,111	13,531,419	12,240,823	1,290,596
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,310,442	3,439,134	5,662,385	2,223,251
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(10,506,400)	(10,506,400)	(10,506,400)	0
Advances In	344,616	344,616	344,616	0
Advances Out	0	(67,500)	(151,500)	(84,000)
Other Sources	0	0	192,664	192,664
Total Other Financing Sources (Uses):	(10,161,784)	(10,229,284)	(10,120,620)	108,664
Net Change in Fund Balance	(6,851,342)	(6,790,150)	(4,458,235)	2,331,915
Fund Balance at Beginning of Year	9,815,093	9,815,093	9,815,093	0
Prior Year Encumbrances	371,959	371,959	371,959	0
Fund Balance at End of Year	\$ 3,335,710	\$ 3,396,902	\$ 5,728,817	\$ 2,331,915

See accompanying notes to the basic financial statements

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

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***Statement of Net Position  
Enterprise Fund  
December 31, 2015***

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

See accompanying notes to the basic financial statements

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

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*Statement of Revenues, Expenses and Changes in Fund Net Position  
Enterprise Fund  
For the Year Ended December 31, 2015*

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

See accompanying notes to the basic financial statements

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

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2015***

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

**A. Reporting Entity**

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

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

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

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

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

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

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



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

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

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

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

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

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

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

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

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

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

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

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

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

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

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2015***

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

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

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

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

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

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

**D. Basis of Accounting**

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

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

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2015***

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

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

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

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

Property taxes measurable as of December 31, 2015 but which are not intended to finance 2015 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred inflows of resources.

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

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

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

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

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2015***

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

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

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

**E. Budgetary Process**

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

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

**1. Tax Budget**

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

**2. Estimated Resources**

The County Budget Commission reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. The Budget Commission then certifies its actions to the District by September 1 of each year. As part of the certification process, the District receives an official certificate of estimated resources stating the projected receipts by fund. Prior to December 31, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or if actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2015.

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

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2015***

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

**E. Budgetary Process (Continued)**

**3. Appropriations**

A temporary appropriation resolution to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation resolution must be passed by April 1 of each year for the period January 1 through December 31. The appropriation resolution establishes spending controls at object level within each fund, and may be modified during the year by resolution of the District Board of Commissioners. Total fund appropriations may not exceed the current estimated resources as certified by the County Budget Commission. Expenditures may not legally exceed budgeted appropriations at the object level within each fund. The allocation of appropriations within a fund may be modified with the approval of the District Board Commissioners. During 2015, several supplemental appropriations measures were necessary to budget the use of contingency funds. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) for the General Fund are presented on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications of.

**4. Lapsing of Appropriations**

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

**5. Budgetary Basis of Accounting**

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

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

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

**E. Budgetary Process (Continued)**

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

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

Net Change in Fund Balance	General Fund
GAAP Basis (as reported)	(\$4,110,842)
Increase (Decrease):	
Accrued Revenues at December 31, 2015 received during 2016	(457,291)
Accrued Revenues at December 31, 2014 received during 2015	724,076
Accrued Expenditures at December 31, 2015 paid during 2016	656,601
Accrued Expenditures at December 31, 2014 paid during 2015	(833,550)
Outstanding Encumbrances	(437,229)
Budget Basis	(\$4,458,235)

**F. Cash and Investments**

Cash and cash equivalents include amounts in demand deposits and investments with original maturities of less than three months.

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

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

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2015***

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

**G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the District records all its investments at fair value. See Note 4, "Cash, Cash Equivalents and Investments."

Following Ohio statutes and Board Policy, interest is credited initially to the general fund and reallocated to all eligible funds on a quarterly basis. Interest revenue credited to the General Fund during 2015 amounted to \$111,311 which includes \$78,538 assigned from other funds.

