



CLEVELAND METROPOLITAN PARK DISTRICT

Single Audit Reports

Year Ended December 31, 2017





Dave Yost • Auditor of State

Board of Park Commissioners
Cleveland Metropolitan Park District
4101 Fulton Parkway
Cleveland, Ohio 44144

We have reviewed the *Independent Auditors' Report* of the Cleveland Metropolitan Park District, Cuyahoga County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2017 through December 31, 2017. 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 Cleveland Metropolitan Park District is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

July 30, 2018

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Cleveland Metropolitan Park District
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2017

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Emerald Ash Borer Mitigation	10.675	n/a	\$ <u>32,297</u>
Total U.S. Department of Agriculture			<u>32,297</u>
<u>U.S. Department of the Interior</u>			
Wildwood Marina Pump Out	15.616	n/a	10,236
Fowles Marsh	15.662	n/a	150,000
Deer Program - Cuyahoga Valley Cooperative Wildlife Management	15.944	n/a	<u>13,908</u>
Total U.S. Department of the Interior			<u>174,144</u>
<u>U.S. Department of Transportation</u>			
<i>(Passed through Ohio Department of Transportation)</i>			
Highway Planning and Construction Cluster:			
Valley Parkway Trail Phase I	20.205	PID 97888	446,751
Whiskey Island Connector Trail - TIGER	20.205	PID 104804	<u>18,840</u>
Total U.S. Department of Transportation			<u>465,591</u>
<u>U.S. Environmental Protection Agency</u>			
Great Lakes Program:			
Hydrilla	66.469	n/a	<u>137,953</u>
Total U.S. Environmental Protection Agency			<u>137,953</u>
<u>U.S. Department of Homeland Security</u>			
Port Security Grant Program	97.056	n/a	<u>4,285</u>
Total U.S. Department of Homeland Security			<u>4,285</u>
Total			\$ <u><u>814,270</u></u>

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Cleveland Metropolitan Park District (the “District”) under programs of the federal government for the year ended December 31, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. The District did not pass any awards through to subrecipients.

NOTE C – MATCHING REQUIREMENTS

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

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

To the Board of Park Commissioners
Cleveland Metropolitan Park District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, the major fund, and the aggregate remaining fund information of the Cleveland Metropolitan Park District ("District") as of and for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 26, 2018. Our report includes a reference to other auditors who audited the financial statements of the Cleveland Zoological Society, as described in our report on the District's financial statements. This report does not include the results of the other auditor's testing of internal controls over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 26, 2018

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**INDEPENDENT AUDITORS' REPORT**

To the Board of Park Commissioners
Cleveland Metropolitan Park District:

Report on Compliance for Each Major Federal Program

We have audited the Cleveland Metropolitan Park District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended December 31, 2017. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2017.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of compliance requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the discretely presented component unit, the major fund, and the aggregate remaining fund information of the District, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated June 26, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 26, 2018

**CLEVELAND METROPOLITAN PARK DISTRICT
 Schedule of Findings and Questioned Costs
 Year Ended December 31, 2017**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	None
• Significant deficiency(ies) identified not considered to be material weaknesses?	None
Noncompliance material to the financial statements noted?	None

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	None
• Significant deficiency(ies) identified not considered to be material weaknesses?	None
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	None
Identification of major programs:	
• CFDA 20.205 – Highway Planning and Construction Cluster	
Dollar threshold to distinguish between Type A and Type B Programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None



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**Cleveland
Metroparks**

**100
YEARS**

CLEVELAND METROPARKS COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

Serving Cuyahoga County and Hinckley Township in Medina County, Ohio

Board of Park Commissioners:

Dan T. Moore - President

Bruce G. Rinker - Vice President

Debra K. Berry - Vice President

Brian M. Zimmerman - Chief Executive Officer

William Chorba III - Chief Financial Officer

Cleveland Metroparks

Cuyahoga County and Hinckley Township, Ohio

Comprehensive Annual Financial Report

For The Year Ended December 31, 2017

Prepared by:

William Chorba III, Chief Financial Officer
and the Department of Finance



**Cleveland
Metroparks®**



INTRODUCTORY SECTION



**Cleveland
Metroparks®**

CLEVELAND METROPARKS
Comprehensive Annual Financial Report
For the Year Ended December 31, 2017
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CLEVELAND METROPARKS
Comprehensive Annual Financial Report
For the Year Ended December 31, 2017
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June 26, 2018

To the Citizens of Cuyahoga County and Hinckley Township of Medina County
Honorable Judge Anthony J. Russo
Dan T. Moore, Board of Park Commissioners, President
Debra K. Berry, Board of Park Commissioners, Vice-President
Bruce T. Rinker, Board of Park Commissioners, Vice-President

Formal Letter of Transmittal

We are pleased to submit Cleveland Metroparks' ("the Metroparks") Comprehensive Annual Financial Report (CAFR) for the year ending December 31, 2017. This report conforms to Generally Accepted Accounting Principles (GAAP) and provides full and complete disclosure of the financial position and operations of Cleveland Metroparks for the year ended December 31, 2017. The accuracy of the data and the completeness and fairness of the presentation, including all disclosures, are the responsibility of Cleveland Metroparks management, and are based on a comprehensive framework of internal controls that are established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and beliefs, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position of the entity as a whole and the results of operations of the various operations of Cleveland Metroparks. All disclosures necessary to enable the reader to gain an understanding of Cleveland Metroparks financial activities have been included.

Ohio law requires that public offices reporting pursuant to Generally Accepted Accounting Principles (GAAP) shall file their reports with the Auditor of the State and publish notice of the availability of the financial statements within 150 days of the close of each year. The General Purpose External Financial Statements from this report were filed to fulfill that requirement for the year ended December 31, 2017.

State statutes require independent audits to be performed on all financial operations of Cleveland Metroparks. The Clark, Schaefer, Hackett & Co., has issued an unmodified ("clean") opinion on the Cleveland Metroparks financial statements for the year ended December 31, 2017. The independent auditor's report on the basic financial statements is located at the front of the Financial Section of this report.

This letter of transmittal is designed to complement the Management's Discussion and Analysis (MD&A) section and should be read in conjunction with it. The MD&A provides a narrative introduction, overview, and analysis of the basic financial statements.

Reporting Entity

In evaluating how to define Cleveland Metroparks for financial reporting purposes, management has considered all agencies, departments and organizations making up Cleveland Metroparks and its potential component units consistent with Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity" and Governmental Accounting Standard Board (GASB) Statement No. 61, "The Financial Reporting Entity: Omnibus."

Component units are legally separate organizations for which the Metroparks is financially accountable. The Metroparks is financially accountable for an organization if the Metroparks appoints a voting majority of the organization's governing board and (1) the Metroparks is able to significantly influence the programs or services performed or provided by the organization; or (2) the Metroparks is legally entitled to or can otherwise access the organization's resources; the Metroparks is legally obligated or has otherwise assumed the responsibility to finance deficits of or provide financial support to the organization or the Metroparks is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Metroparks in that the Metroparks approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burden on, the Metroparks.

The component unit financial statements that follow identify the financial data of Cleveland Metroparks' component unit, the Cleveland Zoological Society, which is reported separately to emphasize that it is legally separate from Cleveland Metroparks.

Cleveland Zoological Society ("the Zoo Society") is a nonprofit organization which operates under a Board of Trustees. The Zoo Society promotes the conservation and propagation of wildlife primarily through the support of Cleveland Metroparks. The Zoo Society will engage the community in support of Cleveland Metroparks Zoo (the Zoo) and its mission to improve the future for wildlife and will marshal the resources necessary to ensure that the Zoo remains one of the region's preeminent destinations and ultimately one of the top five zoos in the country. Since the economic resources received by the Zoo Society are primarily for the benefit of, and are generally accessible to, Cleveland Metroparks, the Zoo Society is presented as a component unit of Cleveland Metroparks. The Zoo Society is included as a component unit of Cleveland Metroparks due to Cleveland Metroparks' influence on the programs and services provided by the Zoo Society and due to the operating agreement between Cleveland Metroparks and the Zoo Society. Cleveland Metroparks does not appoint any members of the Zoo Society's governing board or approve the budget or debt issuance of the Zoo Society.

Cleveland Metroparks Profile

Cleveland Metroparks was established on July 23, 1917, and today consists of over 23,000 acres of land in 18 reservations, their connecting parkways, and Cleveland Metroparks Zoo. The Metroparks is dedicated to conservation, education and recreation. Over 100 miles of parkways provide driving pleasure and easy access to Cleveland Metroparks facilities including; picnic areas and playfields, wildlife management areas and waterfowl sanctuaries, hiking, bridle, all purpose and physical fitness trails, eight golf courses, six outdoor education facilities, swimming, boating, fishing, tobogganing, sledding, and cross-country skiing.

Cleveland Metroparks is a separate political subdivision of the State of Ohio. The Metroparks is governed by a Board of Park Commissioners, composed of three citizens who serve three-year terms without compensation. Board members are appointed by the presiding Judge of the Probate Court of Cuyahoga County, The Honorable Judge Anthony J. Russo. The current Board of Park Commissioners officers are:

Dan T. Moore, President
Debra K. Berry, Vice-President
Bruce G. Rinker, Vice-President

Cleveland Metroparks' mission is to conserve natural resources and enhance people's lives by integrating outdoor education, recreation and zoological opportunities. The majority of Cleveland Metroparks' approximately 23,000 acres, located in 18 reservations, are dedicated to conservation. Whether to promote fishing opportunities within Cleveland Metroparks lakes or restore wetlands, natural resource management is a significant endeavor of the Metroparks.

Outdoor education is provided through six outdoor education facilities. Outdoor education is provided through individual and group programming at all six nature/visitor centers. In addition, Cleveland Metroparks maintains Mobile Outreach, which travels to area schools and locations throughout Cuyahoga County, to bring nature education to children who otherwise might not experience the natural environment. Additionally, through a “Grow up Great” grant from PNC Bank, Cleveland Metroparks will continue to provide a mobile education vehicle focusing on programming for pre-kindergarten children including programs administered by the Cleveland Metropolitan School District and the Headstart program. The vehicle will also travel to fairs and festivals all summer long spreading an important environmental message to families. Also, Cleveland Metroparks, in cooperation with the City of Cleveland and The Ohio State University Extension/4-H, provides outdoor recreation and education experiences for the urban youth of Cleveland through the Youth Outdoors Program.

Recreation is provided at eight golf courses, the Chalet Recreation Area, six swimming areas, two horse stables, numerous ball fields, open play areas and hundreds of miles of trails. Cleveland Metroparks Go Ape! treetop adventure course opened to the public in Cleveland Metroparks Mill Stream Run Reservation in April 2015. It is best described as an obstacle course in three dimensions. The course includes rope ladders, swinging “Tarzan ropes”, five zip lines, and aerial bridges.

Additional preservation, recreation and outdoor education opportunities is provided through Cleveland Metroparks Acacia Reservation. Made possible through a generous donation by The Land Conservancy. Previously a country club, this 155 acre green space oasis, located in the City of Lyndhurst, will continue to be converted into an active public green space.

The Cleveland Zoo provides recreation, education and conservation and is recognized as one of the finest zoos in the United States, with more than 2,000 animals encompassing 183 rolling acres. Cleveland Metroparks Zoo Stillwater Event Center, opened in 2015, continues to be a popular venue for weddings, corporate events, and everything in between. This center, with 300 person seating capacity, provides a unique reservable facility for larger events during all hours of the day. Also opened in 2015, is the Ben Gogolick Giraffe Encounter which features an entirely new giraffe feeding experience for guests. New in 2016 is the Rosebrough Tiger Passage, a state of the art home for the Zoo’s Amur tigers. The new facility is five times the size of the previous exhibit and features four different interconnected habitat areas for the tigers to roam in. Two of these connections pass over the heads of the visitors on the ground.

The award-winning Cleveland Metroparks Ranger Department is the law enforcement branch of Cleveland Metroparks. Cleveland Metroparks Rangers are state-certified law enforcement officers who exercise full police powers in the commission of their duties. Rangers are on duty 24-hours a day, year-round. Ranger Headquarters dispatches the department’s 84 Rangers from 13 field offices and stable facilities positioned throughout the Metroparks. The Ranger Department consists of several specialized units and functions including “state certified” law enforcement K-9 officers (German Shepherds named Logan, Chase, Tyson and Creed), a six-member mounted equestrian unit, bicycle patrol team, detective bureau, dive team, marine patrol and honor guard. In 2015, the Ranger Department was awarded *CALEA Law Enforcement Accreditation*. This accreditation has been received by only four percent of American law enforcement agencies and serves as the International Gold Standard for public safety agencies.

Economic Condition and Outlook

Cleveland Metroparks saw successful passage of a 2.7 mill levy (1.8 mill renewal with a 0.9 mill increase) in November 2013. This initiative passed with approximately 70 percent affirmative vote. This levy will initially provide the Metroparks with approximately \$23 million of additional revenue per year, attributable to the new millage and updated property values in Cuyahoga County and Hinckley Township of Medina County. The levy extends for ten years (2014-2023) and will allow Cleveland Metroparks to implement prioritized initiatives articulated in Cleveland Metroparks Strategic Plan: Cleveland Metroparks 2020: The Emerald Necklace Centennial Plan and Cleveland Metroparks Zoo Strategic Long Term Plans.

Cuyahoga County, Ohio, in which 82 percent of Cleveland Metroparks acreage exists, spans a total of 1,246 square miles. According to the 2010 census, its population has decreased 9.2 percent since 2000. However, it is still the most populous and urbanized county in the State of Ohio. Cuyahoga County had an appraisal revaluation conducted in 2015.

Significant Initiatives

Cleveland Metroparks has remained committed to supporting existing facilities and infrastructure with a balance of new initiatives. Parkway paving and bridge rehabilitation remain a priority throughout Cleveland Metroparks.

Continued strategic land acquisitions were completed during 2017 bringing the total acres within Cleveland Metroparks reservations to 23,379 acres in 18 reservations.

On June 6, 2013, Cleveland Metroparks assumed management of the lakefront state properties which include Edgewater Park, E. 55th Street Marina, Gordon Park, Euclid Beach Park, Villa Angela and Wildwood Park. While the City of Cleveland will continue to own the properties, Cleveland Metroparks holds a 99 year lease to manage and enhance the parks, with a commitment to outstanding stewardship. Transitional funding, in the amount of \$14 million, was provided by the Ohio Department of Natural Resources to help facilitate significant capital improvements throughout all the properties. Euclid Beach Park, Villa Angela Park and Wildwood Park join Euclid Creek Reservation, while Edgewater Park, E. 55th Street Marina and Gordon Park comprise Cleveland Metroparks newest property, Lakefront Reservation. From beaches to boat ramps, fitness trails to fishing piers, Lakefront Reservation is a true gem in the “Emerald Necklace” anchoring Cleveland Metroparks’ presence on the shores of Lake Erie. The lakefront properties will have undergone an estimated \$17.6 million capital transformation over a three year period.

Cleveland Metroparks has reinvigorated the Cleveland Lakefront Parks into destinations of choice, reconnecting communities with their Great Lake and the Cuyahoga River. Enhancements include new trail connections, conservation initiatives, safety improvements, water-based recreation opportunities and innovative programming. During 2017, 48,238,520 individual visits were made to Cleveland Metroparks and Cleveland Metroparks Zoo. This represents an increase of 1.8 percent from 2016 (47,394,974).

From former industrial land farther along the Cuyahoga River, in Cleveland’s urban core, Cleveland Metroparks created the innovative Rivergate Park. The space has been transformed into a recreational hub including a skate-park, bicycle co-op, and bike-share station. Merwin’s Wharf restaurant, operated by Cleveland Metroparks, provides high-quality meals while offering diners up-close views of passing ships, recreational paddlers and competitions such as regattas and dragon boat races on the Cuyahoga River.

In 2014, Cleveland Metroparks acquired the Whiskey Island and Wendy Park properties. Whiskey Island, lies along the Lake Erie shoreline and includes Wendy Park, the Whiskey Island Marina, a restaurant, a dry dock, sand volleyball courts, and the location of the northern end of the Lake Link Trail.

Heritage Park I is on the East Bank of the Cuyahoga River near Canal Basin Park and the end of the Towpath Trail. Heritage Park I offers views of the freighters as they navigate the tight turns of the river as well as historic features, including the Irish Famine Memorial and a replica of the Lorenzo Carter log cabin.

The small greenspaces on either side of the Flats East Bank and Flats West Bank along the Cuyahoga River are strategically positioned next to the new East Bank Flats development on one bank and Windows of the River, Cleveland Aquarium, and connections to the Lake Link Trail on the opposite bank. These spaces will become a greenspace parklet with recreational amenities, including a water taxi connection.

In the summer 2017, Cleveland Metroparks opened Edgewater Beach House which is an exciting addition to the recreational offerings of Cleveland Metroparks. The 12,000 square foot, two story facility provides increased connections to both the beach and Edgewater Park, as well as improving neighborhood connections. The building offers views of Lake Erie and downtown Cleveland, especially from the second level open air pavilion. Seasonal food and beverage offerings are also included.

The Cleveland Metroparks Zoo is currently in the final stages of completing the Asian Highlands exhibit, which will include new homes for the snow leopards, amur leopards, red pandas and takin, a new animal for the Zoo.

Financial Policies

Cleveland Metroparks has 103 short and long term financial policies available for its staff on Cleveland Metroparks portal and available to any citizen who request the same through the Department of Finance. The extensive policies address areas such as short and long-range planning, investments, budgeting, revenue, expenditures, payroll, capital assets, and auditing. A brief description of each follows:

Short and Long Range Planning

In conjunction with the departmental goals and objectives, short and long term operating and capital allocations are determined utilizing a financial forecast. This forecast ensures funds are adequately available through the ten year levy cycle. Further, the annual spending plan details monthly revenue and expenditure planning throughout the budget year.

Investments

The investment policy strives to maximize liquidity, safety and return. In accordance with investments available under Ohio Revised Code, the Chief Financial Officer shall exercise a standard of prudence and diversify investment instruments to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual institutions or maturities. A report of all investments is submitted to the Board of Park Commissioners monthly.

Budgeting

The budget policies incorporate an extensive process in which all division managers are involved. Cleveland Metroparks adopts a temporary budget, representing approximately 24 percent of the prior year's budget, until the final budget is approved by the end of the first quarter. Financial reports are generated monthly and monitoring is done by division supervisors, chiefs, the Chief Executive Officer and the Chief Financial Officer. Budget adjustments can be accomplished within the object level without board action and between object accounts with board action.

Revenue

51 revenue locations include: eight golf courses, Cleveland Metroparks Zoo, The Chalet, Nature Shops, six nature centers, two restaurants, marinas, and various concession locations. These locations deposit revenues directly and prepare summary reports weekly. Certain revenue reports are then sent weekly to accounting where they are entered into the accounting system, while the golf courses and Zoo enter their revenues directly into the accounting system, ultimately getting reconciled to the monthly bank statement. The Accounting Manual details specific cash collection and inventory procedures for each revenue location.

Expenditures

Cleveland Metroparks expenditures reflect the Board of Park Commissioners' and staff's commitments to serve present and future citizens with reliable conservation, education and recreation opportunities. Expenditures are projected conservatively using an objective and analytical approach as well as certain techniques such as historical patterns, current information, and economic trends to maintain consistency, reliability, and reasonableness. Prudent expenditure planning and accountability ensures financial stability.

Payroll

Maintenance of accurate and complete payroll records is crucial to the overall control of expenditures and proper reporting of payroll costs. Adopted policies in this area provide a framework by which payroll is structured to provide effective internal controls and documentation.

Capital Assets

Capital Assets are tangible or intangible assets that have an initial useful life beyond five years. Capital assets include land, land improvements, buildings, site structures, exhibits, construction in progress, vehicles, machinery and equipment, and infrastructure. Capitalization limits have been established based on each of these asset classes and serve by which asset acquisitions are added to the capital asset accounts. Cleveland Metroparks depreciates in accordance with the requirements of the Governmental Accounting Standards Board's, Statement 34.

Compliance

Cleveland Metroparks' operational compliance function ensures financial integrity, the safeguarding of assets and adherence to established policies and procedures. Procedural reviews are performed throughout the year and include areas such as cash handling, inventory control, capital assets and payroll.

Awards and Achievements

The Government Finance Officers Association of the United States and Canada (GFOA) has presented an award of Distinguished Budget Presentation to Cleveland Metroparks for its annual budget for 25 consecutive fiscal years beginning January 1, 1993 through January 1, 2017. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device. The award is valid for a period of one year only.

The Cleveland Metroparks proudly received the Certificate of Achievement for Excellence in Financial Reporting for the fiscal years beginning January 1, 2012 through 2016, respectively. The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to a governmental unit that publishes an easily readable and efficiently organized Comprehensive Annual Financial Report which conforms to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

Cleveland Metroparks believes the current report conforms to the requirements and standards of the Certificate of Achievement Program and has submitted the report the GFOA to determine eligibility for a Certificate of Achievement.