**H. Capital Assets and Depreciation**

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

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

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

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

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

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

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

2. Depreciation

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

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

**I. Long-Term Obligations**

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

Obligation	Fund
Compensated Absences	General Fund, Education Fund, Members Fund, GLRI Program Fund, GLRI II – Maumee Corp. Fund, GLRI IV – TNC (US EPA) Fund
Capital Lease	New Capital Construction Fund

**J. Compensated Absences**

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

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



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

---

***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

**J. Compensated Absences** (Continued)

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

**K. Pensions**

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

**L. Net position**

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

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

**M. Interfund Activity**

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

**N. Interfund Assets/Liabilities**

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

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

---

***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2015***

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

**O. Fund Balance**

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

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

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

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

*Assigned* – Assigned fund balance consists of amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed.

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

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

**P. Estimates**

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

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

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2015***

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

**Q. Operating Revenues and Expenses**

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

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

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

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

**S. Unearned Revenue**

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

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

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION**

In 2015 the District implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources deferred inflows of resources and expense/expenditure.

The implementation of GASB 68 had the following effect on net position as reported December 31, 2014:

	Governmental Activities
Net Position December 31, 2014	\$106,722,168
Adjustments:	
Net Pension Liability	(5,960,601)
Deferred Outflows -	
Payments Subsequent to Measurement Date	747,274
Restated Net Position December 31, 2014	\$101,508,841

Other than employer contributions subsequent to the measurement date, the District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

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

**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2015**

**NOTE 3 – FUND BALANCE CLASSIFICATION**

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

Fund Balances	General	New Capital Construction	Land Development	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Endowment	\$0	\$0	\$0	\$40,000	\$40,000
Total Nonspendable	<u>0</u>	<u>0</u>	<u>0</u>	<u>40,000</u>	<u>40,000</u>
Restricted:					
Land Acquisition	0	0	3,324,778	786,629	4,111,407
Law Enforcement	0	0	0	2,392	2,392
Endowment Earnings	0	0	0	46,604	46,604
Capital Improvements	0	0	0	167,380	167,380
Total Restricted	<u>0</u>	<u>0</u>	<u>3,324,778</u>	<u>1,003,005</u>	<u>4,327,783</u>
Committed:					
Park Programs	0	0	0	4,196,796	4,196,796
Membership Activities	0	0	0	243,444	243,444
Educational Programs	0	0	0	315,409	315,409
Capital Improvements	0	4,663,066	0	0	4,663,066
Total Committed	<u>0</u>	<u>4,663,066</u>	<u>0</u>	<u>4,755,649</u>	<u>9,418,715</u>
Assigned:					
Goods and Services	284,198	0	0	0	284,198
Unassigned (Deficit)	5,682,538	0	0	(18,225)	5,664,313
Total Fund Balances	<u>\$5,966,736</u>	<u>\$4,663,066</u>	<u>\$3,324,778</u>	<u>\$5,780,429</u>	<u>\$19,735,009</u>

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

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

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

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

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

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

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

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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

**A. Deposits**

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

At year end the carrying amount of the District's deposits was \$8,668,885 and the bank balance was \$8,865,981. The Federal Deposit Insurance Corporation (FDIC) covered \$8,804,980 of the bank balance and \$61,001 was uninsured. Of the remaining uninsured bank balance, the District was exposed to custodial risk as follows:

	<u>Balance</u>
Uninsured and collateralized with securities held by the pledging institution's trust department not in the District's name	\$61,001
Total Balance	\$61,001

**B. Investments**

The District's investments at December 31, 2015 were as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturities (in Years)</u>		
			<u>&lt; 1 year</u>	<u>1-3 years</u>	<u>3-5 years</u>
Negotiable C/D's	\$8,895,798	N/A	\$3,746,804	\$2,952,890	\$2,196,104
FNMA	998,215	Aaa <sup>1</sup> , AA+ <sup>2</sup>	0	998,215	0
FHLB	1,002,183	Aaa <sup>1</sup> , AA+ <sup>2</sup>	0	250,652	751,531
FHLMC	665,772	Aaa <sup>1</sup> , AAA <sup>2</sup>	0	497,942	167,830
FHLMC Note	249,191	Aaa <sup>1</sup> , AAA <sup>2</sup>	0	249,191	0
Total Investments	\$11,811,159		\$3,746,804	\$4,948,890	\$3,115,465

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

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

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

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

**B. Investments (Continued)**

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

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

*Concentration of Credit Risk* – The District places no limit on the amount the District may invest in one issuer. Of the District’s total investments, 75.3% are Negotiable C/D’s, 8.5% are FNMA, 8.5% are FHLB, 5.6% are FHLMC and 2.1% are FHLMC Notes.