Cleveland Metroparks additionally was the only governmental agency in Ohio and only Metropark in the United States to receive the National Purchasing Institute's 2017 Achievement of Excellence in Procurement Award. This is the seventh consecutive year this award has been earned.

Cleveland Metroparks, in 2013, also received accreditation from The Commission for Accreditation of Park and Recreation Agencies (CAPRA), the most prestigious organization for certifying standards of excellence in park districts in the United States. The accreditation process for CAPRA consists of an agency's compliance with 144 standards. Agencies must meet 36 Fundamental Standards and at least 85 percent of the remaining 108 standards. Only 106 of the thousands of parks and recreation agencies in the country meet these high standards and are accredited by CAPRA. Cleveland Metroparks met, or exceeded, 99 percent of the accreditation standards.

Acknowledgements

Successful preparation of a report of this scope depends upon the dedicated contribution of many employees. The sincere appreciation of those primarily responsible for its completion is extended to all contributors, but especially to those employees in the Finance Department. To a greater extent, the employees of Clark, Schaefer, Hackett contributed significantly to the preparation of this report. Finally, management wants to extend its appreciation to the Board of Park Commissioners for their support and commitment to exemplary financial reporting.

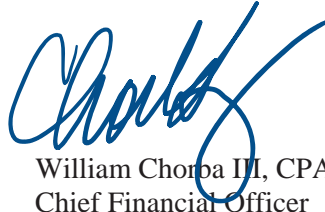
Postscript

The employees of Cleveland Metroparks are proud of the community in which we work and live. We pledge our continued dedication to providing the highest possible level of service to the citizens of Cuyahoga County and Hinckley Township of Medina County. We are committed to enhancing the quality of life that our community has come to expect and enjoy.

Respectively submitted,



Brian M. Zimmerman
Chief Executive Officer



William Chorba III, CPA
Chief Financial Officer

CLEVELAND METROPARKS

LIST OF PRINCIPAL OFFICIALS

DECEMBER 31, 2017

Senior Probate Court Judge Anthony J. Russo

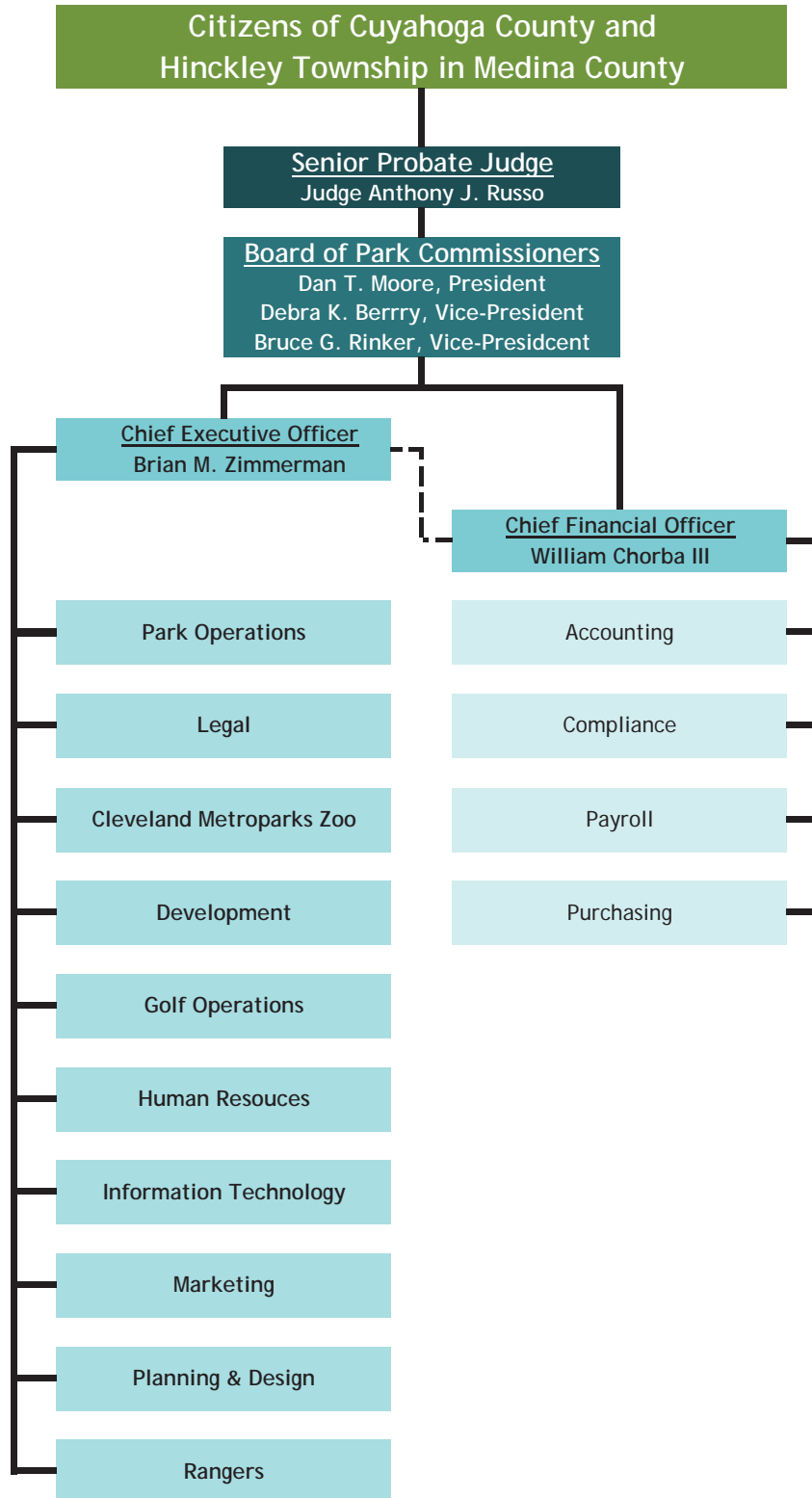
Board of Park Commissioners Dan T. Moore, President
Debra K. Berry, Vice President
Bruce T. Rinker, Vice President

Chief Executive Officer Brian M. Zimmerman

Chief Financial Officer William Chorba III, CPA

Cleveland Metroparks Organizational Chart

December 31, 2017





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Cleveland Metroparks
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION



**Cleveland
Metroparks®**

INDEPENDENT AUDITORS' REPORT

To the Board of Park Commissioners
Cleveland Metropolitan Park District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, the major fund, and the aggregate remaining fund information of the Cleveland Metropolitan Park District (the "District") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Cleveland Zoological Society which represent all of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Cleveland Zoological Society, is based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, the major fund, and the aggregate remaining fund information of the Cleveland Metropolitan Park District, as of December 31, 2017, and the respective changes in financial position and the budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2018 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
June 26, 2018



CLEVELAND METROPARKS
Management's Discussion and Analysis
For the Year December 31, 2017
Unaudited

The discussion and analysis of Cleveland Metroparks' (the Metroparks) financial performance provides an overall review of the Metroparks' financial activities for the year ended December 31, 2017. The intent of this discussion and analysis is to look at the Metroparks' financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the Metroparks' financial performance.

Financial Highlights

Key financial highlights for 2017 are as follows:

- In total, net position decreased approximately \$1.8 million from 2016.
- Total revenues increased by \$5.2 million, or 5%, while total expenses increased by \$5.4 million, or 5%.
- Property taxes are the largest general revenue source and account for 59.7% of total revenue in 2017. Collections in 2017 increased by \$2.3 million from 2016.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are prepared and organized so the reader can understand the Metroparks as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at our specific financial conditions.

The statement of net position and statement of activities provide information about the activities of the whole Metroparks, presenting both an aggregate view of the Metroparks' finances and a longer-term view of those assets. The statement of activities shows changes to net position related to each department of the Metroparks. Fund financial statements tell how services were financed in the short-term as well as what dollars remain for future spending.

Reporting on the Metroparks as a Whole

Statement of Net Position and the Statement of Activities

The statement of net position and statement of activities include all assets and deferred outflows of resources and liabilities and deferred inflows of resources, using the accrual basis of accounting similar to the accounting method used by the private sector. The basis for this accounting takes into account all of the current year's revenues and expenses regardless of when the cash was received or paid.

These two statements report the Metroparks' net position and the change in net position. The change in net position is important because it tells the reader whether, for the Metroparks as a whole, the financial position of the Metroparks has improved or diminished. However, in evaluating the overall position of the Metroparks, non-financial information such as changes in the Metroparks' tax base and the condition of the Metroparks' capital assets will also need to be evaluated.

CLEVELAND METROPARKS
Management's Discussion and Analysis
For the Year December 31, 2017
Unaudited

In the statement of net position and the statement of activities, the Metroparks' activities are divided into two types of activities:

- **Governmental Activities** – All of the Metroparks' services are reported here, including park operations, zoo operations, golf course, ranger department and administration.
- **Component Unit** – The Metroparks includes the financial data of Cleveland Zoological Society (the Zoo Society). The Zoo Society is a nonprofit organization which operates under a Board of Trustees. The Zoo Society promotes the conservation and propagation of wildlife – particularly endangered species – primarily through support of the Cleveland Metroparks Zoo (the Zoo). The Zoo Society will engage the community in support of the Zoo and in its mission to improve the future for wildlife and will marshal the resources necessary to ensure that the Zoo remains one of the region's preeminent destinations and ultimately one of the top five Zoos in the country. Since the economic resources received by the Zoo Society are almost entirely for the benefit of and accessible to the Metroparks, the Zoo Society is presented as a component unit of the Metroparks. The Cleveland Zoological Society is included as a component unit of the Metroparks due to the Metroparks' influence on the programs and services provided by Cleveland Zoological Society and due to the operating agreement between the Cleveland Metroparks and Cleveland Zoological Society (Note 15). The Metroparks does not appoint any of the members of Cleveland Zoological Society's governing board or approve the budget or debt issuance of Cleveland Zoological Society.

Reporting on the Metroparks' Most Significant Fund

Governmental Fund

The presentation for the Metroparks' primary fund, the General Fund, focuses on how resources flow into and out of it and the balance that is left at year-end and available for spending in future periods. The General Fund is reported using modified accrual accounting which measures cash and all other financial assets that are expected to be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Metroparks' general operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future on services provided to our users. The relationship (or difference) between governmental activities (reported on the statement of net position and the statement of activities) and the General Fund is reconciled in the financial statements.

CLEVELAND METROPARKS
Management's Discussion and Analysis
For the Year December 31, 2017
Unaudited

Cleveland Metroparks as a Whole

Recall that the statement of net position looks at the Metroparks as a whole. Table 1 provides a summary of the Metroparks' net position for 2017 compared to 2016.

Table 1
Net Position

	2017	2016	Change
<i>Assets</i>			
Current and other assets	\$ 108,369,233	\$ 104,073,194	\$ 4,296,039
Capital assets	392,004,398	380,439,211	11,565,187
<i>Total Assets</i>	<u>500,373,631</u>	<u>484,512,405</u>	<u>15,861,226</u>
<i>Deferred Outflows of Resources</i>	<u>32,766,410</u>	<u>25,933,274</u>	<u>6,833,136</u>
<i>Liabilities</i>			
Current and other liabilities	8,645,859	5,579,256	3,066,603
Long-term liabilities:			
Net pension liabilities	79,403,542	59,588,255	19,815,287
Other long-term amounts	6,947,117	5,839,074	1,108,043
<i>Total Liabilities</i>	<u>94,996,518</u>	<u>71,006,585</u>	<u>23,989,933</u>
<i>Deferred Inflows of Resources</i>	<u>69,689,185</u>	<u>69,154,687</u>	<u>534,498</u>
<i>Net Position</i>			
Net investment in capital assets	388,943,999	377,607,452	11,336,547
Unrestricted (deficit)	<u>(20,489,661)</u>	<u>(7,323,045)</u>	<u>(13,166,616)</u>
<i>Total Net Position</i>	<u>\$ 368,454,338</u>	<u>\$ 370,284,407</u>	<u>\$ (1,830,069)</u>

The net pension liability is the largest single liability reported by the Metroparks at December 31, 2017 and is reported pursuant to GASB Statement No. 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" (GASB 68). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Metroparks' 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 Statement No. 27 focused on a funding approach. This approach limits 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.

CLEVELAND METROPARKS
Management's Discussion and Analysis
For the Year December 31, 2017
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Under the standards required by GASB 68, the net pension liability equals the Metroparks' 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 Metroparks 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 Metroparks' 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.

The significant increase in total deferred outflow of resources in 2017 was due to an increase in the difference between projected and actual earnings on investments and change in actuarial assumptions related to the Metroparks' net pension liability for OPERS.

The net pension liability increase represents the Metroparks' proportionate share of the OPERS traditional plan's unfunded benefits. As indicated above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability.

The largest portion of the Metroparks' net position (\$388.9 million) reflects its investment in capital assets, less any related outstanding capital-related liabilities that were used to acquire those assets. The Metroparks' uses these capital assets to provide its services to its citizens. Accordingly, these assets are not available for future spending.

CLEVELAND METROPARKS
Management's Discussion and Analysis
For the Year December 31, 2017
Unaudited

The Metroparks' unrestricted net position ended the year with a deficit balance of \$20.5 million. This is primarily attributable to the Metroparks' recognition of its proportionate share of net pension liabilities. If the effects of the net pension liability and related deferrals were excluded, the unrestricted net position reported would be a positive \$26.6 million. As discussed previously, the operation of the state-wide pension system is outside the control of the Metroparks and varies year-to-year based on the performance of investments and other factors, it's important to acknowledge the impact the recognition of the net pension liability has on the Metroparks' reported net position.

Table 2 shows the changes in net position for the years ended December 31, 2017 and 2016.

Table 2
Changes in Net Position

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Revenues			
Program revenues:			
Charges for services	\$ 25,510,598	\$ 23,616,707	\$ 1,893,891
Operating grants and contributions	4,413,455	1,960,235	2,453,220
Capital grants and contributions	<u>9,267,753</u>	<u>10,425,941</u>	<u>(1,158,188)</u>
<i>Total program revenues</i>	<u>39,191,806</u>	<u>36,002,883</u>	<u>3,188,923</u>
General revenues:			
Property taxes	68,602,320	66,284,428	2,317,892
Grants and entitlements not restricted to specific programs	6,702,511	6,205,637	496,874
Investment earnings	302,565	217,285	85,280
Miscellaneous	<u>79,271</u>	<u>935,260</u>	<u>(855,989)</u>
<i>Total general revenues</i>	<u>75,686,667</u>	<u>73,642,610</u>	<u>2,044,057</u>
<i>Total revenues</i>	<u>114,878,473</u>	<u>109,645,493</u>	<u>5,232,980</u>
Expenses			
Park operations	46,517,869	47,629,967	(1,112,098)
Zoo operations	25,969,712	23,659,931	2,309,781
Golf course	6,780,084	7,373,701	(593,617)
Ranger department	12,327,659	11,244,740	1,082,919
Administration	<u>25,113,218</u>	<u>21,420,296</u>	<u>3,692,922</u>
<i>Total expenses</i>	<u>116,708,542</u>	<u>111,328,635</u>	<u>5,379,907</u>
<i>Change in net position</i>	(1,830,069)	(1,683,142)	(146,927)
<i>Net position, beginning of year</i>	<u>370,284,407</u>	<u>371,967,549</u>	<u>(1,683,142)</u>
<i>Net position, end of year</i>	<u>\$ 368,454,338</u>	<u>\$ 370,284,407</u>	<u>\$ (1,830,069)</u>

Several revenue sources fund the Metroparks. Property taxes were the largest contributor in 2017 and accounted for 59.7% of total revenue, compared to 60.5% in 2016. The decrease in percentage is due to an increase in program revenues which caused property taxes to make up a slightly smaller portion of total revenues.

CLEVELAND METROPARKS
Management's Discussion and Analysis
For the Year December 31, 2017
Unaudited

The Metroparks has maintained a philosophy to strive for self-sufficiency in areas such as the golf courses, the Zoo, the Chalet and Aquatics. In 2017, charges for services and operating grants and contributions increased due to the opening of Edgewater Beachhouse and donations related to our 100th Anniversary celebration. The impact of these increases was partially offset by decreases in capital grants and contributions decreased due to the time of requested reimbursements.

Program expenses increased in a few areas in 2017. Ranger department increases were due to increases to GASB 68 related net pension expenses and legal settlement payments. Administration expenses increased during the year due to increased GASB 68 net pension expenses. Zoo operations increased due to an increase in depreciation expense on capital assets with the completion of several projects. These increases were partially offset by decreases in other operations, including parks and golf course operations. These declines were due to effective expense management in both parks and golf course operations.

The General Fund

The General Fund is accounted for using the modified accrual basis of accounting. The General Fund had revenues of \$111.3 million and expenditures of \$113.9 million and ended the year with a fund balance of approximately \$20.0 million. The unassigned fund balance was \$1.7 million, or 1.5% of total General Fund expenditures, compared to 5.1% in 2016. Explanation of changes in the General Fund follow the same explanations as those provided in the analysis of governmental activities.

Budgeting Highlights

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

During the course of 2017, the Metroparks amended its General Fund budget. All recommendations for a budget change come from the Metroparks' Chief Financial Officer to the Board of Park Commissioners for resolution enactment on the change. The General Fund is monitored closely looking for possible revenue shortfalls or over spending by individual departments.

Original budgeted revenues for the General Fund were \$112.8 million; final budget amount was \$124.8 million and the actual revenue was \$112.3 million. The major factor contributing to the decrease in actual revenue was that many reimbursements related to capital grant expenditures were not received but are anticipated in 2018 or later. Original budgeted expenditures were less than the final budget by \$13.9 million, primarily due to additional expenditures budgeted for capital projects. Actual expenditures were \$24.4 million less than the final budget estimate due to a concerted effort to manage expenditures and ongoing capital improvements continuing into the next year.

CLEVELAND METROPARKS
Management's Discussion and Analysis
For the Year December 31, 2017
Unaudited

Capital Assets

Table 3
Capital Assets at Year-End
(Net of Depreciation)

	2017	2016	Change
Land	\$ 128,753,101	\$ 124,297,931	\$ 4,455,170
Land improvement	11,628,220	7,249,294	4,378,926
Construction in progress	18,454,290	22,363,796	(3,909,506)
Site structures	11,058,439	9,921,673	1,136,766
Exhibits	10,263,643	10,559,576	(295,933)
Buildings	138,764,318	131,212,507	7,551,811
Machinery and equipment	9,323,227	9,486,478	(163,251)
Vehicles	3,476,223	3,622,269	(146,046)
Infrastructure:			
Bridges	21,785,485	22,694,353	(908,868)
Fords	1,470,107	1,536,857	(66,750)
Dams	82,315	84,786	(2,471)
Tunnels	646,451	667,392	(20,941)
Utilities	1,161,199	763,960	397,239
Roads	18,386,466	18,970,647	(584,181)
All purpose trails	12,808,111	12,669,349	138,762
Golf course cart paths	448,231	496,222	(47,991)
Other paved areas	3,494,572	3,842,121	(347,549)
Totals	<u>\$ 392,004,398</u>	<u>\$ 380,439,211</u>	<u>\$ 11,565,187</u>

The increase in capital assets of \$11,565,187 in 2017 was primarily attributable to increases in the nondepreciable capital assets and exhibits due to land acquisitions and completion of administrative office improvements, Edgewater Park improvements and Seneca Golf Course redesign. Construction in progress includes the ongoing work on projects such as the Asian Highlands exhibit, Centennial Trail North, Valley Parkway Connector Trail and Acacia Stream Restoration. See Note 8 of the basic financial statements for additional information on capital assets.

Current Financial Related Activities

Cleveland Metroparks has committed itself to financial excellence and has a history of doing just that. The Metroparks has received the Government Finance Officers Association's *Distinguished Budget Presentation Award* for 25 consecutive fiscal years beginning January 1, 1993 through January 1, 2017. Cleveland Metroparks received the Government Finance Officers Association's *Certificate of Achievement in Financial Reporting Award* for its first ever Comprehensive Annual Financial Report for the fiscal year ended December 31, 2012. This award and recognition has since annually repeated through the December 31, 2016 Comprehensive Annual Financial Report.

CLEVELAND METROPARKS
Management's Discussion and Analysis
For the Year December 31, 2017
Unaudited

The mission of Cleveland Metroparks is to conserve significant natural resources and enhance people's lives by providing safe, high-quality outdoor education, recreation, and zoological opportunities. Further, the Metroparks is committed to creating compelling experiences that connect people with wildlife. Cleveland Metroparks makes available financial reports and budget documents annually. The Metroparks publishes a variety of informative documents related to the Metroparks and the Zoo. There is also information available at both the Metroparks and Zoo web sites www.clevelandmetroparks.com and www.clemet zoo.com, respectively.