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

**NOTE 5- PROPERTY TAXES**

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the County. Real property taxes (other than public utility) collected during 2015 were levied after October 1, 2014 on assessed values as of January 1, 2014, the lien date. Assessed values were established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2015. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 31; if paid semiannually, the first payment is due February and the remainder payable in July. Under certain circumstances, state statute permits later payment dates to be established.



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

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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

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

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

The full tax rate for the District's operations for the year ended December 31, 2015 was \$2.30 per \$1,000 of assessed value. The assessed value upon which the 2015 property tax receipts were based was \$7,050,027,340. This amount constitutes \$6,778,724,990 in real property assessed and \$271,302,350 in public utility property.

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

**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2015 consisted of taxes, intergovernmental and advance receivables. All receivables other than those offset by deferred inflows of resources are considered collectable in full.

**NOTE 7 - INTERFUND BALANCES**

Following is a summary of advances to/from other funds at December 31, 2015:

Fund	Advances to Other Funds	Advances From Other Funds
General Fund	\$240,493	\$0
Other Governmental Funds	0	240,493
Totals	<u>\$240,493</u>	<u>\$240,493</u>

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

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

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

**NOTE 8 - TRANSFERS**

Following is a summary of transfers in and out for all funds for 2015:

Fund	Transfer In	Transfer Out
<b>Governmental Activities:</b>		
General Fund	\$0	\$10,506,400
New Capital Construction Fund	7,450,000	0
Land Development Fund	2,056,400	0
Other Governmental Funds	1,000,000	0
Totals	<u>\$10,506,400</u>	<u>\$10,506,400</u>

**NOTE 9 - CAPITAL ASSETS**

Summary by category of changes in governmental activities capital assets at December 31, 2015:

<i>Historical Cost:</i> Class	December 31, 2014	Additions	Deletions	December 31, 2015
<i>Capital assets not being depreciated:</i>				
Land	\$61,993,457	\$3,944,037	\$0	\$65,937,494
Antiques and Art	553,061	0	0	553,061
<i>Capital assets being depreciated:</i>				
Buildings	21,673,776	921,320	0	22,595,096
Land Improvements	11,787,844	2,784,201	0	14,572,045
Infrastructure	5,607,815	93,901	0	5,701,716
Machinery and Equipment	4,576,993	452,950	0	5,029,943
Total Cost	<u>\$106,192,946</u>	<u>\$8,196,409</u>	<u>\$0</u>	<u>\$114,389,355</u>
<i>Accumulated Depreciation:</i> Class	December 31, 2014	Additions	Deletions	December 31, 2015
Buildings	(\$8,687,997)	(\$466,550)	\$0	(\$9,154,547)
Land Improvements	(8,047,460)	(268,616)	0	(8,316,076)
Infrastructure	(1,330,168)	(178,353)	0	(1,508,521)
Machinery and Equipment	(2,664,201)	(329,727)	0	(2,993,928)
Total Depreciation	<u>(\$20,729,826)</u>	<u>(\$1,243,246)</u>	<u>\$0</u>	<u>(\$21,973,072)</u>
 <i>Net Value:</i>	 <u>\$85,463,120</u>			 <u>\$92,416,283</u>

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

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2015***

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**NOTE 10 - DEFINED BENEFIT RETIREMENT PLANS**

***Net Pension Liability***

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

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

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

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

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

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

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

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

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 10 - DEFINED BENEFIT RETIREMENT PLANS (Continued)**

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

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

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

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

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 10 - DEFINED BENEFIT RETIREMENT PLANS (Continued)**

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

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

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

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

	State and Local
<b>2015 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
<b>2015 Actual Contribution Rates</b>	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was \$729,435 for 2015.

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

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 10 - DEFINED BENEFIT RETIREMENT PLANS (Continued)**

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

The net pension liability for OPERS was measured as of December 31, 2014, 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:

	OPERS
Proportionate Share of the Net Pension Liability	\$6,098,342
Proportion of the Net Pension Liability	0.050562%
Pension Expense	\$666,762

At December 31, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS
<b>Deferred Outflows of Resources</b>	
Net difference between projected and actual earnings on pension plan investments	\$325,389
District contributions subsequent to the measurement date	729,435
Total Deferred Outflows of Resources	\$1,054,824
<b>Deferred Inflows of Resources</b>	
Differences between expected and actual experience	\$107,136

\$729,435 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS
Year Ending December 31:	
2016	\$31,914
2017	31,914
2018	73,077
2019	81,348
Total	\$218,253

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

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***Notes to the Basic Financial Statements***  
***For the Year Ended December 31, 2015***

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**NOTE 10 - DEFINED BENEFIT RETIREMENT PLANS (Continued)**

***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, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

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

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 10 - DEFINED BENEFIT RETIREMENT PLANS (Continued)**

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other investments	18.00	4.59
Total	<u>100.00 %</u>	<u>5.28 %</u>

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

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

	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
District's proportionate share of the net pension liability	\$11,219,202	\$6,098,342	\$1,785,344



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

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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**NOTE 11 - POSTEMPLOYMENT BENEFITS**

**Ohio Public Employees Retirement System**

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B Premium reimbursement, to qualifying member of both the Traditional Pension and the Combined Plans. Members of the Member Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

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

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

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2015, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

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

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5%.

The District's contributions for health care to the OPERS for the years ending December 31, 2015, 2014, and 2013 were \$146,956, \$130,469 and \$62,911, respectively, which were equal to the required contributions for each year.

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

Detail of the changes in long-term debt and other long-term obligations of the District for the year ended December 31, 2015 are as follows:

	Restated Balance at December 31, 2014	Additions	Deductions	Balance at December 31, 2015	Amount Due Within One Year
<b>Governmental Activities:</b>					
Net Pension Liability	\$5,960,601	\$137,741	\$0	\$6,098,342	\$0
Compensated Absences	1,057,806	504,841	(317,342)	1,245,305	671,858
Capital Lease	34,581	0	(11,121)	23,460	11,522
Total Long-Term Obligations	<u>\$7,052,988</u>	<u>\$642,582</u>	<u>(\$328,463)</u>	<u>\$7,367,107</u>	<u>\$683,380</u>

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

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**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015**

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**NOTE 13 - CAPITAL LEASE**

The District is party to one lease for a mower accounted for as a capital lease. The cost of the equipment obtained under the lease agreement (\$54,581) is included in the Governmental Activities capital assets as machinery and equipment. The liability for this lease is recorded on the Statement of Net Position as due within one year and due in more than one year. The following is a schedule of future minimum lease payments under the capital lease together with the present value of the net minimum lease payments as of December 31, 2015:

Year Ending December 31,	Governmental Activities
2016	\$12,369
2017	12,369
Minimum Lease Payments	24,738
Less amount representing interest at the District's incremental borrowing rate of interest	(1,278)
Present value of minimum lease payments	\$23,460

**NOTE 14 -RISK MANAGEMENT**

**A. General Insurance**

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

The District belongs to the Ohio Plan Risk Management, Inc. (the "Plan"), a non-assessable, non-profit providing a formalized, jointly administered self-insurance risk management program and other administrative services to over 770 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except for the 50% casualty and the 10% property portions the Plan retains. The Plan retains the lesser of 50% or \$125,000 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

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

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***Notes to the Basic Financial Statements  
For the Year Ended December 31, 2015***

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

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

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

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31: 2014 and 2013 (the latest information available):

	2014	2013
Assets	\$14,830,185	\$13,774,304
Liabilities	(8,942,504)	(7,968,395)
Net Position - Unrestricted	\$5,887,681	\$5,805,909

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

**B. Health Insurance**

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

**C. Workers Compensation**

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

**NOTE 15 -CONTINGENT LIABILITIES**

The District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at December 31, 2015.