Contacting Cleveland Metroparks Chief Financial Officer

This financial report is designed to provide the citizenry with the general overview of the Metroparks finances and show the Metroparks' accountability for all money it receives, spends or invests. If you have any questions about this report or need financial information, please contact Chief Financial Officer William Chorba, Cleveland Metroparks, 4101 Fulton Parkway, Cleveland, Ohio 44144, or by email at wc1@clevelandmetroparks.com.

CLEVELAND METROPARKS

Statement of Net Position

December 31, 2017

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 25,593,942
Cash and cash equivalents with fiscal agent	702,854
Materials and supplies inventory	1,030,904
Accrued interest receivable	23,664
Accounts receivable	802,131
Due from component unit	2,601,079
Intergovernmental receivable	4,738,566
Prepaid items	331,902
Property taxes receivable	72,544,191
Nondepreciable capital assets	158,835,611
Depreciable capital assets, net	<u>233,168,787</u>
Total Assets	<u>500,373,631</u>
Deferred Outflows of Resources	
Pension	<u>32,766,410</u>
Liabilities	
Accounts payable	1,594,600
Contracts payable	3,060,399
Accrued wages payable	1,461,423
Matured compensated absences	67,771
Retainage payable	702,854
Unearned revenue	318,747
Insurance claims payable	364,600
Intergovernmental payable	1,075,465
Long-term liabilities:	
Due within one year	1,261,237
Due in more than one year:	
Net pension liability	79,403,542
Other amounts due more than one year	<u>5,685,880</u>
Total Liabilities	<u>94,996,518</u>
Deferred Inflows of Resources	
Property taxes levied for next year	69,216,615
Pension	<u>472,570</u>
Total Deferred Inflows of Resources	<u>69,689,185</u>
Net Position	
Net investment in capital assets	388,943,999
Unrestricted (deficit)	<u>(20,489,661)</u>
Total Net Position	<u>\$ 368,454,338</u>

See accompanying notes to the basic financial statements.

CLEVELAND METROPARKS
Statement of Net Position
Component Unit - Cleveland Zoological Society
December 31, 2017

<i>Current Assets</i>	
Cash and cash equivalents	\$ 1,215,313
Charitable gift annuities	240,390
Pledges receivable, net	916,575
Prepaid expenses and other assets	51,600
Total current assets	2,423,878
<i>Long-Term Assets</i>	
Office equipment, software, and network resources, at cost	650,122
Less: accumulated depreciation	(537,846)
	112,276
<i>Other Long-Term Assets</i>	
Pledges receivable, net	794,592
Marketable securities	13,473,605
Investments in pooled separate accounts	267,392
Beneficial interest in perpetual trusts	642,203
Total long-term assets	15,290,068
Total Assets	17,713,946
<i>Current Liabilities</i>	
Accounts payable and accrued expenses	96,854
Other liabilities - funds held for others	31,309
Amounts due to Cleveland Metroparks:	
Operating agreement	120,258
Special construction projects	500,000
Comprehensive campaign	1,980,821
Total amounts due to Cleveland Metroparks	2,601,079
Total current liabilities	2,729,242
<i>Long-Term Liabilities</i>	
Liability under split-interest agreements	121,339
Deferred compensation	292,392
Total long-term liabilities	413,731
Total Liabilities	3,142,973
<i>Net Position</i>	
Unrestricted:	
Undesignated	888,331
Board-designated	11,319,565
Total unrestricted	12,207,896
Temporarily restricted	1,336,874
Permanently restricted	1,026,203
Total Net Position	\$ 14,570,973

See accompanying notes and accountant's compilation report.

CLEVELAND METROPARKS
Statement of Activities
For the Year Ended December 31, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in Net</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Position</u>
					<u>Total</u>
					<u>Governmental</u>
					<u>Activities</u>
Governmental activities:					
Parks operations	\$ 46,517,869	\$ 6,535,685	\$ 3,395,343	\$ 4,936,358	\$ (31,650,483)
Zoo operations	25,969,712	9,523,005	307,549	4,328,795	(11,810,363)
Golf course	6,780,084	6,002,523	2,480	-	(775,081)
Ranger department	12,327,659	233,253	151,839	-	(11,942,567)
Administration	25,113,218	3,216,132	556,244	2,600	(21,338,242)
Total governmental activities	<u>\$ 116,708,542</u>	<u>\$ 25,510,598</u>	<u>\$ 4,413,455</u>	<u>\$ 9,267,753</u>	<u>(77,516,736)</u>
General revenues:					
Property taxes levied for general purposes					68,602,320
Grants and contributions not restricted to specific programs					6,702,511
Investment earnings					302,565
Miscellaneous					79,271
Total general revenues					<u>75,686,667</u>
Change in net position					(1,830,069)
Net position beginning of year					<u>370,284,407</u>
Net position end of year					<u>\$ 368,454,338</u>

See accompanying notes and accountant's compilation report

CLEVELAND METROPARKS
Statement of Activities
Component Unit - Cleveland Zoological Society
For the Year Ended December 31, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support, Revenues and Gains:				
Membership	\$ 3,165,119	\$ -	\$ -	\$ 3,165,119
Individuals, corporations and foundations	1,139,709	810,861	48,250	1,998,820
Comprehensive campaign	-	2,259,109	-	2,259,109
Investment income	1,932,669	90,067	-	2,022,736
Special events	669,533	-	-	669,533
Change in value of split-interest agreements	(6,123)	-	66,084	59,961
Net position released from restrictions	<u>4,772,823</u>	<u>(4,772,823)</u>	<u>-</u>	<u>-</u>
Total Support, Revenues and Gains	<u>11,673,730</u>	<u>(1,612,786)</u>	<u>114,334</u>	<u>10,175,278</u>
Expenses:				
Program Services:				
Cleveland Metroparks:				
Operating agreement	2,051,046	-	-	2,051,046
Education	330,377	-	-	330,377
Conservation	544,768	-	-	544,768
Capital projects	3,493,621	-	-	3,493,621
Animal care and research	156,552	-	-	156,552
Lobbying	15,000	-	-	15,000
Membership	<u>1,130,777</u>	<u>-</u>	<u>-</u>	<u>1,130,777</u>
Total program services	<u>7,722,141</u>	<u>-</u>	<u>-</u>	<u>7,722,141</u>
Supporting Services:				
Management and general	608,078	-	-	608,078
Fund raising:				
Development	610,917	-	-	610,917
Comprehensive campaign	385,909	-	-	385,909
Publications	91,846	-	-	91,846
Special events	<u>354,689</u>	<u>-</u>	<u>-</u>	<u>354,689</u>
Total fund raising	<u>1,443,361</u>	<u>-</u>	<u>-</u>	<u>1,443,361</u>
Total supporting services	<u>2,051,439</u>	<u>-</u>	<u>-</u>	<u>2,051,439</u>
Total Expenses	<u>9,773,580</u>	<u>-</u>	<u>-</u>	<u>9,773,580</u>
Change in net position	1,900,150	(1,612,786)	114,334	401,698
Net position beginning of year	<u>10,307,746</u>	<u>2,949,660</u>	<u>911,869</u>	<u>14,169,275</u>
Net position end of year	<u>\$ 12,207,896</u>	<u>\$ 1,336,874</u>	<u>\$ 1,026,203</u>	<u>\$ 14,570,973</u>

See accompanying notes and accountant's compilation report

CLEVELAND METROPARKS

Balance Sheet
Governmental Fund
December 31, 2017

	<u>General Fund</u>
<i>Assets</i>	
Cash and cash equivalents	\$ 25,593,942
Cash and cash equivalents with fiscal agent	702,854
Materials and supplies inventory	1,030,904
Accrued interest receivable	23,664
Accounts receivable	802,131
Due from component unit	2,601,079
Intergovernmental receivable	4,738,566
Prepaid items	331,902
Property taxes receivable	<u>72,544,191</u>
 Total assets	 \$ <u>108,369,233</u>
<i>Liabilities</i>	
Accounts payable	\$ 1,594,600
Contracts payable	3,060,399
Accrued wages payable	1,461,423
Matured compensated absences	67,771
Retainage payable	702,854
Unearned revenue	318,747
Insurance claims payable	364,600
Intergovernmental payable	<u>1,075,465</u>
Total liabilities	<u>8,645,859</u>
<i>Deferred Inflows of Resources</i>	
Property taxes levied for next year	69,216,615
Unavailable revenue	<u>10,541,619</u>
Total deferred inflows of resources	<u>79,758,234</u>
<i>Fund Balance</i>	
Nonspendable:	
Inventory and prepaid items	1,362,806
Committed:	
Capital improvements	3,724,320
Assigned:	
Budget resources	11,436,764
Purchase on order	1,708,035
Unassigned	<u>1,733,215</u>
Total fund balance	<u>19,965,140</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balance	 \$ <u>108,369,233</u>

See accompanying notes and accountant's compilation report.

CLEVELAND METROPARKS
 Reconciliation of Governmental Fund Balance to
 Net Position of Governmental Activities
 December 31, 2017

Total governmental fund balance \$ 19,965,140

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund. 392,004,398

Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the fund:

Delinquent property taxes	3,327,576	
Intergovernmental	3,970,859	
Donations and sponsors	596,309	
Golf receipts	5,235	
Zoo receipts	288	
Park receipts	40,431	
Due from component unit	2,570,684	
Other	30,237	
	10,541,619	10,541,619
Total		

Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund:

Compensated absences	(6,583,654)	
Insurance claims payable	(363,463)	
	(6,947,117)	(6,947,117)
Total		

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 the fund:

Deferred outflows - pension	32,766,410	
Deferred inflows - pension	(472,570)	
Net pension liability	(79,403,542)	
	(47,109,702)	(47,109,702)
Net		

Net position of governmental activities **\$ 368,454,338**

See accompanying notes and accountant's compilation report.

CLEVELAND METROPARKS
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the Year Ended December 31, 2017

	General Fund
<i>Revenues</i>	
Property taxes	\$ 68,671,092
Intergovernmental	10,984,859
Donations and sponsors	6,643,531
Interest	302,565
Golf receipts	5,054,487
Zoo receipts	10,395,798
Park receipts	7,403,973
Damages and fines	225,822
Other	1,583,424
Total Revenues	111,265,551
<i>Expenditures:</i>	
Current:	
Park operations	30,710,229
Zoo operations	19,684,835
Golf course	5,210,848
Ranger department	9,384,547
Administration	24,141,950
Capital outlay	24,720,752
Total Expenditures	113,853,161
Change in fund balance	(2,587,610)
Fund balance beginning of year	22,552,750
Fund balance end of year	\$ 19,965,140

See accompanying notes and accountant's compilation report.

CLEVELAND METROPARKS
 Reconciliation of the Changes in Fund Balance
 of Governmental Fund to the Statement of Activities
 For the Year Ended December 31, 2017

Net change in fund balance - total governmental fund \$ (2,587,610)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental fund reports 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 exceeded depreciation in the current period:

Capital asset additions	22,840,769	
Capital contributions	1,529,848	
Depreciation expense	<u>(12,045,972)</u>	
Net		12,324,645

Governmental fund only reports the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a loss is reported for each disposal. (759,458)

Revenues in the statement in activities that do not provide current financial resources are not reported as revenues in the fund:

Delinquent property taxes	(68,772)	
Intergovernmental	(351,504)	
Donations and sponsors	452,307	
Golf receipts	(1,751)	
Zoo receipts	(16,000)	
Park receipts	38,029	
Other	<u>2,551,448</u>	
Total		2,603,757

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 the governmental fund:

Compensated absences	(1,028,921)	
Retrospective workers compensation	<u>(79,122)</u>	
Total		(1,108,043)

Contractually required contributions are reported as expenditures in the governmental fund; however, the statement of net position reports these amounts in deferred outflows of resources. 6,152,991

Except for amounts reported as deferred inflows/outflows, changes in net pension liability are reported as pension expense in the statement of activities. (18,456,351)

Change in net position of governmental activities \$ (1,830,069)

See accompanying notes and accountant's compilation report.

CLEVELAND METROPARKS
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 67,733,000	\$ 67,733,000	\$ 68,671,092	\$ 938,092
Intergovernmental	15,362,755	24,731,666	10,384,636	(14,347,030)
Donations and sponsors	3,385,870	6,357,937	7,322,831	964,894
Interest	225,000	225,000	255,333	30,333
Golf receipts	6,794,436	6,794,436	5,993,185	(801,251)
Zoo receipts	10,203,760	10,217,760	10,307,798	90,038
Park receipts	8,159,826	7,800,865	7,515,980	(284,885)
Damages and fines	217,665	225,442	261,627	36,185
Other	702,100	702,100	1,583,014	880,914
Total Revenues	<u>112,784,412</u>	<u>124,788,206</u>	<u>112,295,496</u>	<u>(12,492,710)</u>
Expenditures:				
Current:				
Park operations	30,776,769	31,905,272	30,541,674	1,363,598
Zoo operations	19,788,340	20,152,533	18,402,684	1,749,849
Golf course	6,113,662	6,213,662	5,416,035	797,627
Ranger department	9,298,968	9,302,867	8,948,963	353,904
Administration	27,290,078	27,585,050	25,178,295	2,406,755
Capital outlay	37,353,877	49,334,071	31,549,837	17,784,234
Total Expenditures	<u>130,621,694</u>	<u>144,493,455</u>	<u>120,037,488</u>	<u>24,455,967</u>
Change in fund balance	(17,837,282)	(19,705,249)	(7,741,992)	\$ 11,963,257
Fund balance beginning of year	11,568,509	11,568,509	11,568,509	
Prior Year Encumbrances Appropriated	11,767,946	11,767,946	11,767,946	
Fund balance end of year	<u>\$ 5,499,173</u>	<u>\$ 3,631,206</u>	<u>\$ 15,594,463</u>	

See accompanying notes and accountant's compilation report.

CLEVELAND METROPARKS
Statement of Fiduciary Assets and Liabilities
Agency Fund
December 31, 2017

Assets

Cash and cash equivalents	\$ <u>110,194</u>
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Liabilities

Deposits held and due to others	\$ <u>110,194</u>
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See accompanying notes and accountant's compilation report.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 1—REPORTING ENTITY AND BASIS OF PRESENTATION

Cleveland Metroparks (the Metroparks) is a body politic established on July 23, 1917, by the Cuyahoga County Probate Court, under the authority of Section 1545.01, Ohio Revised Code.

The Metroparks' governing body is a three-member Board of Park Commissioners (the Commissioners), who are appointed to three-year terms by the Cuyahoga County Probate Court.

The Metroparks is dedicated to the conservation of natural resources and wildlife, while providing various recreational facilities and services which are to be enjoyed by the public. These activities are directly controlled by the Commissioners through the budgetary process and are included within this report.

In evaluating how to define the Metroparks for financial reporting purposes, management has considered all agencies, departments and organizations making up the Metroparks and its potential component units consistent with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*.

Component units are legally separate organizations for which the Metroparks is financially accountable. The Metroparks is financially accountable for an organization if the Metroparks appoints a voting majority of the organization's governing board and (1) the Metroparks is able to significantly influence the programs or services performed or provided by the organization; or (2) the Metroparks is legally entitled to or can otherwise access the organization's resources; the Metroparks is legally obligated or has otherwise assumed the responsibility to finance deficits of or provide financial support to the organization or the Metroparks is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Metroparks in that the Metroparks approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burden on, the Metroparks.

Discretely Presented Component Unit The component unit financial statements identify the financial data of the Metroparks' component unit, Cleveland Zoological Society, which is reported separately to emphasize that it is legally separate from the Metroparks.

Cleveland Zoological Society Cleveland Zoological Society (the Zoo Society) is a nonprofit organization which operates under a Board of Trustees. The Zoo Society promotes the conservation and propagation of wildlife – particularly endangered species – primarily through the support of the Metroparks. The Zoo Society will engage the community in support of the Cleveland Zoo (the Zoo) and in its mission to improve the future for wildlife and will marshal the resources necessary to ensure that the Zoo remains one of the region's preeminent destinations and ultimately one of the top five zoos in the country. Since the economic resources received by the Zoo Society are primarily for the benefit of and are generally accessible to the Metroparks, the Zoo Society is presented as a component unit of the Metroparks. Cleveland Zoological Society is included as a component unit of the Metroparks due to the Metroparks influence on the programs and services provided by Cleveland Zoological Society and due to the operating agreement between the Metroparks and Cleveland Zoological Society (Note 15). The Metroparks does not appoint any of the members of Cleveland Zoological Society's governing board or approve the budget or debt issuance of Cleveland Zoological Society. Financial statements can be obtained from Cleveland Zoological Society, 3900 Wildlife Way, Cleveland, Ohio 44109.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 1—REPORTING ENTITY AND BASIS OF PRESENTATION – *continued*

The Zoo Society uses a non-governmental GAAP reporting model; therefore, the Zoo Society's statement of financial position and statement of activities are reported on a separate page following the Metroparks' statement of net position and statement of activities.

Information in the following notes to the Metroparks' basic financial statements is applicable to the Metroparks. Information relative to the component unit for the year ended December 31, 2017 is presented in Note 15.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the Metroparks as a whole. These statements include the financial activities of the Metroparks, except for fiduciary funds. These statements usually distinguish between those activities of the Metroparks that are governmental and those that are considered business-type. The Metroparks, however, does not have business-type activities.

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

Fund Financial Statements During the year, the Metroparks segregates transactions related to certain functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Fiduciary funds are reported by type.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Fund Accounting

The Metroparks uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Metroparks reports two categories of funds: governmental and fiduciary.

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

General Fund The General Fund accounts for and reports all financial resources of the Metroparks. The General Fund balance is available to the Metroparks for any purpose provided it is expended or transferred according to the general laws of Ohio.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the Metroparks under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Metroparks' own programs. The Metroparks has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Metroparks' agency fund accounts for deposits held for an employee flexible benefit plan.

Measurement Focus

Government-Wide Financial Statements The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the Metroparks are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Fund Financial Statements The General Fund is accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the way the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the General Fund.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statement prepared for fiduciary funds are prepared using the accrual basis of accounting. The General Fund uses the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Metroparks, available means expected to be received within sixty days of year-end.

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

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Metroparks, deferred outflows of resources are reported on the government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 9.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Metroparks, deferred inflows of resources include property taxes, pension and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2017, but which were levied to finance year 2018 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the Metroparks, unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position (Note 9).

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

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

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

Cash and Cash Equivalents

During 2017, the Metroparks' investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio) and a money market mutual fund. Investments are reported at fair value, which is based on quoted market price or current share, with the exception of nonnegotiable certificates of deposit, which are reported at cost.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The Metroparks measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund amounted to \$302,565 during 2017.

Investments with an original maturity of three months or less at the time they are purchased by the Metroparks and investments of the cash management pool are presented on the financial statements as cash equivalents.

Cash and cash equivalents that are held separately by the Metroparks for payment of retainage to contractors upon project completion are recorded as "Cash and Cash Equivalents with Fiscal Agents".

Materials and Supplies Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of materials and supplies held for consumption.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current year, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

Capital Assets

The Metroparks' only capital assets are general capital assets. General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the General Fund. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the financial statements of the General Fund.

All capital assets, except for the Metroparks' collection of zoo animals, are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The Metroparks was able to estimate the historical cost for the initial reporting of infrastructure by back-trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The Metroparks capitalizes all land, construction in progress and infrastructure. The capitalization thresholds for the Metroparks' other capital assets are as follows:

Exhibits	\$50,000
Buildings	50,000
Machinery and Equipment	1,000
Vehicles	1,000

Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All capital assets are depreciated except for land, land improvements and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the Metroparks' historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Site Structures	20 years
Exhibits	40 years
Buildings	40 years
Machinery and Equipment	5 – 10 years
Vehicles	7 years
Infrastructure	20 – 40 years

The Metroparks reports infrastructure consisting of bridges, fords, dams, tunnels, utilities, roads, all-purpose trails, golf course cart paths and other paved areas and infrastructure that was acquired prior to December 31, 1980.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

The Metroparks' collection of zoo animals meets the definition of a capital asset and normally should be reported in the financial statements. GASB Statement No. 34 does not require capitalization of collections that meet all the following criteria: 1) the collection is held for reasons other than financial gain, 2) the collection is protected, kept unencumbered, cared for, and preserved, and 3) the collection is subject to an organizational policy requiring that the proceeds from sales of collection items be used to acquire other items for the collections. Because the Metroparks' collection of zoo animals meets the above requirements, the Metroparks has not capitalized them.

Pensions

For purpose 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.

Accrued Liabilities and Long-Term Obligations

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

Governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the fund. However, claims and judgments, compensated absences and net pension liability are reported as a liability in the fund financial statements only to the extent payments come due each period upon the occurrence of employee resignations and retirements.

Compensated Absences

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

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

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Fund Balance

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

Nonspendable. The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

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

Assigned. Amounts in the assigned fund balance classification are intended to be used by the Metroparks for specific purposes but do not meet the criteria to be classified as restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Commissioners by ordinance or by State statute. State statute authorizes the Chief Financial Officer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The commissioners assigned amounts to cover a gap between estimated revenue and appropriations in the 2018 appropriated budget.

Unassigned. Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications.

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

Net Position

Net Position represents the residual between all other elements in a statement of net position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

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 these estimates.

Budgetary Process

The General Fund is legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the Certificate of Estimated Resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The Certificate of Estimated Resources establishes a limit on the amount the Commissioners may appropriate. The appropriations resolution is the Commissioners' authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Commissioners. The legal level of control has been established by the Commissioners at the object level. Any budgetary modifications at this level may only be made by resolution of the Commissioners.

The Certificate of Estimated Resources may be amended during the year if projected increases or decreases in revenue are identified by the Chief Financial Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the Certificate of Estimated Resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended Certificate of Estimated Resources in effect at the time the final appropriations were passed.

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

NOTE 3—BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 3—BUDGETARY BASIS OF ACCOUNTING – continued

3. Encumbrances are treated as expenditures (budget) rather than as committed or assigned fund balance (GAAP).
4. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.
5. Investments reported at cost (budget) rather than fair value (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budgetary basis statement for the General Fund for the year ending December 31, 2017.

Net Change in Fund Balance

GAAP Basis	\$	(2,587,610)
Revenue accruals		1,029,945
Expenditure accruals		3,043,297
Encumbrances		<u>(9,227,624)</u>
Budget Basis	\$	<u>(7,741,992)</u>

NOTE 4—DEPOSITS AND INVESTMENTS

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

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

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

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

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 4—DEPOSITS AND INVESTMENTS – *continued*

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and with certain limitations bonds and other obligations of political subdivisions of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio) or STAR Plus;
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the fair 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 the term of the agreement must not exceed 30 days.

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

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

Deposits

Custodial Credit Risk. Custodial credit risk for deposits is the risk that in the event of bank failure, the Metroparks will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2017, \$4,004,899 of the Metroparks' bank balance of \$7,855,278 was uncollateralized and uninsured. Although the securities were held by the pledging financial institutions' trust departments and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Metroparks to a successful claim by the FDIC.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 4—DEPOSITS AND INVESTMENTS – *continued*

The Metroparks has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Metroparks or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution. For financial institutions who participate in the Ohio Pooled Collateral System (OPCS), a centralized collateral system monitored by the Ohio Treasurer of State, they must pledge eligible securities equal to at least one hundred and two percent, or a rate set by the Ohio Treasurer of State, of the deposits being secured. For financial institutions choosing not to participate in the OPCS must pledge eligible securities equal to at least one hundred five percent of the deposits being secured.

Investments

Investments are reported at fair value. As of December 31, 2017, the Metroparks had the following investments:

Measurement / Investment	Balance at 12/31/17	Maturity	Standard & Poor's Rating	Investments Concentration
Net Asset Value per Share				
STAR Ohio	\$ 16,667,688	N/A	AAAm	86%
Money market fund	<u>2,633,655</u>	N/A	N/A	14%
Total	<u>\$ 19,301,343</u>			

The Metroparks categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the Metroparks' recurring fair value measurements as of December 31, 2017.

Interest Rate Risk. As a means of limiting its exposure to fair value losses caused by rising interest rates, the Metroparks' investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the Metroparks' investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 4—DEPOSITS AND INVESTMENTS – *continued*

Credit Risk. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

Concentration of Credit Risk. Concentration of credit risk is defined as the risk of loss attributed to the magnitude of the Metroparks' investments in a single issuer. The Metroparks' investment policy requires diversification of the portfolio, but only states that the Treasurer shall diversify use of investment instruments to avoid incurring unreasonable risks inherent in overinvesting in specific instruments, individual institutions or maturities.

NOTE 5—RECEIVABLES

Receivables at December 31, 2017 consisted of property taxes, amounts due from the component unit, accounts (billings for user charged services), accrued interest and intergovernmental receivables. All receivables, except property taxes, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. The principal items of intergovernmental receivables are homestead and rollback, local government, grants and entitlements.

Property Taxes

Property taxes include amounts levied against all real, public utility and tangible personal property located in the County. Property tax revenue received during 2017 for real and public utility property taxes represents collections of 2016 taxes.

2017 real property taxes are levied after October 1, 2017 on the assessed value as of January 1, 2017, the lien date. Assessed values are established by state law at 35 percent of appraised market value. 2017 real property taxes are collected in and intended to finance 2018 operations.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2017 public utility property taxes which became a lien December 31, 2016, are levied after October 1, 2017, and are collected in 2018 with real property taxes.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 5—RECEIVABLES – continued

The full tax rate for all Metroparks operations for the year ended December 31, 2017 was \$2.75 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2017 property tax receipts were based are as follows:

Category	Cuyahoga County	Medina County	Total
Real Property:			
Residential/Agricultural	\$ 19,147,432,600	\$ 309,912,650	\$ 19,457,345,250
Commercial Industrial/Public Utility	7,744,097,480	16,904,740	7,761,002,220
Public Utility Property	<u>1,064,944,550</u>	<u>5,933,830</u>	<u>1,070,878,380</u>
Total Assessed Value	<u>\$ 27,956,474,630</u>	<u>\$ 332,751,220</u>	<u>\$ 28,289,225,850</u>

The Cuyahoga County Fiscal Officer and Medina County Auditor collect property taxes on behalf of all taxing entities in the Counties, including Cleveland Metroparks. The Cuyahoga County Fiscal Officer and Medina County Auditor periodically remit to the Metroparks their portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which are measurable as of December 31, 2017 and for which there is an enforceable legal claim. In the General Fund, the portion of the receivable not levied to finance 2017 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collective delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Tax Abatements

For 2017, the Metroparks’ property taxes were reduced by \$2,649,985 under various tax abatement agreements entered into by City of Cleveland.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 6—RISK MANAGEMENT

The Metroparks is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

During 2017, the Metroparks contracted with several companies for various types of insurance as follows:

Company	Type	Coverage
Traveler's Indemnity Co.	Flood (other than Zone A)	\$ 5,000,000
	Earthquake	10,000,000
	Employment Practices	1,000,000
	General Liability	1,000,000
	Liquor Liability	1,000,000
	Property	450,000,000
	Automobile Liability	1,000,000
	Inland Marine	30,461,103
	Inland Marine-Pedestrian Bridges	23,785,395
	Public Official/Law Enforcement	1,000,000
	Data Processing Equipment	2,064,133
	Commercial Crime	1,000,000
	Excess Liability	10,000,000
	Boiler and Machinery	50,000,000
	Traveler's Surety	Treasurer Bond
Markel	Data Breach and Privacy (cyber liability)	2,000,000
Atlantic Specialty Insurance Co.	Hail/Jones Act (water taxi)	1,000,000 (6/1/17)
National Flood Insurance	Flood (Zone A)	Coverage range for various buildings 100,000 - 500,000 (various dates)

There has not been a significant reduction in commercial coverage from the prior year and settled claims have not exceeded coverage in any of the last five years.

Effective January 1, 2007, the Metroparks established a self-insured program in the General Fund to provide employees' medical, hospitalization and prescription drug coverage under the Preferred Provider Organization (PPO) plan option, in accordance with Section 9.833 of the Ohio Revised Code.

The employee deductible and out-of-pocket maximum are:

	Plan A		Plan B		Plan C	
	Deductible	Out-of-Pocket Maximum	Deductible	Out-of-Pocket Maximum	Deductible	Out-of-Pocket Maximum
Individual	\$500 to \$1,000	\$2,000 to \$3,000	\$1,000 to \$1,500	\$4,500 to \$6,000	\$3,000 to \$6,000	\$5,000 to \$10,000
Family	\$1,000 to \$2,000	\$4,000 to \$6,000	\$2,000 to \$3,000	\$9,000 to \$12,000	\$6,000 to \$12,000	\$10,000 to \$20,000

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 6—RISK MANAGEMENT – continued

A third-party administrator, Cigna, reviewed all claims which were then paid by the Metroparks. The Metroparks purchased stop-loss coverage of \$150,000 per employee per year and aggregate stop loss should total claims exceed projected claims of \$8,538,948 by 125 percent. The Metroparks pays coverage into the self-insurance program for union employees based on the following percentages: 82 percent for the A plan, 87 percent for the B plan and 95 for the C plan. The Metroparks pays coverage into the self-insurance program for non-union employees based on the following percentages: 85 percent for the A plan, 90 percent for the B plan and 95 for the C plan. Incurred but not reported claims of \$364,600 have been accrued as a liability based on an actuarial valuation of health care benefits liability as of December 31, 2017. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claims adjustment expenses. Management's expectation is the claims liabilities will be paid within one year.

Changes in the claims liability amounts for 2016 and 2017 were:

Year	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2016	\$ 449,000	\$ 6,639,908	\$ (6,743,208)	\$ 345,700
2017	345,700	7,556,180	(7,537,280)	364,600

The Metroparks stopped participating in the State Workers' Compensation retrospective rating and payment system in 2015, but began participating again in 2017. Outstanding claims of \$363,463 have been accrued as a liability at December 31, 2017 based on an estimate by the Metroparks.

The outstanding claims liability reported at December 31, 2017 is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claims adjustment expenses. Changes in the workers' compensation claims liability amounts for 2016 and 2017 were:

Year	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at End of Year
2016	\$ 335,787	\$ (31,791)	\$ (19,655)	\$ 284,341
2017	284,341	256,494	(177,372)	363,463

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 7—LONG-TERM OBLIGATIONS

Changes in the long-term obligations of the Metroparks during 2017 were as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated Absences	\$ 5,554,733	\$ 1,274,784	\$ (245,863)	\$ 6,583,654	\$ 1,246,195
Retrospective Workers' Compensation	284,341	256,494	(177,372)	363,463	15,042
Net Pension Liabilities:	<u>59,588,255</u>	<u>19,815,287</u>	<u>-</u>	<u>79,403,542</u>	<u>-</u>
Total Long-Term Obligations	<u>\$ 65,427,329</u>	<u>\$ 21,346,565</u>	<u>\$ (423,235)</u>	<u>\$ 86,350,659</u>	<u>\$ 1,261,237</u>

Compensated absences, retrospective workers' compensation and the net pension liability will be paid from the General Fund. There is no repayment schedule for the net pension liability. For additional information related to the net pension liability see Note 9.

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CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 8—CAPITAL ASSETS

A summary of changes in capital assets during 2017 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital assets not being depreciated:</i>				
Land	\$ 124,297,931	\$ 4,455,170	\$ -	\$ 128,753,101
Land improvements	7,249,294	4,378,926	-	11,628,220
Construction in progress	22,363,796	14,637,913	(18,547,419)	18,454,290
Total capital assets not being depreciated	<u>153,911,021</u>	<u>23,472,009</u>	<u>(18,547,419)</u>	<u>158,835,611</u>
<i>Capital assets being depreciated:</i>				
Site structures	13,093,049	1,764,137	(79,302)	14,777,884
Exhibits	12,492,108	-	-	12,492,108
Buildings	188,171,894	12,249,647	(177,900)	200,243,641
Machinery and equipment	26,168,859	2,115,404	(868,786)	27,415,477
Vehicles	12,244,846	665,161	(563,238)	12,346,769
Infrastructure:				
Bridges	40,378,106	-	-	40,378,106
Fords	2,684,082	-	-	2,684,082
Dams	188,835	-	-	188,835
Tunnels	837,629	-	-	837,629
Utilities	832,346	418,048	-	1,250,394
Roads	30,730,704	932,132	-	31,662,836
All purpose trails	24,237,057	1,301,498	-	25,538,555
Golf course cart paths	981,646	-	-	981,646
Other paved areas	7,125,997	-	-	7,125,997
Total capital assets being depreciated	<u>360,167,158</u>	<u>19,446,027</u>	<u>(1,689,226)</u>	<u>377,923,959</u>
Less accumulated depreciation:				
Site structures	(3,171,376)	(627,371)	79,302	(3,719,445)
Exhibits	(1,932,532)	(295,933)	-	(2,228,465)
Buildings	(56,959,387)	(4,542,174)	22,238	(61,479,323)
Machinery and equipment	(16,682,381)	(1,674,859)	264,990	(18,092,250)
Vehicles	(8,622,577)	(811,207)	563,238	(8,870,546)
Infrastructure:				
Bridges	(17,683,753)	(908,868)	-	(18,592,621)
Fords	(1,147,225)	(66,750)	-	(1,213,975)
Dams	(104,049)	(2,471)	-	(106,520)
Tunnels	(170,237)	(20,941)	-	(191,178)
Utilities	(68,386)	(20,809)	-	(89,195)
Roads	(11,760,057)	(1,516,313)	-	(13,276,370)
All purpose trails	(11,567,708)	(1,162,736)	-	(12,730,444)
Golf course cart paths	(485,424)	(47,991)	-	(533,415)
Other paved areas	(3,283,876)	(347,549)	-	(3,631,425)
Total accumulated depreciation	<u>(133,638,968)</u>	<u>(12,045,972)</u>	<u>929,768</u>	<u>(144,755,172)</u>
Total capital assets being depreciated, net	<u>226,528,190</u>	<u>7,400,055</u>	<u>(759,458)</u>	<u>233,168,787</u>
Capital assets, net	<u>\$ 380,439,211</u>	<u>\$ 30,872,064</u>	<u>\$(19,306,877)</u>	<u>\$ 392,004,398</u>

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 8—CAPITAL ASSETS – *continued*

Depreciation expense during 2017 was charged to governmental activity functions as follows:

Park operations	\$ 7,764,162
Zoo operations	3,047,879
Golf course	557,655
Rangers	367,464
Administration	<u>308,812</u>
Total depreciation expense	<u>\$ 12,045,972</u>

During 2017, the Metroparks received \$1,527,248 in land donations and \$2,600 in a vehicle donation. The Metroparks has recorded these as capital contributions.

NOTE 9—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 because of employment exchanges that already have occurred.

The net pension liability represents the Metroparks' 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.

Ohio Revised Code limits the Metroparks' obligation for this liability to annually required payments. Metroparks cannot control benefit terms or the manner in which pensions are financed; however, Metroparks 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.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 9—NET PENSION LIABILITY

Plan Description – Ohio Public Employees Retirement System (OPERS)

Metroparks 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. Metroparks employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

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

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 9—NET PENSION LIABILITY – 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 after 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	Law Enforcement
2017 Statutory Maximum Contribution Rates		
Employer	14.0%	18.1%
Employee	10.0%	*
 2017 Actual Contribution Rates		
Employer:		
Pension	13.0%	17.1%
Post-employment health care benefits	1.0%	1.0%
Total Employer	14.0%	18.1%
 Employee	 10.0%	 13.0%

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Metroparks’ contractually required contribution was \$6,152,991 for 2017. Of this amount, \$691,725 is reported as an intergovernmental payable.

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, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Metroparks’ proportion of the net pension liability was based on the Metroparks’ 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:

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 9—NET PENSION LIABILITY – continued

	OPERS
Proportionate Share of Net Pension Liability	\$ 79,403,542
Proportion of Net Pension Liability	0.349667%
Change in Proportionate Share	0.005649%
Pension Expense	\$ 18,468,656

At December 31, 2017, the Metroparks reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS
<u>Deferred Outflows of Resources</u>	
Net differences between projected and actual investment earnings	\$ 11,825,020
Differences between expected and actual experience	107,626
Change in assumptions	12,594,375
Change in Metroparks' proportionate share and difference in employer contributions	2,086,398
Metroparks' contributions subsequent to the measurement date	6,152,991
	\$ 32,766,410
 <u>Deferred Inflows of Resources</u>	
Differences between expected and actual experience	\$ 472,570

\$6,152,991 reported as deferred outflows of resources related to pension resulting from the Metroparks contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. 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:	
2018	\$ 11,526,090
2019	10,737,890
2020	4,223,490
2021	(346,621)
	\$ 26,140,849

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 9—NET PENSION LIABILITY – 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 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Assumptions	December 31, 2016 Valuation	December 31, 2015 Valuation
Wage inflation	3.25%	3.75%
Future salary increases, Including inflation	3.25% to 10.75%	4.25% to 10.05%
COLA or Ad Hoc COLA	Pre 1/7/2013 retirees: 3%; Post 1/7/2013 retirees: 3% simple through 2018, then 2.15% simple	Pre 1/7/2013 retirees: 3%; Post 1/7/2013 retirees: 3% simple through 2018, then 2.80% simple
Investment rate of return	7.50%	8.00%
Actuarial cost method	Individual entry age	Individual entry age
Mortality tables	RP-2014	RP-2000

Mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

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

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.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 9—NET PENSION LIABILITY – continued

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3% for 2016.

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 2016 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00%	2.75%
Domestic Equities	20.70%	6.34%
Real Estate	10.00%	4.75%
Private Equity	10.00%	8.97%
International Equities	18.30%	7.95%
Other Investments	<u>18.00%</u>	<u>4.92%</u>
Total	<u>100.00%</u>	<u>5.66%</u>

Discount Rate. The discount rate used to measure the total pension liability was 7.50%. 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 benefit 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.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 9—NET PENSION LIABILITY – continued

Sensitivity of the Metroparks Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following table represents the Metroparks proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.50%, as well as what the Metroparks proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (6.50%) and one-percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate of 7.50%	1% Increase (8.50%)
Metroparks' proportionate share of the net pension liability	\$ 121,308,247	\$ 79,403,542	\$ 44,485,285

NOTE 10—POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

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

OPERS maintained two cost-sharing, multiple-employer defined benefit postemployment health care trusts, which funded multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 10—POSTEMPLOYMENT BENEFITS – *continued*

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2017, state and local employers contributed at a rate of 14.0% of earnable salary and public safety and law enforcement employers contributed at 18.1%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 1.0% during calendar year 2017. As recommended by OPERS's actuary, the portion of the employer contributions allocated to health care beginning January 1, 2018 decreased to 0.0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited for Member-Directed Plan participants for 2017 was 4.0%.

The Metroparks contributions for the years ended December 31, 2017, 2016, and 2015 was \$481,199, \$902,033 and \$947,954, respectively.

NOTE 11—OTHER BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave liabilities are derived from negotiated agreements and personal contracts. Employees earn vacation and sick leave at different rates which are also affected by length of service. Vacation can be accumulated for up to three years. Sick leave accrual is continuous, without limit.

Upon retirement, resignation, or death, employees with ten or more years of service with the Metroparks will be paid for one fourth of their accumulated hours of sick leave. Upon retirement, termination, or death, an employee will be paid for unused vacation up to the three-year limit.

Holiday time may be accumulated for Rangers indefinitely and compensatory time earned must be taken by the end of the subsequent calendar year.

Health, Dental, Vision and Life Insurance

Employees can take part in the self-insurance PPO health insurance program with three plans A, B and C. Premiums are paid by the Metroparks, based on the following percentages for union and non-union employees, respectively: 82 and 85 percent for the A plan, 87 and 90 percent for B plan and both 95 percent for the C plan. The Metroparks provides dental and vision through Aetna. It also provides life insurance with accidental death and dismemberment insurance for full-time and part-time employees and long-term disability to full-time employees through Reliance Standard Insurance.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 11—OTHER BENEFITS – *continued*

Flexible Benefit Plan

Section 125 of the Internal Revenue Service (IRS) code permits the Flexible Benefit Plan, as established by the Metroparks. The Flexible Benefit Plan (FBP) allows employees to defer pay on a pre-tax basis to pay premium contribution(s) and Flexible Spending Accounts (FSA) reimbursements for qualified medical (up to \$2,600) and /or dependent care (up to \$5,000) expenses. The FSA accounts allow full-time employees to pay for qualified out-of-pocket medical and dependent care expenses with pre-tax income. Amounts deposited into the FSA account for medical expenses may be used at the employee’s discretion for qualified expenses incurred during the plan year (January 1 through December 31). Amounts put into the FSA accounts are deducted before Federal, State and Medicare taxes are withheld. A provision of the code provides that any funds left in the FSA declaration at the end of the plan year up to \$500 may be rolled over into the next year. Any amount over \$500 is forfeited. \$110,194 has been reported as a liability in the agency fund at December 31, 2017.

Amounts deposited into the FSA account for dependent care may be used at the employee’s discretion for qualified expenses incurred during the calendar year.