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

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***REQUIRED SUPPLEMENTAL INFORMATION***

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

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***Schedule of City's Proportionate Share of the Net Pension Liability  
Last Two Years***

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**Ohio Public Employees Retirement System**

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

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

Notes: The District implemented GASB Statement 68 in 2015.

Information prior to 2013 is not available.

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

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

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***Schedule of City Contributions  
Last Three Years***

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**Ohio Public Employees Retirement System**

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

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

Notes: The District implemented GASB Statement 68 in 2015.

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Fax - (216) 436-2411

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

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

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

To the Board of Park Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Metropolitan Park District of the Toledo Area, Lucas County, (the District) as of and for the year ended December 31, 2015, and the related notes to the financial statements, and have issued our report thereon dated September 20, 2016. We noted the District adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 68, "*Accounting and Financial Reporting for Pensions – an Amendment to GASB 27*" and GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment to GASB 68*."

***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2015-001 to be a material weaknesses.



***Compliance and Other Matters***

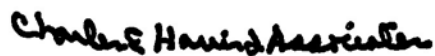
As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial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

***Entity's Response to Finding***

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

***Purpose of this Report***

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



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

September 20, 2016

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA  
LUCAS COUNTY  
SCHEDULE OF FINDINGS  
December 31, 2015**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**Finding Number 2015-001 – Material Weakness**

**Bank Reconciliation**

Performing accurate and timely reconciliations of bank accounts with the District books' is a necessary control procedure to adequately safeguard cash and to provide assurance that the District receipts and disbursements are complete. This process involves accounting for the differences between the balance on the bank statements and the cash and investment balance according the District's records.

The District did not resolve various differences between the adjusted bank balance and the cash balance reflected in the District's accounting records. These differences were the result of various recording errors and omissions. The book balance was understated by \$193,000 at December 31, 2015.

Failure to prepare timely and accurate bank to book reconciliations including the failure to correct errors in a timely manner increases the likelihood that errors or irregularities (including theft) may occur and not be detected by management in a timely manner.

To increase control and accountability over the District's cash balances, receipts and disbursements we recommend the following:

- Formalize the reconciliation process. This should include written policies and procedures.
- Obtain on-site training for those responsible for preparing and monitoring reconciliations utilizing real time data using the District's computer environment.
- Document examples of various reconciling issues (i.e. unposted revenues, outstanding checks, bad checks, bad check fees, voided checks, reinstated/reissued checks, unclaimed checks) and how to properly account for them in the bank reconciliation and in the District's accounting system.
- Identify and correct bank or book errors in a timely manner (i.e. within a month).

Management and those charged with governance should consider the cost benefit relationship of investigating consistent reoccurring unidentified variances on its reconciliations versus adjusting the bank accounts or accounting system for these unidentified variances. Evidence of such analysis and decision should clearly be documented before adjustments, if any, are made. Assistance should be obtained to prepare accurate and timely bank to book reconciliations. Someone other than the preparer should review and approve the bank to book reconciliations. Evidence of this should be documented on the reconciliation (i.e. initials and date).

**Management Response:**

Management has hired skilled personnel in the finance department who have taken necessary steps to prevent future issues of this nature. These personnel are performing the 2016 reconciliations on a timely basis and all appropriate adjustments are being identified and posted.

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

**SCHEDULE OF PRIOR AUDIT FINDINGS  
December 31, 2015**

The prior audit, for the year ended December 31, 2014, reported no material citations or recommendations.

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# Dave Yost • Auditor of State

**METROPOLITAN PARK DISTRICT OF THE TOLEDO AREA**

**LUCAS COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 10, 2017**