NOTE 12—SIGNIFICANT COMMITMENTS

Contractual Commitments

At December 31, 2017, the Metroparks’ significant contractual commitments in excess of \$50,000 consisted of:

Vendor	Contract Amount	Amount Expended	Balance 12/31/17
The Albert M. Higley Co., LLC	\$ 8,786,633	\$ 8,226,416	\$ 560,217
Altec Industries	123,691	-	123,691
Biohabitats, Inc.	1,717,301	1,446,588	270,713
Burton Scot Contractors LLC	283,600	-	283,600
E.L. Robinson	346,467	142,298	204,169
F. Buddie Contracting, Ltd	337,750	34,100	303,650
Feghali Brothers, LLC	86,733	3,201	83,532
Huffman Equipment Rental, Inc.	446,481	71,576	374,905
KS Associates, Inc.	687,085	347,053	340,032
Michael Backer International Inc.	857,023	30,710	826,313
Nerone & Sons, Inc.	2,166,096	2,037,356	128,740
Schirmer Construction LLC	2,868,239	2,027,632	840,607
Sound Com	63,895	-	63,895
South East Golf Car Co.	67,598	-	67,598
Sterling Professional Group	325,241	148,693	176,548
Tyler Technologies, Inc.	170,610	33,946	136,664
Van Auken Akins Arch, LLC	1,377,210	697,528	679,682
Vancuren Services, Inc.	150,118	-	150,118
Wolf Creek Co. Irrigation	226,394	153,021	73,373
	<u>\$ 21,088,165</u>	<u>\$ 15,400,118</u>	<u>\$ 5,688,047</u>

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 12—SIGNIFICANT COMMITMENTS – *continued*

All of the remaining committed amounts were encumbered at year end. The amounts of \$702,854 in retainage payable have been capitalized.

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were \$9,227,624.

NOTE 13—CONTINGENCIES

The Metroparks is a party to legal proceedings seeking damages. The Metroparks management is of the opinion that the ultimate disposition of a majority of the claims and legal proceedings will not have a material effect, if any, on the financial condition of the Metroparks.

NOTE 14—RELATED PARTY TRANSACTIONS

During 2017, the Metroparks received \$6,591,364 from the Zoo Society, a discretely presented component unit of the Metroparks. The Metroparks is also reporting a due from component unit in the amount of \$2,601,079.

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY)

Summary of Significant Accounting Policies

Nature of Activities. The Cleveland Zoological Society (the “Zoo Society”) is the advancement partner of Cleveland Metroparks Zoo (the “Zoo”) in support of a shared mission – We create compelling experiences that connect people with wildlife and inspire personal responsibility for conserving our natural world. The strong public-private partnership between the Zoo and the nonprofit Zoo Society facilitates continuous improvements at the Zoo and contributes significantly to the quality of life in our region. With an average annual attendance of 1.1 million visitors and 40,000 household members, the Zoo and Zoo Society are recognized as a premier conservation education facility and as a top destination in Northeast Ohio.

The Zoo Society is governed by a Board of Trustees and is a separate and distinct entity from the Cleveland Metropolitan Park District. The Zoo Society’s activities are primarily in support of the District’s Zoo, subject to approval by the Zoo Society’s Board.

Basis of Presentation. The Zoo Society follows authoritative guidance issued by the Financial Accounting Standards Board (“FASB”) which established the FASB Accounting Standards Codification (“ASC”) as the single source of authoritative accounting principles generally accepted in the United States of America.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – *continued*

The accompanying financial statements have been prepared on the accrual basis of accounting. Net position and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net position of the Zoo Society and changes therein are classified and reported as follows:

Unrestricted Net Position – Net position that are not subject to donor-imposed restrictions. These include both board-designated and undesignated net position.

Unrestricted Net Position (Undesignated) – Consists of net position that are not subject to donor-imposed restrictions nor have been designated for a specific purpose by the Zoo Society’s Board of Trustees. The purpose of undesignated unrestricted net position is to provide support for the daily operations and the mission of the Zoo Society.

Unrestricted Net Position (Board-Designated) – Consists of net position that can be used only for the specific purposes determined by a formal action of the Zoo Society’s Board of Trustees, which is the Zoo Society’s highest level of decision-making authority. Commitments may be changed or lifted only by the Zoo Society’s Board of Trustees taking the same formal action that imposed the constraint originally. The purpose of board-designated net position is to provide funding to ensure the continuous operation of the Zoo Society (the Sustaining Fund) and to support initiatives to connect people with wildlife (the ZooFutures Fund). In addition, Board-designated funds are included, along with donor-designated funds, in both the Animal Care Fund and the Conservation Fund.

Temporarily Restricted Net Position – Net position subject to donor-imposed restrictions that may or will be met, either by actions of the Zoo Society and/or the passage of time. When a restriction expires, temporarily restricted net position are reclassified to unrestricted net position and reported in the statements of activities as “net position released from restrictions.”

Permanently Restricted Net Position – Net position subject to donor-imposed restrictions that such assets be maintained by the Zoo Society in perpetuity.

Reclassifications. Current accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Functional Allocation of Expenses. The costs of providing various programs and related supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated to the appropriate programs and supporting services.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents. For purposes of the statements of cash flows, the Zoo Society considers unrestricted or short-term temporarily restricted, highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Board-designated cash and cash equivalents within brokerage accounts are not considered cash and cash equivalents for purposes of the statements of cash flows. Such amounts have been classified as investments on the statements of financial position.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – *continued*

Cash receipts from the donated sale of financial assets that are converted nearly immediately into cash are classified as cash inflows from operating activities on the statements of cash flows, unless the donor restricted the use of contributed resources to long-term purposes, in which case those cash receipts are classified as cash inflows from financing activities.

Contributions and Pledges Receivable Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor-imposed restrictions.

Unconditional pledges receivable is recognized as revenues in the period the promise is received. Conditional pledges receivable is recognized when the conditions upon which they depend are substantially met. The pledges are stated at their estimated fair value. Pledges that are to be received over a period of time greater than one year are discounted to their fair value assuming their respective payment terms and an appropriate discount rate as of the date the pledge is received. The discount is amortized into contribution revenue over the term of the respective pledge agreement.

The Zoo Society and the Zoo are financially interrelated entities, in accordance with the “Transfers of Assets to a Not-for-Profit Organization” topic of the FASB ASC. Therefore, contributions raised by the Zoo Society on behalf of the Zoo are reported as temporarily restricted contribution revenues, and the amounts to be remitted to the Zoo are recorded as expense under the caption of “Cleveland Metropolitan Park District” in the accompanying statements of activities.

Investments. Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in investment income in the statements of activities.

Office Equipment, Software, and Network Resources. Office equipment, software, and network resources are depreciated utilizing the straight-line method over their estimated useful lives ranging from three to ten years. The Zoo Society capitalizes purchases or donations of capital assets that exceed \$1,000. Purchased office equipment, software, and network resources are stated at cost.

Donations of capital assets are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire office equipment, software, and network resources are reported as restricted support.

Split-Interest Agreements. The Zoo Society receives gift annuities where donors contribute assets in exchange for the right to receive an annual return during their lifetimes. Upon receipt of a gift annuity, the Zoo Society records the fair value of the assets received and records a liability for the estimated present value of future cash outflows to the annuitant, determined on an actuarial basis, as a “liability under split-interest agreements” in the accompanying statement of financial position. The difference between the fair value of the assets received and the estimated liability is recorded as unrestricted, temporarily restricted, or permanently restricted contribution revenue in accordance with the donor’s intent in the accompanying statements of activities.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – *continued*

The Zoo Society holds beneficial interests in perpetual trusts. The Zoo Society records its share of the fair value of such trusts as long-term assets and permanently restricted contribution revenue at the date it is notified of its interest in such trusts. As the Zoo Society receives distributions from these trusts, it records the distributions as interest income. The interest income is classified as either unrestricted or temporarily restricted in accordance with the terms of the trust agreement. Changes in the fair value of the Zoo Society's beneficial interest in perpetual trusts are recorded as permanently restricted gains/losses in the accompanying statements of activities under the caption "change in value of split-interest agreements."

In-Kind Contributions. In-kind contributions are reflected as revenues at their estimated fair value at the date of donation. The Zoo Society reports gifts of media support, food for special events, and other non-monetary contributions as unrestricted revenue and expense (or capitalized, if applicable) unless accompanied by explicit donor-imposed restrictions, in which case, the contributions would be recorded as either temporarily or permanently restricted revenues in accordance with the donor restrictions.

Contributed Services. The Zoo Society recognizes contributions of services received when those services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by the donation.

Income Taxes. The Zoo Society is tax-exempt, under Section 501(c)(3) of the Internal Revenue Code (the "IRC") of 1986. No provision for federal income taxes has been reported in its financial statements. In addition, the Zoo Society has been classified as an organization that is not a "private foundation" within the meaning of Section 509(a) of the IRC.

In accordance with the "Income Taxes" topic of the FASB ASC, uncertain income tax positions are evaluated at least annually by management. As of December 31, 2017, the Zoo Society has identified no uncertain income tax positions and has incurred no amounts for income tax penalties and interest for the years then ended. The Zoo Society files information returns in the United States and local jurisdictions.

Concentrations of Credit Risk. Financial instruments which potentially subject the Zoo Society to concentrations of credit risk consist of cash and temporary investments, investment securities, and pledges receivable.

The Zoo Society maintains its cash and cash equivalents with national financial institutions, the balances at times may exceed federally insured limits.

The Zoo Society has significant investments in equity and debt securities and is, therefore, subject to concentrations of credit risk. Investments are managed by investment advisors who are supervised by the Trustees. The investment advisors are required to manage the Zoo Society's investments in accordance with its investment policy. The investment policy contains investment criteria that the Zoo Society believes should reduce, to an extent, the potential for significant concentrations of credit risk. Though the fair value of investments is subject to fluctuations on a year-to-year basis, the Trustees believe that the investment policy is prudent for the long-term welfare of the Zoo Society.

Credit risk with respect to pledges receivable is limited due to the number and credit worthiness of the foundations, corporations, and individuals who comprise the contributor base.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – continued

Subsequent Events. In preparing these financial statements, the Zoo Society has evaluated events and transactions for potential recognition or disclosure through April 19, 2018, the date the financial statements were available to be issued.

Cash and Cash Equivalents

Cash and cash equivalents consisted of the following at December 31, 2017:

Unrestricted - available for operating expenses	\$ 1,027,489
Donor restricted for short-term purposes	156,515
Funds held for others	<u>31,309</u>
	<u>\$ 1,215,313</u>

Pledges Receivable

Pledges receivable, net of applicable discounts to estimated fair value and allowance for uncollectible pledges receivable, are comprised of the following at December 31, 2017:

Unrestricted - available for operating expenses	\$ 38,664
Restricted for conservation	170,000
Restricted for comprehensive campaign	<u>1,502,503</u>
	<u>\$ 1,711,167</u>

Pledges were discounted to their estimated fair value assuming their respective terms and discount rates ranging from 3.25 to 4.50 percent dependent upon prevailing rates in the year in which a pledge is received. The pledges receivable is scheduled to be collected as follows:

Payable within one year	\$ 974,099
Payable in two years	530,400
Payable in three years	295,500
Payable in four years	<u>162,000</u>
Gross pledges receivable	1,961,999
Less: discount to net present value	(193,308)
Less: allowance for uncollectible amounts	<u>(57,524)</u>
Net pledges receivable	<u>\$ 1,711,167</u>

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – continued

The David Steffee Chair of Veterinary Medicine Gift Fund. The David Steffee Chair of Veterinary Medicine Gift Fund a donor-advised fund currently valued at approximately \$1 million for the purpose of using investment income from the fund to support veterinary excellence at The Sarah Allison Steffee Center for Zoological Medicine at the Zoo. Donor-advised funds allow donors to suggest the purpose for which a gift will be used, but are not binding. As such, contribution revenue is recorded as the Zoo Society receives notification that a distribution has been approved by the fund. Since 2005, the Zoo Society has hosted an annual *David Steffee Address in Veterinary Medicine* and the donor has made contributions to cover the cost of the address. The Zoo Society recognized revenue from the fund of \$10,000 for the year ending December 31, 2017, and has received a total of \$176,500 from the fund since its inception.

Zoo Education. During 2013, the Zoo Society received a conditional promise to give related to funding for the Zoo Education and Workforce Development program for \$300,000. The funds are to be received in \$60,000 increments over a period of five years, subject to annual donor reviews. The Zoo Society recognized revenue related to this conditional promise to give of \$60,000 during 2017. Total revenue recognized related to this conditional promise through December 31, 2017 was \$300,000. The Zoo Society is to use this funding to implement programs for students in certain school districts, conduct a longitudinal study over these students enrolled in the school districts that attend programs, and perform annual reviews of the programs. The receipt of funds is conditioned upon the donor's review of the programs and determination of satisfactory performance with respect to the terms of the agreement.

The Joan Rog Graduate Student Research Award. During 2015, the Zoo Society received a conditional promise to give of \$25,000 for the Joan Rog Graduate Student Research Award. The funds are to be received in \$5,000 increments over a period of five years. The annual payments are conditioned upon the donor receiving student applications for the donor's review and approval. The Zoo Society recognized revenue related to this conditional promise to give of \$5,570 during 2017, and has received a total of \$16,570 related to this conditional promise to give through December 31, 2017.

Ohio Facilities Commission. The State of Ohio awarded a \$200,000 commitment to the Zoo Society through the Ohio Facilities Commission in August 2016. The commitment is conditional upon the funds being utilized for an exhibit that is complete and open to the public. As of December 31, 2017, no revenue has been recognized by the Zoo Society related to this commitment.

Kent H. Smith Charitable Trust. The Kent H. Smith Charitable Trust awarded a \$750,000 commitment to the Zoo Society over a three-year period, beginning in 2017. The commitment is conditional upon the Zoo Society securing at least \$250,000 in matching capital contributions during the preceding year. During 2017, the Zoo Society recognized the first \$250,000 related to this promise as it had met the matching requirement.

Corporate Matches. The Zoo Society periodically receives gifts which include corporate matches that are conditioned upon the Zoo Society receiving payment from an individual donor. Total corporate matches outstanding at December 31, 2017 are \$68,657.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – continued

Investments

Included in marketable securities at December 31, 2017 was \$11,319,565 of board-designated net position.

The following schedule summarizes investment return for the year ended December 31, 2017:

	Unrestricted	Temporarily Restricted	Total
Interest and dividends	\$ 304,078	\$ 11,504	\$ 315,582
Net realized and unrealized gains	<u>1,628,591</u>	<u>78,563</u>	<u>1,707,154</u>
Total	<u>\$ 1,932,669</u>	<u>\$ 90,067</u>	<u>\$ 2,022,736</u>

Fair Value Measurements

In accordance with the “Fair Value Measurements” topic of the FASB ASC, the Zoo Society uses a three-level fair value hierarchy that categorizes assets and liabilities measured at fair value based on the observability of the inputs utilized in the valuation. This hierarchy prioritizes the inputs into three broad levels as follows: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly; and Level 3 inputs are unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own valuation assumptions. These inputs reflect management’s judgment about the assumptions that a market participant would use in pricing the asset or liability and are based on the best available information, which has been internally developed.

Financial assets consisted of the following at December 31, 2017:

	Level 1	Level 2	Total
Cash in money markets and certificates of deposit	\$ 777,651	\$ -	\$ 777,651
Common stock	3,548	-	3,548
Mutual funds - equities	9,342,998	-	9,342,998
Mutual funds - fixed income	3,556,848	-	3,556,848
Equity exchange traded funds	32,950	-	32,950
Beneficial interest in perpetual trusts	-	642,203	642,203
	<u>\$ 13,713,995</u>	<u>\$ 642,203</u>	<u>\$ 14,356,198</u>

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – continued

The fair value of the beneficial interests in perpetual trusts is based upon the value of the underlying assets within the trusts multiplied by the Zoo Society’s proportionate share of said trusts. As the underlying assets within these trusts are primarily Level 1 investments, the value of the Zoo Society’s interests in the perpetual trusts is shown as a Level 2 measurement as the trusts themselves are not actively traded (Level 1) instruments.

Board-Designated Net Position

The Board of Trustees establishes and maintains board-designated funds. The Sustaining Fund and the ZooFutures Fund comprise a significant majority of the board-designated net position of the Zoo Society. Additionally, the Zoo Society has established and maintains funds to supplement the African Elephant Crossing and Circle of Wildlife Conservation Funds.

The Sustaining Fund was established in 1991 with the express purpose of ensuring the Zoo Society’s continuing existence by providing a source of operating funds to the Zoo Society in the event of economic hardship. The Sustaining Fund, in year 2011 and beyond, may be used to fund discretionary annual distributions to the Zoo Society and fund short-term loans to the Zoo Society to supplement capital campaign or other cash flow management issues; so long as the Sustaining Fund balance remains above 50 percent of the Zoo Society’s current budgeted annual unrestricted operating expenses. There were no approved discretionary annual distributions at December 31, 2017. However, the Zoo Society expended \$2,992 for the year ended December 31, 2017 from previously approved discretionary distributions.

The ZooFutures Fund, a quasi-endowment fund, was established in 1998 with the express purpose of receiving planned gifts and other contributions, and is administered and operated in support of Zoo Society activities.

In December 2016, the Board of Trustees established three funds for receiving donor- designated endowed gifts – the Animal Care Fund, the Conservation Fund and the Education Fund. The Board of Trustees also acted to allocate a portion of its Board- designated net position into the Animal Care Fund and the Conservation Fund. The Board-designated net position, in combination with donor-designated net position, will provide targeted support for three of the Zoo Society’s primary mission foci. The first distributions from the Animal Care and Conservation funds will be made in 2018 based on 2017 investment performance.

Board-designated net position was as follows at December 31, 2017:

Sustaining Fund	\$ 5,995,494
ZooFutures Fund	3,596,482
Conservation Fund	1,138,301
Animal Care Fund	589,288
	<u>\$ 11,319,565</u>

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – continued

Net Position Classification of Endowment Funds and Quasi-Endowment Funds

The Zoo Society's ZooFutures Fund consists of one fund established to fund a variety of programs. The ZooFutures Fund includes both donor-restricted funds and board-designated funds. As required by GAAP, net position associated with endowment funds, including funds designated by the Board of Trustees to function as quasi-endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of the Zoo Society has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Because of this interpretation, The Zoo Society classifies as permanently restricted net position (a) the original value of gifts donated, (b) the original value of subsequent gifts, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with SPMIFA, the Zoo Society considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund.
- (2) The purposes of the Zoo Society and the donor-restricted endowment fund.
- (3) General economic conditions.
- (4) The investment policies of the Zoo Society.

During the year ended December 31, 2017, the Zoo Society had the following endowment-related activities:

	Donor-Restricted Endowment Funds	Board-Designated Quasi-Endowment Funds	Total
	<u> </u>	<u> </u>	<u> </u>
Investment return:			
Investment income	\$ 11,504	\$ 111,435	\$ 122,939
Net realized and unrealized gains	<u>78,563</u>	<u>771,705</u>	<u>850,268</u>
Total investment return	90,067	883,140	973,207
Contributions to perpetual endowment	49,050	220,710	269,760
Amounts appropriated for expenditure	<u>(17,562)</u>	<u>(188,000)</u>	<u>(205,562)</u>
Total change in endowment funds	<u>\$ 121,555</u>	<u>\$ 915,850</u>	<u>\$ 1,037,405</u>

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – continued

Endowment net position composition by type of fund as of December 31, 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 214,587	\$ 384,000	\$ 598,587
Board-designated quasi-endowment funds	<u>5,324,071</u>	<u>-</u>	<u>-</u>	<u>5,324,071</u>
Endowment net position, end of year	<u>\$ 5,324,071</u>	<u>\$ 214,587</u>	<u>\$ 384,000</u>	<u>\$ 5,922,658</u>

Changes in endowment net position for the fiscal year ended December 31, 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net position, beginning of year	\$ 4,408,221	\$ 141,282	\$ 335,750	\$ 4,885,253
Investment return:				
Investment income	111,435	11,504	-	122,939
Net realized and unrealized gains	<u>771,705</u>	<u>78,563</u>	<u>-</u>	<u>850,268</u>
Total investment return	883,140	90,067	-	973,207
Contributions to perpetual endowment	220,710	800	48,250	269,760
Appropriation of endowment assets for expenditure	<u>(188,000)</u>	<u>(17,562)</u>	<u>-</u>	<u>(205,562)</u>
Endowment net position, end of year	<u>\$ 5,324,071</u>	<u>\$ 214,587</u>	<u>\$ 384,000</u>	<u>\$ 5,922,658</u>

Return Objectives and Risk Parameters. The Zoo Society has adopted investment and spending policies for the ZooFutures Fund that attempt to provide a predictable stream of funding while seeking to maintain the purchasing power of the assets. Assets include those assets of donor-restricted funds that the Zoo Society must hold in perpetuity or for a donor-specified period(s), as well as board-designated funds. Under this policy, as approved by the Board of Trustees, investments of all Zoo Society assets are directed by the Finance and Investment Committee of the Zoo Society utilizing professional fund managers. The standard for the Finance and Investment Committee regarding ZooFutures Fund assets shall be the preservation of corpus while prudently maximizing real growth. The Zoo Society will conduct a quarterly monitoring of the portfolio. Investment performance will be measured against comparative market indices including the Standard & Poor 500 Index and the Lehman Brothers Aggregate Bond Index. The performance of the overall portfolio will also be monitored quarterly and compared against appropriate benchmarks.

Strategies Employed for Achieving Objectives. To satisfy its long-term rate-of-return objectives, the Zoo Society relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Zoo Society targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – *continued*

Spending Policy. Recommendations for the use of ZooFutures Fund assets free of donor restriction shall be the responsibility of a Grants Committee. Recommendations of the Grants Committee shall be subject to confirmation by the Zoo Society’s Executive Committee. Grants from the ZooFutures Fund shall be in support of Zoo and Zoo Society activities, zoological conservation, and such other purposes as the Zoo Society’s Board of Trustees shall deem appropriate. Except in special circumstances, and except for recommending specific uses of generally restricted donor funds, the Grants Committee shall limit its recommendations in the aggregate to an amount which shall not exceed in any calendar year a sum equal to 5 percent of the ZooFutures Fund assets. Amounts that have been approved for expenditure, in any given year, but not expended by the end of year, are carried over to subsequent years. As of December 31, 2017, there were no prior approved, but unexpected, annual allocations.

Split-Interest Agreements

The Zoo Society administers various charitable gift annuities. Under these agreements, the Zoo Society remits fixed payments to the donors on a quarterly basis. Interest rates range from 4.7 percent to 8.9 percent. Using applicable mortality tables, quarterly payments are estimated to extend through 2036. Investments, primarily mutual funds, held in charitable gift annuities aggregated \$240,390 at December 31, 2017, and are reported at fair value in the statements of financial position. Included in liability under split-interest agreements is \$121,339 at December 31, 2017, related to these agreements.

Beneficial interest in perpetual trusts include two separate trust funds that have been instructed to provide the Zoo Society with the unrestricted use of the Zoo Society’s respective portion of the trusts’ income in accordance with the trusts’ documents. The Zoo Society has an irrevocable right to receive the income from the trusts’ assets in perpetuity. The Zoo Society’s share of the trusts’ assets, which had a fair value on December 31, 2017 of \$642,203, is included in the accompanying statements of financial position. The trusts’ investments are managed by external trustees designated by the donors. As such, the Zoo Society does not control the allocation of the trusts’ investments.

Restrictions on Net Position

Temporarily restricted net position available for the following purposes at December 31, 2017:

Conservation and research	\$ 554,403
Education	619,563
Appreciation of specific donor-restricted endowments (time restricted)	<u>162,908</u>
	<u>\$ 1,336,874</u>

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – continued

Temporarily restricted net position were released from donor restrictions by incurring expenditures satisfying the purpose and/or time restrictions specified by donors as follows for the year ended December 31, 2017:

Conservation and research	\$ 333,174
Education	330,377
Comprehensive campaign	4,091,710
ZooFutures	<u>17,562</u>
	<u>\$ 4,772,823</u>

Permanently restricted net position aggregating \$1,026,203 at December 31, 2017, consist of endowment fund assets to be held in perpetuity and beneficial interests in perpetual trusts.

Cleveland Metroparks

The Zoo Society has historically provided support to the Metroparks for a variety of Zoo programs and functions. Support is summarized below for the year ended December 31, 2017:

Operating agreement	\$ 2,051,046
Levy support and lobbying	15,000
Animal care and research	156,552
Capital projects	3,493,621
Field conservation	544,768
Education	<u>330,377</u>
	<u>\$ 6,591,364</u>

Operating Agreement. In September 1997, the Zoo Society entered into an agreement with the Metroparks whereby the Zoo Society guarantees the Metroparks a specific dollar amount equivalent to aggregate annual membership contributions for membership categories where the dues are \$125 or less. This percentage began at 55 percent in 1998 and progressively increased to a maximum level of 70 percent for 2002 and thereafter. The agreement has an ongoing annual renewal clause that grants the parties the ability to request renegotiation or cancellation. The Metroparks recognizes the Society’s annual operating support to the Zoo’s operating budget to help finance key areas including, but not limited to: Zoo education; outreach programs; animal health, care, and welfare; horticultural and Zoo grounds beautification; and quality Zoo guest services.

Effective January 1, 2013, the Zoo Society and the Metroparks amended the agreement. The terms of this amended agreement guarantee amounts equivalent to 65 percent and 7 percent of gross membership revenues as described in the previous agreement noted with the 65 percent target towards the Zoo’s operating budget and the 7 percent targeted towards mutually agreeable Zoo priorities that are mission- relevant, have donor appeal, and advance the joint strategic plan. Under this agreement, the Zoo Society has recorded aggregate Zoo support of \$2,051,046 for 2017. During 2017, the amended agreement was extended through December 31, 2018.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
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NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – *continued*

Included in “Amounts due to Cleveland Metroparks” on the statement of financial position is \$120,258 which is owed to the Metroparks under the above agreements at December 31, 2017. Included in “accounts payable and accrued expenses” on the statement of financial position is \$14,527, which is owed to Metroparks not related to the above agreement at December 31, 2017.

Circle of Wildlife. In January 2013, the Metroparks approved participation in a Carousel Special Project Initiative, subsequently called Circle of Wildlife. This initiative outlined certain roles and responsibilities involving the Zoo Society. As part of its roles and responsibilities, the Zoo Society conditionally committed to a fundraising initiative of up to \$2,000,000 to be used for the purchase of the carousel, estimated costs for the pavilion to house the carousel, and other programmatic costs. Of the total fundraising initiative, up to \$1,600,000 was to be committed to the Metroparks for the design, delivery, construction, and installation of the carousel. The remaining \$400,000 was to be used to fund improvements, fundraising, marketing, and raising awareness of the Zoo and the Zoo Society. The commitment to the Metroparks was conditioned upon the Metroparks approving expenditures relating to this initiative. Through December 31, 2017, the Zoo Society raised a total of \$3,171,903 related to this initiative. The excess funding helped fund the Ben Gogolick Giraffe Encounter during 2015. Remaining funds are to be used for a hay barn. As of December 31, 2017, the Zoo Society has submitted \$2,787,973 expenses related to these projects. At December 31, 2017, commitments to the Metroparks for this initiative was \$0.

Comprehensive Campaign – Passport to the Wild. In December 2014, the Zoo Society formally accepted a statement of intent for a comprehensive campaign with a total fundraising goal of \$30 million. This statement of intent outlined certain roles and responsibilities involving the Zoo Society. The funds raised in the campaign will come in the form of grants and other restricted gifts and will be used to support various campaign initiatives, including animal habitats, capital improvements, endowment funds, programming for education, conservation and research, fundraising, and marketing and communications expenses incurred related to the campaign. One major contingency related to the Zoo Society’s intention is the Zoo Society’s ability to raise and collect funds for the campaign.

In July 2017, the Metroparks notified the Zoo Society of its intentions to move ahead with Asian Highlands, an exhibit that falls under the overall comprehensive campaign. The Zoo Society Board contingently approved a \$3.8 million commitment for capital costs related to Asian Highlands. This commitment was conditioned upon the Metroparks proceeding with construction of Asian Highlands, of which, groundbreaking occurred during 2017. With this condition being met, the Zoo Society recognized \$2,980,821 in expenses related to this project during the year ended December 31, 2017. A related liability has been recorded for \$1,980,821 at December 31, 2017.

In September 2017, the Metroparks notified the Zoo Society of its intentions to move ahead with the Jack, Joseph and Morton Mandel Welcome Pavilion (the “Mandel Welcome Pavilion”), a project that falls under the overall comprehensive campaign. The Zoo Society Board contingently approved a \$500,000 commitment for capital costs related to the Mandel Welcome Pavilion. This commitment was conditioned upon the Metroparks proceeding with construction of the Mandel Welcome Pavilion, of which, groundbreaking occurred during 2017. With this condition being met, the Zoo Society recognized \$500,000 in expenses related to this project during the year ended December 31, 2017. A related liability has been recorded for \$500,000 at December 31, 2017.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – continued

Allocation of Joint Costs. For the year ended December 31, 2017, the Zoo Society incurred costs for producing and distributing membership publications. These publications included – information, materials and activities that included fundraising appeals. These costs were allocated to fundraising and program services as follows:

Fundraising	\$ 91,846
Program services	<u>397,997</u>
	<u>\$ 489,843</u>

In-Kind Contributions. For the year ended December 31, 2017, \$267,945 was included as unrestricted special events support and revenues and expenses on the statement of activities. During 2017, in-kind contributions primarily consisted of donated advertising/media gifts.

Defined Contribution Plans

Effective January 1, 1999, the Zoo Society adopted a 403(b) defined contribution plan (the “Plan”). The Plan covers all employees who work 1,000 hours or more during a calendar year. Each participant may elect to defer a portion of their annual compensation and the Zoo Society will make a matching contribution up to 3 percent of the participant’s compensation. During 2017, the amount of expense related to this Plan was \$117,937.

Effective January 1, 2005, the Zoo Society adopted a 457(b) executive deferred compensation plan (the “Executive Plan”). Participation in the Executive Plan is limited to those determined eligible by the Human Resources Committee of Zoo Society’s Board of Trustees. Participants may elect annually to defer a portion of their compensation. The Human Resources Committee may annually elect to provide employer contributions to the Executive Plan. Participants are immediately vested in their elected deferral amounts and vested in the employer contributions over a three-year service period or upon their death or permanent disability. During the year ended December 31, 2017, the amount of expense related to this Executive Plan was \$25,000.

The assets of the Executive Plan are included in the “investments in pooled separate accounts” on the accompanying statement of financial position. At December 31, 2017, the total assets under the plan recorded in the accompanying statement of financial position was \$267,392. The fair value of the assets under the Executive Plan is provided by the administrator of the pooled separate accounts. The NAV, as provided by the administrator of the accounts, is used as a practical expedient to estimate fair value. The NAV is based on the value of the underlying investments held in the accounts, minus its liabilities, and then divided by the number of units outstanding.

The liability under the Executive Plan is included in “deferred compensation” on the accompanying statement of financial position. At December 31, 2017, the total liability under the plan recorded in the accompanying statement of financial position was \$292,392. The fair value of the deferred compensation liability is based upon the value of the total benefit available to the participants of the Executive Plan. The benefit available to the participants of the Executive Plan is equal to the underlying assets in the participants’ book accounts. As such, the value of the liability is equal to the assets under the Executive Plan, plus 25,000 at December 31, 2017, for amounts accrued by not yet invested in the pooled separate accounts.

CLEVELAND METROPARKS
Notes to the Basic Financial Statements
For the Year December 31, 2017

NOTE 15—CLEVELAND ZOOLOGICAL SOCIETY (ZOO SOCIETY) – *continued*

Related Party Transactions

At December 31, 2017, \$745,061 of pledges receivable and \$562,307 of support and revenue, respectively, were from trustees, trustee-related organizations, and employees.

The Zoo Society receives donated office facilities, including office space, common space, utilities, computer and telephonic services from the Metroparks. The amount of such services cannot be reasonably estimated due to the unique nature of the space. Therefore, no amounts are recorded on the statements of activities for the year ended December 31, 2017.

**Required Supplementary
Information**

CLEVELAND METROPARKS
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System - Traditional Pension Plan
Last Four Years (1) (2)

	2017	2016	2015	2014
Metroparks' Proportion of the Net Pension Liability	0.349667%	0.344018%	0.324745%	0.324745%
Metroparks' Proportionate Share of the Net Pension Liability	\$ 79,403,542	\$ 59,588,255	\$ 39,167,876	\$ 34,381,833
Metroparks' Covered Payroll	\$ 43,385,762	\$ 47,397,701	\$ 38,135,151	\$ 30,009,029
Metroparks' Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	183.02%	125.72%	102.71%	114.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	81.08%	86.45%	86.36%

(1) Information prior to 2014 is not available. Metroparks will continue to present information for years available until a full ten-year trend is compiled.

(2) Amounts presented for each year were determined as of the Metroparks' measurement date, which is the prior year-end.

Notes to Schedule:

Change in assumptions. In 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a reduction of the discount rate from 8.0% to 7.5%, a reduction in the wage inflation rate from 3.75% to 3.25%, and transition from the RP-2000 mortality tables to the RP-2014 mortality tables.

CLEVELAND METROPARKS
Required Supplementary Information
Schedule of Contributions
Ohio Public Employees Retirement System - Traditional Pension Plan
Last Five Years (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contributions	\$ 6,152,991	\$ 5,446,515	\$ 5,939,238	\$ 4,789,510	\$ 4,128,001
Contributions in Relation to the Contractually Required Contributions	<u>\$ (6,152,991)</u>	<u>\$ (5,446,515)</u>	<u>\$ (5,939,238)</u>	<u>\$ (4,789,510)</u>	<u>\$ (4,128,001)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Metroparks' Covered Payroll	\$ 44,793,795	\$ 43,385,762	\$ 47,397,701	\$ 38,135,151	\$ 30,009,029
Contributions as a Percentage of Covered Payroll	13.74%	12.55%	12.53%	12.56%	13.76%

(1) Information prior to 2013 is not available. Metroparks will continue to present information for years available until a full ten-year trend is compiled.

Individual Fund Statements and Schedules

Fund Description - Fiduciary Fund

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by a government under a trust agreement for individuals, private organizations or other governments, and therefore are not available to support the government's own programs. Metroparks has no trust funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Agency Fund

Flexible Benefits Plan Fund - This fund accounts for employee contributions into the flexible benefits plan established by Metroparks.

CLEVELAND METROPARKS

Statement of Changes in Fiduciary Assets and Liabilities

Agency Fund

For the Year Ended December 31, 2017

	Beginning Balance	Additions	Deductions	Ending Balance
Flexible Benefits Plan				
<i>Assets</i>				
Cash and cash equivalents	\$ 82,659	\$ 349,315	\$ 321,780	\$ 110,194
<i>Liabilities</i>				
Deposits held and due to others	\$ 82,659	\$ 349,315	\$ 321,780	\$ 110,194

**Individual Fund Schedule of Revenues,
Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual**

CLEVELAND METROPARKS
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 67,733,000	\$ 67,733,000	\$ 68,671,092	\$ 938,092
Intergovernmental	15,362,755	24,731,666	10,384,636	(14,347,030)
Donations and sponsors	3,385,870	6,357,937	7,322,831	964,894
Interest	225,000	225,000	255,333	30,333
Golf receipts	6,794,436	6,794,436	5,993,185	(801,251)
Zoo receipts	10,203,760	10,217,760	10,307,798	90,038
Park receipts	8,159,826	7,800,865	7,515,980	(284,885)
Damages and fines	217,665	225,442	261,627	36,185
Other	702,100	702,100	1,583,014	880,914
Total Revenues	112,784,412	124,788,206	112,295,496	(12,492,710)
Expenditures:				
Current:				
Park operations:				
Salaries	21,102,660	21,708,717	21,452,459	256,258
Fringe benefits	2,990,511	2,990,511	2,880,749	109,762
Operating supplies/other	6,683,598	7,206,044	6,208,466	997,578
Total park operations	30,776,769	31,905,272	30,541,674	1,363,598
Zoo operations:				
Salaries	11,520,181	11,450,781	10,923,347	527,434
Fringe benefits	1,799,363	1,798,513	1,604,909	193,604
Operating supplies/other	6,468,796	6,903,239	5,874,428	1,028,811
Total zoo operations	19,788,340	20,152,533	18,402,684	1,749,849
Golf course				
Salaries	2,908,645	2,907,745	2,798,344	109,401
Fringe benefits	528,409	528,409	396,559	131,850
Operating supplies/other	2,676,608	2,777,508	2,221,132	556,376
Total golf course	6,113,662	6,213,662	5,416,035	797,627
Ranger department				
Salaries	7,080,290	7,075,472	6,991,485	83,987
Fringe benefits	1,279,017	1,279,017	1,164,973	114,044
Operating supplies/other	939,661	948,378	792,505	155,873
Total ranger department	9,298,968	9,302,867	8,948,963	353,904
Administration				
Salaries	8,621,310	8,698,310	8,364,543	333,767
Fringe benefits	7,469,090	7,489,202	6,898,613	590,589
Operating supplies/other	11,199,678	11,397,538	9,915,139	1,482,399
Total administration	\$ 27,290,078	\$ 27,585,050	\$ 25,178,295	\$ 2,406,755

(continued)

CLEVELAND METROPARKS
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Expenditures (continued):</i>				
Capital outlay:				
Parks	\$ 24,054,221	\$ 33,054,055	\$ 20,474,463	\$ 12,579,592
Zoo	6,212,640	8,180,633	4,846,189	3,334,444
Golf course	3,136,740	3,136,740	1,761,858	1,374,882
Rangers	307,406	319,991	289,806	30,185
Administration	3,642,870	4,642,652	4,177,521	465,131
Total capital outlay	<u>37,353,877</u>	<u>49,334,071</u>	<u>31,549,837</u>	<u>17,784,234</u>
Total Expenditures	<u>130,621,694</u>	<u>144,493,455</u>	<u>120,037,488</u>	<u>24,455,967</u>
Change in fund balance	(17,837,282)	(19,705,249)	(7,741,992)	\$ 11,963,257
Fund balance beginning of year	11,568,509	11,568,509	11,568,509	
Prior Year Encumbrances Appropriated	<u>11,767,946</u>	<u>11,767,946</u>	<u>11,767,946</u>	
Fund balance end of year	<u>\$ 5,499,173</u>	<u>\$ 3,631,206</u>	<u>\$ 15,594,463</u>	





STATISTICAL
SECTION

STATISTICAL SECTION



**Cleveland
Metroparks®**

Statistical Section

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial position has changed over time. S2 - S5

Revenue Capacity

These schedules contain information to help the reader understand and assess the factors affecting the City's ability to generate its most significant local revenue sources, the income and property taxes. S6 - S14

Economic and Demographic Information

These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments. S15 - S16

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. S17 - S19

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CLEVELAND METROPARKS
Net Position by Component
Last Ten Years
(accrual basis of accounting)

	2017	2016	2015	2014 (restated) ¹	2013	2012	2011	2010	2009	2008
Governmental Activities:										
Net investment in capital assets	\$ 388,943,999	\$ 377,607,452	\$ 363,000,941	\$ 345,105,185	\$ 324,708,556	\$ 257,396,221	\$ 238,046,207	\$ 215,883,757	\$ 200,227,409	\$ 190,177,210
Unrestricted	(20,489,661)	(7,323,045)	8,966,608	7,193,024	27,252,748	14,533,073	27,186,827	22,020,532	32,704,664	34,497,211
<i>Total Governmental Activities Net Position</i>	<u>\$ 368,454,338</u>	<u>\$ 370,284,407</u>	<u>\$ 371,967,549</u>	<u>\$ 352,298,209</u>	<u>\$ 351,961,304</u>	<u>\$ 271,929,294</u>	<u>\$ 265,233,034</u>	<u>\$ 237,904,289</u>	<u>\$ 232,932,073</u>	<u>\$ 224,674,421</u>

¹ Net Position at December 31, 2014 has been restated for adoption of GASB Statement No. 68.

CLEVELAND METROPARKS

*Changes in Net Position
Last Ten Years
(accrual basis of accounting)*

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Program Revenues:										
Charges for Services:										
Park Operations	\$ 6,535,685	\$ 6,976,265	\$ 6,139,184	\$ 4,227,717	\$ 1,882,538	\$ 1,484,461	\$ 843,480	\$ 1,056,620	\$ 1,102,345	\$ 1,074,125
Zoo Operations	9,523,005	10,192,564	10,063,497	8,032,058	9,091,643	8,128,588	8,800,702	7,202,243	7,513,920	7,321,563
Golf Courses	6,002,523	6,245,738	6,320,530	5,879,352	6,055,428	6,251,559	5,026,038	5,642,647	5,886,833	5,736,129
Ranger Department Administration	233,253	69,621	73,789	119,770	69,471	81,133	52,372	53,198	55,500	54,079
	3,216,132	132,719	117	-	-	415,585	-	-	-	-
Operating Grants, Contributions, and Interest	4,413,455	1,960,235	2,097,083	4,593,015	2,938,530	1,903,730	3,092,924	591,890	3,609,273	1,545,456
Capital Grants, Contributions and Interest	9,267,753	10,425,941	7,543,763	12,591,206	62,787,901	16,852,984	24,427,952	5,816,900	2,115,091	1,480,201
Total Program Revenues	39,191,806	36,002,883	32,237,963	35,443,118	82,825,511	34,702,455	42,659,053	20,363,498	20,282,962	17,211,553
Program Expenses:										
Park Operations	46,517,869	47,629,967	30,769,501	30,678,440	22,278,154	24,777,188	22,999,061	23,308,538	24,651,013	23,028,607
Zoo Operations	25,969,712	23,659,931	21,221,029	21,322,735	19,968,160	21,862,586	21,568,830	22,017,328	21,662,820	20,634,338
Golf Courses	6,780,084	7,373,701	6,384,066	6,839,494	6,080,577	6,273,862	7,041,497	6,729,996	6,894,736	6,790,994
Ranger Department Administration	12,327,659	11,244,740	9,986,563	9,269,030	7,858,976	7,406,040	8,039,599	8,062,677	7,472,786	7,413,643
	25,113,218	21,420,296	19,825,583	14,461,704	12,757,885	11,347,881	12,315,110	11,462,899	10,291,882	10,328,953
Total Program Expenses	116,708,542	111,328,635	88,186,742	82,571,403	68,945,752	71,667,557	71,964,097	71,581,438	70,973,237	68,196,535
Net Expenses	(77,516,736)	(75,325,752)	(55,948,779)	(47,128,285)	13,881,759	(36,965,102)	(29,305,044)	(51,217,940)	(50,690,275)	(50,984,982)
General Revenues:										
Property Taxes Levied for General Purposes	68,602,320	66,284,428	67,464,996	68,036,389	42,984,629	37,933,471	45,837,601	46,490,136	48,195,557	46,664,587
Grants and Entitlements not Restricted to Specific Programs	6,702,511	6,205,637	7,337,304	8,372,262	21,984,635	5,169,784	10,194,483	9,141,480	10,055,921	12,742,984
Investment Earnings	302,565	217,285	136,095	59,782	54,748	47,154	44,151	120,490	276,886	976,710
Miscellaneous	79,271	935,260	679,724	589,080	1,126,539	510,953	557,554	438,050	419,563	384,095
Total General Revenues	75,686,667	73,642,610	75,618,119	77,057,513	66,150,551	43,661,362	56,633,789	56,190,156	58,947,927	60,768,376
Change in Net Position	\$ (1,830,069)	\$ (1,683,142)	\$ 19,669,340	\$ 29,929,228	\$ 80,032,310	\$ 6,696,260	\$ 27,328,745	\$ 4,972,216	\$ 8,257,652	\$ 9,783,594

CLEVELAND METROPARKS
Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund										
Nonspendable	\$ 1,362,806	\$ 1,533,009	\$ 1,216,671	\$ 1,528,414	\$ 1,365,611	\$ 1,756,268	\$ 1,566,651	\$ 1,142,342		
Committed	3,724,320	6,933,503	2,607,842	2,451,728	1,212,629	811,219	-	-		
Assigned	13,144,799	8,100,124	23,339,347	27,933,940	17,804,474	1,607,514	2,278,365	2,216,282		
Unassigned	1,733,215	5,986,114	6,670,685	-	5,747,054	7,646,792	10,697,173	8,848,873		
Reserved									\$ 2,194,591	\$ 2,966,900
Unreserved									20,903,307	24,154,101
<i>Total Governmental Fund Balance</i>	\$ 19,965,140	\$ 22,552,750	\$ 33,834,545	\$ 31,914,082	\$ 26,129,768	\$ 11,821,793	\$ 14,542,189	\$ 12,207,497	\$ 23,097,898	\$ 27,121,001

Note: During 2010, the Metroparks implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*

CLEVELAND METROPARKS
Changes in Fund Balances - Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues:										
Property Taxes	\$ 68,671,092	\$ 67,750,092	\$ 67,436,703	\$ 66,498,265	\$ 43,774,898	\$ 45,221,267	\$ 44,894,023	\$ 45,941,546	\$ 46,540,671	\$ 47,343,247
Intergovernmental	10,984,859	8,605,417	11,075,484	9,115,613	26,552,895	10,667,895	14,086,691	11,082,919	9,289,978	11,940,112
Donations and Sponsors	6,643,531	5,981,632	6,172,877	5,676,292	2,531,383	1,903,730	1,933,057	4,175,206	4,864,964	3,025,657
Interest	302,565	217,285	136,095	59,782	54,748	47,154	44,151	120,490	276,886	976,710
Golf Receipts	5,054,487	6,238,995	6,337,741	5,880,061	6,037,265	6,251,559	5,026,038	5,406,180	5,780,845	5,736,129
Zoo Receipts	10,395,798	10,187,034	10,052,539	8,032,574	9,091,127	8,128,588	8,800,702	7,097,080	7,528,225	7,321,563
Park Receipts	7,403,973	7,113,434	6,135,199	4,229,169	1,878,336	1,484,461	1,207,123	1,367,478	1,156,853	1,074,125
Damages and Fines	225,822	69,621	73,789	119,770	69,471	81,133	104,314	83,970	92,675	54,079
Other	1,583,424	895,421	675,875	595,580	1,114,254	510,953	557,554	438,050	419,563	384,095
Total Revenues	111,265,551	107,058,931	108,096,302	100,207,106	91,104,377	74,296,740	76,653,653	75,712,919	75,950,660	77,855,717
Expenditures:										
Current:										
Park Operations	30,710,229	30,727,620	28,636,639	25,694,308	20,425,404	18,448,630	17,467,667	18,563,889	17,884,242	19,235,045
Zoo Operations	19,684,835	18,157,078	17,882,062	19,800,687	19,112,247	18,852,908	18,243,758	19,515,046	19,317,551	18,716,585
Golf Course	5,210,848	6,332,195	5,901,022	6,568,676	6,017,368	5,896,692	6,479,798	6,343,827	6,462,704	6,444,686
Ranger Department	9,384,547	9,880,162	9,723,800	8,902,118	7,689,063	7,125,113	7,862,664	7,631,461	7,267,992	7,255,010
Administration	24,141,950	19,346,481	15,575,336	14,593,117	12,906,329	10,675,899	12,547,485	11,025,181	10,141,892	10,090,187
Capital Outlay	24,720,752	33,897,190	28,456,980	18,863,886	10,645,991	16,017,894	11,717,589	23,523,916	18,899,382	21,750,842
Total Expenditures	113,853,161	118,340,726	106,175,839	94,422,792	76,796,402	77,017,136	74,318,961	86,603,320	79,973,763	83,492,355
Net Change in Fund Balances	\$ (2,587,610)	\$ (11,281,795)	\$ 1,920,463	\$ 5,784,314	\$ 14,307,975	\$ (2,720,396)	\$ 2,334,692	\$ (10,890,401)	\$ (4,023,103)	\$ (5,636,638)
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

CLEVELAND METROPARKS
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Years

Collection Year	Real Property				Tangible Personal Property				Ratio	Full Tax Rate
	Assessed Value		Public Utility		General Business		Total			
	Residential/ Agricultural	Commercial Industrial Public Utility	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2017	\$ 19,457,345,250	\$ 7,761,002,220	\$ 1,070,878,380	\$ 1,216,907,250	\$ -	\$ -	\$ 28,289,225,850	\$ 78,983,614,307	35.82%	\$ 2.75
2016	19,361,229,500	7,833,216,540	949,600,700	1,079,091,705	-	-	28,144,046,740	78,777,508,962	35.73%	2.75
2015	19,040,920,510	8,393,727,860	905,949,000	1,029,487,500	-	-	28,340,597,370	79,414,197,129	35.69%	2.75
2014	19,040,881,120	8,396,812,570	851,517,000	967,632,955	-	-	28,289,210,690	79,361,043,497	35.65%	2.75
2013	18,763,098,070	8,382,734,230	846,193,770	961,583,830	-	-	27,992,026,070	78,521,104,687	35.65%	2.75
2012	20,581,061,860	8,810,837,260	702,587,750	798,395,170	-	-	30,094,486,870	84,775,249,799	35.50%	1.85
2011	20,659,548,820	8,780,635,590	677,485,670	769,870,080	-	-	30,117,670,080	84,884,682,680	35.48%	1.85
2010	20,668,135,030	8,615,061,710	658,665,770	748,483,830	-	-	29,941,862,510	84,414,760,230	35.47%	1.85
2009	22,356,230,170	8,442,590,380	619,305,690	703,756,466	383,468,309	3,067,746,472	31,801,594,549	91,768,133,081	34.65%	1.85
2008	22,219,276,910	8,458,014,540	593,166,589	674,052,942	729,256,789	5,834,054,312	31,999,714,828	94,157,511,397	33.99%	1.85

Sources: Cuyahoga County, Ohio, County Fiscal Officer
Medina County, Ohio, County Auditor

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 12.5 for 2007, 6.25 percent for 2008 and zero for 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax in 2010).

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property has been eliminated.

CLEVELAND METROPARKS
Property Tax Rates - Direct and Overlapping Governments (1)
(Per \$1,000 of Assessed Valuation)
Last Ten Years

	2017		2016		2015		2014		2013	
	Gross Rate	Effective Rate	Gross Rate	Effective Rate	Gross Rate	Effective Rate	Gross Rate	Effective Rate	Gross Rate	Effective Rate
Voted Millage by Levy										
2004 General Operating										
Effective Millage Rates										
Residential/Agricultural	\$ 2.7500	\$ 2.7183	\$ 2.7500	\$ 2.7112	\$ 2.7500	\$ 2.7119	\$ 2.7500	\$ 2.7500	\$ 2.7500	\$ 2.7500
Commercial/Industrial	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7368	2.7500	2.7046
General Business and Public Utility	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500	2.7500
Weighted Average Tax Rate	<u>2.7282</u>		<u>2.7233</u>		<u>2.7244</u>		<u>2.7461</u>		<u>2.7500</u>	
Overlapping Rates by Tax District										
Cuyahoga County	14.0500	13.9140	14.0500	13.8802	14.0500	13.8698	14.0500	14.0195	14.0500	13.9495
Cities										
Bay Village	14.9000	14.9000	14.9000	14.9000	14.9000	14.9000	14.9000	14.9000	14.9000	14.9000
Beachwood	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
Bedford	21.7000	21.7000	21.7000	21.7000	21.7000	21.7000	21.7000	21.7000	21.7000	21.7000
Bedford Heights	21.9000	21.9000	21.9000	21.9000	21.9000	21.9000	21.9000	21.9000	21.9000	21.9000
Berea	16.8000	12.7858	16.8000	12.7815	16.8000	12.7856	16.8000	13.3281	16.8000	13.3138
Brecksville	8.2100	8.2100	8.2100	8.2100	8.2100	8.2100	8.2100	8.2100	8.2100	8.2100
Broadview Heights	11.8200	9.2960	11.8200	9.2954	11.8200	9.2958	10.4000	8.3082	10.4000	7.7918
Brook Park	4.7500	4.7379	4.7500	4.7377	4.7500	4.6833	4.7500	4.3764	4.7500	4.6694
Brooklyn	5.9000	5.9000	5.9000	5.9000	5.9000	5.9000	5.9000	5.9000	5.9000	5.9000
Cleveland	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000
Cleveland Heights	12.4200	12.4200	13.9200	13.9200	13.9200	13.9200	13.9200	13.9200	12.9000	12.9000
East Cleveland	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000
Euclid	13.6000	7.4632	13.6000	7.4435	13.6000	7.4252	13.6000	10.2346	13.6000	9.9585
Fairview Park	11.8000	11.5629	11.8000	11.5640	11.8000	11.5636	11.8000	11.7454	11.8000	11.7271
Garfield Heights	28.0600	28.0600	29.4000	29.4000	27.2000	27.2000	27.0000	27.2000	27.0000	27.0000
Highland Heights	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
Independence	2.2000	2.2000	2.2000	2.2000	2.2000	2.2000	2.2000	2.2000	2.2000	2.2000
Lakewood	17.4000	17.4000	17.4000	17.4000	17.4000	17.4000	17.4000	17.4000	17.4000	17.4000
Lyndhurst	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000
Maple Heights	20.0000	20.0000	16.8000	16.8000	16.8000	16.8000	15.5000	15.5000	15.5000	15.5000
Mayfield Heights	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
Middleburg Heights	5.4500	4.7069	5.4500	4.7066	5.4500	4.7066	5.4500	4.8848	5.4500	4.8817
North Olmsted	13.3000	13.3000	13.3000	13.3000	13.3000	13.3000	13.3000	13.3000	13.3000	13.3000
North Royalton	8.2000	6.8378	8.2000	6.0205	8.2000	6.0196	8.2000	6.8130	8.2000	6.7482
Olmsted Falls	12.6500	9.8049	12.6500	9.8016	13.3500	10.5030	13.3500	10.5637	13.3500	10.3201
Parma	7.4000	7.4000	7.5000	7.5000	7.5000	7.5000	7.6000	7.5510	7.1000	6.8871
Parma Heights	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
Pepper Pike	9.5000	9.3596	9.5000	9.3553	9.5000	9.3558	9.5000	9.1995	9.5000	9.3947
Richmond Heights	18.3000	15.9788	18.3000	15.9742	18.1000	15.7728	18.1000	15.8380	18.1000	15.7130
Rocky River	10.8000	10.8000	10.8000	10.8000	10.9000	10.9000	10.9000	10.9000	10.9000	10.9000
Seven Hills	14.3900	14.2100	14.3900	14.2048	11.1000	10.9096	11.2000	11.2000	11.2000	11.2000
Shaker Heights	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000	9.6000	9.6000
Solon	3.8000	3.6512	3.8000	3.6505	3.8000	3.6505	3.8000	3.7627	3.8000	3.7554
South Euclid	18.8500	18.8500	18.8500	18.8500	16.3500	16.3282	16.3500	16.2605	16.3500	16.1215
Strongsville	9.3000	7.1611	9.3000	7.1627	9.3000	7.1672	9.8000	7.8942	9.8000	7.8240
University Heights	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000
Warrensville Heights	9.7000	6.6245	9.7000	6.6226	9.7000	6.6175	9.7000	6.8800	9.7000	6.8517
Westlake	9.5200	9.5200	9.5200	9.5200	9.5200	9.5200	9.5200	9.5200	9.5200	9.5200

CLEVELAND METROPARKS
Property Tax Rates - Direct and Overlapping Governments (1)
(Per \$1,000 of Assessed Valuation)
Last Ten Years
(continued)

	2012		2011		2010		2009		2008	
	Gross Rate	Effective Rate	Gross Rate	Effective Rate	Gross Rate	Effective Rate	Gross Rate	Effective Rate	Gross Rate	Effective Rate
Voted Millage by Levy										
2004 General Operating										
Effective Millage Rates										
Residential/Agricultural	\$ 1.8500	\$ 1.8188	\$ 1.8500	\$ 1.8106	\$ 1.8500	\$ 1.8068	\$ 1.8500	\$ 1.6698	\$ 1.8500	\$ 1.6720
Commercial/Industrial	1.8500	1.7354	1.8500	1.7243	1.8500	1.7249	1.8500	1.7171	1.8500	1.7125
General Business and Public Utility	1.8500	1.8500	1.8500	1.8500	1.8500	1.8500	1.8500	1.8500	1.8500	1.8500
Weighted Average Tax Rate	<u>1.8200</u>		<u>1.8100</u>		<u>1.8100</u>		<u>1.6700</u>		<u>1.6700</u>	
Overlapping Rates by Tax District										
Cuyahoga County	13.2200	12.7846	13.3200	12.8400	13.3200	12.8457	13.3200	12.6607	13.4200	11.8688
Cities										
Bay Village	14.9000	14.9000	14.9000	14.9000	14.9000	14.9000	14.9000	14.9000	14.9000	14.9000
Beachwood	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
Bedford	21.7000	21.7000	21.7000	21.7000	21.7000	21.7000	12.8000	12.8000	12.8000	12.8000
Bedford Heights	21.9000	21.9000	21.9000	21.9000	13.0000	13.0000	13.0000	13.0000	13.0000	13.0000
Berea	17.2000	13.1350	17.2000	13.1343	17.2000	13.1337	17.2000	13.0431	16.2000	12.0540
Brecksville	8.2100	8.2100	8.2100	8.2100	8.2100	8.2100	8.5000	8.5000	8.6000	8.6000
Broadview Heights	9.4000	6.3164	9.4000	6.3153	9.4000	6.3157	9.4000	6.2737	9.4000	6.2731
Brook Park	4.7500	4.6466	4.7500	4.6459	4.7500	4.6458	4.7500	4.6775	4.7500	4.6469
Brooklyn	5.9000	5.9000	5.9000	5.9000	5.9000	5.9000	6.9000	6.9000	6.9000	6.9000
Cleveland	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000
Cleveland Heights	12.9000	12.9000	12.9000	12.9000	12.9000	12.9000	12.9000	12.9000	12.9000	12.9000
East Cleveland	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000	12.7000
Euclid	13.6000	6.3749	13.6000	6.3560	15.6000	6.8572	15.6000	6.5565	15.6000	6.5540
Fairview Park	11.8000	11.5700	11.8000	11.5750	11.8000	11.5743	11.8000	11.5054	11.8000	11.5044
Garfield Heights	24.3000	24.3000	24.7000	24.7000	28.7000	28.7000	23.3000	23.3000	21.9000	21.9000
Highland Heights	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
Independence	2.2000	2.2000	2.6000	2.6000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000
Lakewood	17.4000	17.4000	17.4000	17.4000	17.4000	17.4000	17.4000	17.4000	17.4000	17.4000
Lyndhurst	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000	11.5000
Maple Heights	15.5000	15.5000	15.5000	15.4926	15.5000	15.5000	15.5000	15.5000	15.5000	14.7784
Mayfield Heights	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
Middleburg Heights	5.4500	4.6881	5.4500	4.6878	5.4500	4.6877	5.4500	4.6686	5.4500	4.6686
North Olmsted	13.3000	13.3000	13.3000	13.3000	13.3000	13.3000	13.2000	13.2000	13.2000	13.2000
North Royalton	8.2000	5.9175	8.2000	5.9129	8.2000	5.9117	8.2000	5.7698	8.2000	5.7708
Olmsted Falls	14.4500	11.1585	14.2500	10.9706	15.2000	9.9418	15.7000	10.2462	16.5000	9.5842
Parma	7.1000	6.6287	7.1000	6.6274	7.1000	6.6267	7.1000	6.5166	7.1000	6.5160
Parma Heights	10.0000	10.0000	10.0000	10.0000	10.0000	10.0000	10.2000	10.2000	10.2000	10.2000
Pepper Pike	9.5000	9.4933	9.5000	9.4989	9.5000	9.5000	9.5000	9.0676	9.5000	9.0548
Richmond Heights	18.1000	15.5444	18.1000	15.5394	17.0000	14.4382	17.0000	14.3041	17.0000	14.3033
Rocky River	10.9000	10.9000	10.9000	10.9000	10.9000	10.9000	10.9000	10.9000	10.9000	10.9000
Seven Hills	9.5000	9.2063	9.2000	9.2000	8.2000	8.8251	9.2000	8.6128	9.2000	8.0675
Shaker Heights	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000	9.9000
Solon	3.8000	3.6580	3.9000	3.7565	3.9000	3.7563	4.1000	3.9417	4.1000	3.9411
South Euclid	13.1000	13.1000	13.1000	13.1000	14.9000	13.2321	14.9000	13.1066	14.7000	12.9048
Strongsville	9.9000	7.4089	9.9000	7.3637	9.9000	7.3603	9.9000	7.2089	10.1000	6.1886
University Heights	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000	13.2000
Warrensville Heights	9.7000	6.6205	9.7000	5.5887	9.7000	5.5887	9.7000	5.4808	13.2000	6.5850
Westlake	9.6000	9.6000	9.6000	9.6000	9.6000	9.6000	9.6000	9.6000	9.8000	9.8000

CLEVELAND METROPARKS
Property Tax Rates - Direct and Overlapping Governments (1)
(Per \$1,000 of Assessed Valuation)
Last Ten Years
(continued)

	2017		2016		2015		2014		2013	
	Gross Rate	Effective Rate	Gross Rate	Effective Rate	Gross Rate	Effective Rate	Gross Rate	Effective Rate	Gross Rate	Effective Rate
Villages										
Bentleyville	\$ 8.9000	\$ 7.5305	\$ 8.9000	\$ 7.5156	\$ 8.9000	\$ 7.5117	\$ 8.9000	\$ 8.9000	\$ 8.9000	\$ 7.8576
Bratenahl	15.0000	15.0000	15.0000	14.9047	15.0000	14.9081	16.0000	16.0000	16.0000	16.0000
Chagrin Falls	8.9000	8.2916	9.3000	8.6901	9.4000	8.7842	9.3000	9.3000	9.5000	9.4644
Cuyahoga Heights	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000
Gates Mills	14.4000	12.6592	14.4000	12.5937	14.4000	12.6041	14.4000	14.4000	14.4000	14.4000
Glenwillow	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000
Highland Hills	20.7000	19.3343	20.7000	19.2801	20.7000	12.4473	20.7000	11.0053	20.7000	10.9855
Hunting Valley	8.1000	8.1000	8.1000	8.1000	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000
Linndale	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000
Mayfield	7.3000	4.2204	7.3000	4.2180	7.3000	4.2176	7.3000	4.5692	7.3000	4.5535
Moreland Hills	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000
Newburgh Heights	31.8000	31.8000	31.8000	31.8000	31.8000	30.9649	31.8000	30.6399	31.8000	30.5869
North Randall	4.8000	4.5550	4.8000	4.5550	4.8000	4.5550	4.8000	4.6576	4.8000	4.6048
Oakwood	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000
Orange	7.0000	7.0000	7.0000	7.0000	7.1000	7.1000	7.1000	7.1000	7.1000	7.1000
Valley View	6.7000	6.6987	6.7000	6.6963	6.7000	6.7000	6.7000	6.7000	6.7000	6.7000
Walton Hills	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
Woodmere	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000
Townships										
Chagrin Falls	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000
Olmsted	27.5000	17.7494	27.5000	17.7170	27.5000	17.7328	27.5000	19.2326	23.5000	15.6461
School Districts										
Bay Village City	122.1800	57.4924	122.4100	57.7192	116.8100	52.0512	116.8100	63.1252	116.8100	62.5437
Beachwood City	86.2000	40.3077	86.4000	40.4946	86.4000	40.4524	86.4000	48.9374	86.4000	48.6513
Bedford City	75.7200	45.3116	75.7200	45.2045	75.7200	45.1652	75.7200	54.2630	70.8200	49.0798
Berea City	82.2000	48.6825	82.2000	48.6417	78.0000	44.4553	78.7000	51.8216	78.8000	51.5507
Brecksville-Broadview Heights City	82.8900	44.8383	77.0000	38.9210	77.0000	38.9563	77.0000	43.8622	77.2000	43.2930
Brooklyn City	56.8000	51.3082	59.8000	51.7721	59.8000	49.8372	60.2000	49.0033	60.1000	48.9944
Chagrin Falls Exempted Village	124.1000	61.5733	115.2000	53.2460	115.3000	53.3127	115.3000	62.7821	115.6000	61.8377
Cleveland Heights - University Heights City	156.0900	88.4875	155.5900	87.4552	149.5900	81.3081	149.5900	93.5397	149.5900	92.7788
Cleveland Municipal	79.3000	52.6274	79.3000	52.5272	79.3000	52.4795	79.4000	60.6077	79.8000	60.1246
Cuyahoga Heights Local	35.7000	30.1360	35.7000	30.1165	35.7000	30.1361	35.7000	32.5681	35.7000	32.5011
East Cleveland City	95.1000	57.9180	95.1000	57.7161	95.1000	57.5531	94.1000	73.9243	94.1000	70.9317
Euclid City	109.8200	85.4798	110.9200	86.4056	102.0200	77.3439	101.6000	88.8396	100.7000	86.3873
Fairview Park City	98.7200	57.0089	98.6200	56.9658	96.1700	54.4973	96.4700	62.0500	96.4700	61.1419
Garfield Heights City	86.2600	83.1684	87.7600	84.4587	81.0600	71.6367	81.0600	69.6492	78.2600	65.6750
Independence Local	36.7000	34.7439	36.7000	34.7329	36.1000	34.1022	35.8000	35.8000	36.0000	36.0000
Lakewood City	122.7300	62.9459	122.7300	62.8527	122.7300	62.8665	123.2300	80.8649	123.2300	80.9159
Maple Heights City	91.5000	78.9112	91.5000	78.7734	88.7700	74.0557	88.2000	70.8478	81.2000	62.2855
Mayfield City	90.6700	53.9209	90.7200	53.8388	84.1200	47.2295	84.1200	51.0910	84.2200	50.2855
North Olmsted City	97.1000	59.9663	96.9000	59.7381	96.9000	59.7329	96.9000	64.0853	91.4000	57.6284
North Royalton City	68.5000	44.4431	65.7000	41.6366	65.7000	41.6407	65.7000	41.6295	65.7000	41.4324
Olmsted Falls City	100.0000	53.7395	100.4000	54.0417	102.2000	55.8188	102.2000	56.5034	102.2000	56.3994
Orange City	91.2000	45.9803	91.2000	45.6793	91.1000	46.6578	91.1000	53.7749	91.1000	53.2603
Parma City	75.8600	55.4407	75.8100	55.3675	75.7100	55.2430	75.5100	56.9205	75.7000	57.2533
Richmond Heights Local	99.9800	64.6260	87.9000	52.4409	87.9000	52.4040	87.9000	51.5521	87.9000	50.7616
Rocky River City	90.4700	47.2882	89.5500	46.3521	89.5500	46.2970	89.5500	64.8023	89.5500	64.6202
Shaker Heights City	190.4800	99.0596	186.7300	94.7243	186.7300	94.5621	186.8300	126.9931	180.2300	117.4225
Solon City	82.2000	47.3343	82.2000	47.2526	82.2000	47.2543	82.2000	59.9109	82.2000	59.3596
South Euclid - Lyndhurst City	107.7000	68.2018	107.7000	68.0607	107.8000	66.9334	107.6000	65.7911	107.4000	63.7761
Strongsville City	81.7800	41.0156	81.7800	41.0288	81.7800	41.0607	81.7800	44.0647	81.6800	43.1773
Warrensville City	93.2000	68.8734	92.4000	68.0382	91.7000	67.2653	91.8000	69.6940	91.8000	69.7819
Westlake City	69.9000	35.8434	70.2000	36.1210	70.1000	36.0546	70.1000	40.8183	70.1000	40.6811

CLEVELAND METROPARKS
Property Tax Rates - Direct and Overlapping Governments (1)
(Per \$1,000 of Assessed Valuation)
Last Ten Years
(continued)

	2012		2011		2010		2009		2008	
	Gross Rate	Effective Rate	Gross Rate	Effective Rate	Gross Rate	Effective Rate	Gross Rate	Effective Rate	Gross Rate	Effective Rate
Villages										
Bentleyville	\$ 8.9000	\$ 6.9159	\$ 8.9000	\$ 7.4721	\$ 8.9000	\$ 7.4705	\$ 8.9000	\$ 7.4564	\$ 8.9000	\$ 7.4530
Bratenahl	16.0000	15.4864	16.0000	15.9972	15.5000	12.9000	15.5000	14.1134	14.0000	11.6432
Chagrin Falls	11.2000	11.1847	11.2000	11.1828	11.2000	11.2000	11.2000	8.8401	16.5000	13.2379
Cuyahoga Heights	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000
Gates Mills	14.4000	12.7636	14.4000	12.7249	14.4000	12.7194	14.4000	12.1300	14.4000	12.0951
Glenwillow	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000	3.3000
Highland Hills	20.7000	11.8205	20.7000	11.4924	20.7000	11.4894	20.7000	12.8525	20.7000	12.8036
Hunting Valley	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000
Linndale	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000	2.8000
Mayfield	7.8000	4.1678	7.3000	4.1656	7.3000	4.1649	7.3000	4.1547	7.3000	4.1546
Moreland Hills	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000	7.3000
Newburgh Heights	23.1000	22.7248	23.1000	22.6790	19.5000	17.9780	19.5000	16.8366	19.5000	16.8060
North Randall	4.8000	4.2230	4.8000	4.2148	4.8000	4.2131	4.8000	4.1723	4.8000	4.1714
Oakwood	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000
Orange	7.1000	7.1000	7.1000	7.1000	7.1000	7.1000	7.1000	7.1000	7.1000	7.1000
Valley View	6.7000	6.7000	6.7000	6.7000	6.7000	6.7000	7.1000	5.3339	7.1000	5.3333
Walton Hills	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
Woodmere	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000	4.3000
Townships										
Chagrin Falls	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Olmsted	23.5000	13.8235	23.5000	13.8021	21.5000	11.7057	21.5000	11.0654	21.5000	11.0986
School Districts										
Bay Village City	129.7500	67.8734	114.9500	52.9108	108.8500	46.7716	108.8500	45.8465	108.8500	45.7500
Beachwood City	86.4000	41.1621	86.4000	41.0169	83.9000	38.4659	83.9000	36.3500	82.3000	34.7835
Bedford City	71.3000	37.5823	72.5000	38.6990	72.5000	38.6966	67.6000	30.9966	67.6000	31.0146
Berea City	75.0000	38.7027	74.9000	38.5574	75.0000	38.6450	74.9000	35.9563	74.9000	35.9966
Brecksville-Broadview Heights City	77.2000	39.1911	77.2000	39.1176	77.3000	39.1700	77.1000	37.2338	77.1000	37.1756
Brooklyn City	47.2000	34.3550	47.2000	34.2129	47.0000	35.0838	46.4000	32.9276	39.5000	26.0149
Chagrin Falls Exempted Village	107.7000	47.5708	107.7000	47.3264	108.6000	48.2245	108.6000	47.8160	108.3000	47.4618
Cleveland Heights - University Heights City	143.7000	71.7220	136.8000	64.3156	136.8000	64.1928	136.7000	60.2978	136.7000	60.1573
Cleveland Municipal	64.8000	31.6742	64.8000	31.5069	64.8000	31.4601	64.8000	29.0766	64.8000	29.0506
Cuyahoga Heights Local	27.8000	21.4861	28.8000	22.4628	29.0000	22.6478	28.9000	22.4516	28.9000	22.4422
East Cleveland City	93.0000	40.1932	93.0000	39.9056	92.5000	39.2650	92.1000	35.4764	92.1000	35.4561
Euclid City	88.4000	53.3148	89.9000	54.4667	89.9000	54.4663	85.2000	46.1446	78.2000	39.1132
Fairview Park City	97.6000	56.8256	97.6000	56.7442	97.4000	56.5150	96.1000	51.9219	96.0000	51.7746
Garfield Heights City	56.8600	42.9977	56.3000	42.1197	56.5000	42.3215	54.6000	40.1189	54.5000	40.0213
Independence Local	34.9000	32.9393	31.9000	29.8969	32.0000	30.0066	31.4000	29.2735	31.5000	29.3471
Lakewood City	115.4000	56.6893	115.4000	56.4020	107.9000	48.8809	107.2000	45.9650	106.9000	45.5754
Maple Heights City	74.2000	48.8997	71.9000	47.4149	71.9000	47.4149	63.4000	34.4302	62.9000	36.1949
Mayfield City	78.3200	40.1875	74.2000	49.7767	78.3200	40.0985	78.3200	38.1502	71.4200	31.2351
North Olmsted City	91.4000	52.5975	91.4000	52.5281	83.5000	44.5988	83.5000	41.1735	83.5000	41.1462
North Royalton City	65.7000	41.0277	65.8000	41.0839	65.5000	41.1462	58.8000	33.7000	59.6000	34.5000
Olmsted Falls City	101.6000	54.1899	101.7000	54.1712	93.0000	45.4561	91.9000	41.6942	91.8000	41.6553
Orange City	91.1000	47.0164	86.1000	41.8247	86.0000	41.6958	86.0000	40.1499	86.0000	40.0270
Parma City	73.0000	49.3839	66.1000	42.4584	66.0000	42.3449	65.1000	38.8681	61.4000	35.1460
Richmond Heights Local	82.6000	41.5035	82.6000	41.3640	82.6000	41.3343	78.6000	33.6185	78.6000	33.5915
Rocky River City	84.3500	44.1296	84.3000	43.9489	82.7000	42.3267	82.7000	40.8212	77.1000	35.1664
Shaker Heights City	180.1300	86.4536	180.1300	85.7364	170.6000	76.1047	170.6000	71.0032	170.3000	70.4688
Solon City	82.2000	48.3345	82.2000	48.1861	75.5000	41.4665	75.3000	39.9335	75.3000	39.8732
South Euclid - Lyndhurst City	101.5000	55.4209	101.6000	55.3403	101.6000	50.6368	96.2000	45.2685	96.2000	45.2685
Strongsville City	80.9800	40.0776	81.1900	40.2545	81.2000	40.3511	81.2000	38.2267	81.3000	38.3385
Warrensville City	89.0000	50.7837	89.5000	51.1160	90.8000	51.9727	90.1000	49.6729	90.1000	49.6674
Westlake City	70.1000	36.7691	70.1000	36.6681	66.7000	33.2708	66.5000	31.7454	66.5000	31.7267

CLEVELAND METROPARKS
Property Tax Rates - Direct and Overlapping Governments (1)
(Per \$1,000 of Assessed Valuation)
Last Ten Years
(continued)

	2017		2016		2015		2014		2013	
	Gross Rate	Effective Rate	Gross Rate	Effective Rate	Gross Rate	Effective Rate	Gross Rate	Effective Rate	Gross Rate	Effective Rate
Joint Vocational Schools										
Cuyahoga Valley	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000
Polaris	3.0900	2.9858	3.0900	2.9848	2.4000	2.2699	2.4000	2.1745	2.4000	2.1401
Special Districts										
Chagrin Falls Township Fire District	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000
Cleveland Heights Public Library	10.0000	8.2615	10.0000	8.2156	10.0000	8.2030	10.0000	8.5685	7.8000	6.3169
Cleveland Library	6.8000	6.3485	6.8000	6.3465	6.8000	6.3455	6.8000	6.4725	6.8000	6.2210
Cleveland Port Authority	0.1300	0.1131	0.1300	0.1127	0.1300	0.1127	0.1300	0.1127	0.1300	0.1106
Cuyahoga County Library	2.5000	2.4755	2.5000	2.4707	2.5000	2.4695	2.5000	2.5000	2.5000	2.5000
East Cleveland Library	7.0000	7.0000	7.0000	7.0000	7.0000	7.0000	7.0000	7.0000	7.0000	6.9777
Euclid Library	5.6000	5.6000	5.6000	5.6000	5.6000	5.6000	5.6000	5.6000	4.0000	4.0000
Lakewood Library	3.5000	2.3534	3.5000	2.3484	3.5000	2.7119	3.5000	2.8032	3.5000	2.8055
Rocky River Library	6.1000	4.6720	6.1000	4.6698	6.1000	4.6625	6.1000	5.4419	6.1000	5.4189
Shaker Heights Library	4.0000	3.8400	4.0000	3.8144	4.0000	3.8073	4.0000	4.0000	4.0000	4.0000
Westlake Library	2.8000	2.6620	2.8000	2.6596	2.8000	2.6632	2.8000	2.8000	2.8000	2.8000

(1) Based on lower of Residential/Agricultural and Commercial/Industrial effective rates.

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

Basic property tax rates may be increased only by a majority vote of the entity's residents.

Overlapping rates are those of local and county governments that apply to property owners within the entity. Real property tax rates are reduced so that inflationary increases in value do not generate additional revenue.

Source: Ohio Department of Taxation, Cuyahoga County Fiscal Officer

CLEVELAND METROPARKS
Property Tax Rates - Direct and Overlapping Governments (1)
(Per \$1,000 of Assessed Valuation)
Last Ten Years
(continued)

	2012		2011		2010		2009		2008	
	Gross Rate	Effective Rate	Gross Rate	Effective Rate	Gross Rate	Effective Rate	Gross Rate	Effective Rate	Gross Rate	Effective Rate
Joint Vocational Schools										
Cuyahoga Valley	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000	\$ 2.0000
Polaris	2.4000	2.0413	2.4000	2.1821	2.4000	2.0076	2.4000	2.0000	2.4000	2.0000
Special Districts										
Chagrin Falls Township Fire District	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000
Cleveland Heights Public Library	7.8000	5.7108	7.8000	5.6651	7.8000	5.6651	7.8000	5.3894	5.9000	3.4793
Cleveland Library	6.8000	6.2210	6.8000	6.2177	6.8000	6.2168	6.8000	6.1703	6.8000	4.9006
Cleveland Port Authority	0.1300	0.1033	0.1300	0.1029	0.1300	0.1027	0.1300	0.0947	0.1300	0.0946
Cuyahoga County Library	2.5000	2.5000	2.5000	2.4707	2.5000	2.4695	2.5000	2.5000	2.0000	1.8086
East Cleveland Library	7.0000	6.4283	7.0000	6.3968	7.0000	6.3814	7.0000	6.0101	7.0000	6.0080
Euclid Library	4.0000	4.0000	4.0000	4.0000	3.5000	3.4743	3.5000	3.1234	3.5000	3.1204
Lakewood Library	3.5000	2.3751	3.5000	2.3552	3.5000	2.3537	3.5000	2.1997	3.5000	2.1935
Rocky River Library	6.1000	5.0526	6.1000	5.0286	6.1000	5.0245	6.1000	4.7476	6.1000	4.7376
Shaker Heights Library	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	3.1836
Westlake Library	2.8000	2.8000	2.8000	2.7737	2.8000	2.8000	2.8000	2.8000	2.5000	2.1276

CLEVELAND METROPARKS
Property Tax Levies and Collections
Last Ten Years

Collection Year	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections	Total Tax Collections (1)	Percent of Total Tax Collections to Current Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Total Tax Levy
2017	\$ 75,319,089	\$ 71,244,310	94.59%	\$ 2,495,807	\$ 73,740,117	97.90%	\$ 2,495,807	3.31%
2016	74,907,282	70,638,247	94.30%	3,392,211	74,030,458	98.83%	7,116,673	9.50%
2015	76,135,421	69,659,132	91.49%	4,857,065	74,516,197	97.87%	12,380,640	16.26%
2014	76,146,454	69,067,495	90.70%	3,071,288	72,138,783	94.74%	11,377,444	14.94%
2013	50,747,127	46,620,706	91.87%	2,140,415	48,761,121	96.09%	10,948,160	21.57%
2012	53,647,961	48,470,731	90.35%	2,563,887	51,034,618	95.13%	12,150,020	22.65%
2011	53,363,730	48,633,300	91.14%	2,079,658	50,712,958	95.03%	11,356,409	21.28%
2010	53,256,253	48,907,335	91.83%	2,216,020	51,123,355	96.00%	10,404,139	19.54%
2009	52,769,307	48,792,957	92.46%	2,134,819	50,927,776	96.51%	9,862,135	18.69%
2008	53,719,872	49,979,603	93.04%	2,532,688	52,512,291	97.75%	8,211,600	15.29%

Source: Cuyahoga County, Ohio, County Fiscal Officer

Note: The County's current operating system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

(1) - State reimbursement of rollback and homestead exemptions are included.

CLEVELAND METROPARKS
Principal Property Tax Payers - Real Property
Current Year and 2012 (1)

Taxpayer	2017			2012		
	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Total Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Clevel Electric Illuminating Company	\$ 652,473,390	1	2.40%	\$ 188,580,610	1	0.64%
American Transmission Systems	289,926,800	2	1.07%			
East Ohio Gas Company	167,793,910	3	0.62%	51,819,260	7	0.18%
Cleveland Clinic Foundation	108,558,900	4	0.40%	149,237,200	2	0.51%
City of Cleveland	75,747,380	5	0.28%			
Beachwood Place Limited Partnership	70,950,190	6	0.26%	65,324,350	4	0.22%
CP Commercial Delaware, LLC	46,863,810	7	0.17%			
Rock Ohio Caesars Cleveland, LLC	45,641,450	8	0.17%			
Cleveland Financial Association, LLC	45,527,380	9	0.17%	47,990,600	8	0.16%
National City Bank	43,546,600	10	0.16%			
Key Center Properties, LLC				68,697,720	3	0.23%
University Hospitals Health System, Inc.				62,776,320	5	0.21%
Southpark Mall, LLC				57,940,860	6	0.20%
Eaton Corporation				32,280,050	9	0.11%
Toledo-Lucas County Port Authority				31,159,350	10	0.11%
Total Top 10 Real Property	1,547,029,810		5.70%	755,806,320		2.57%
All Others	25,671,317,660		94.30%	28,636,092,800		97.43%
Total Real Property Assessed Valuation	<u>\$ 27,218,347,470</u>		<u>100.00%</u>	<u>\$ 29,391,899,120</u>		<u>100.00%</u>

Source: Cuyahoga County, Ohio; County Fiscal Officer

(1) Information prior to 2012 is not available.

CLEVELAND METROPARKS
Demographic and Economic Statistics
Last Ten Years

Year	County Population (1)	Metropolitan Statistical Area (2)	Personal Income	Per Capita Personal Income	Median Family Income (2)
2017	1,248,514	1,750,920	\$ 36,385,443,502	\$ 29,143	\$ 45,289
2016	1,295,958	1,794,211	33,344,999,000	25,730	44,203
2015	1,259,828	1,759,382	35,333,174,000	28,046	43,804
2014	1,259,828	1,759,382	33,981,368,908	26,973	43,804
2013	1,263,154	1,761,898	33,981,368,908	26,902	57,514
2012	1,265,111	1,779,827	33,917,625,910	26,810	59,213
2011	1,270,294	1,766,669	33,361,731,322	26,263	n/a
2010	1,280,122	1,775,884	33,353,412,000	26,055	n/a
2009	1,275,709	1,783,918	33,353,411,805	26,145	n/a
2008	1,283,925	1,783,918	32,464,043,625	25,285	n/a

UNEMPLOYMENT RATES (3)

Year	Cuyahoga County	Ohio	United States
2017	4.8%	4.5%	3.9%
2016	5.3%	4.7%	4.5%
2015	6.4%	5.4%	5.6%
2014	5.3%	5.1%	5.6%
2013	7.2%	7.1%	6.7%
2012	8.3%	6.7%	7.9%
2011	8.0%	8.1%	8.5%
2010	8.6%	9.6%	9.4%
2009	9.0%	10.9%	10.0%
2008	7.1%	7.6%	7.1%

EMPLOYMENT - ANNUAL AVERAGE (3)

Year	Total Employed	Total Unemployed	Total Civilian Labor Force
2017	575,100	35,800	610,900
2016	577,200	33,300	610,500
2015	584,400	39,900	624,300
2014	584,400	39,900	624,300
2013	592,250	45,950	638,200
2012	616,195	54,758	670,953
2011	611,227	53,150	664,377
2010	574,632	54,068	628,700
2009	564,837	55,863	620,700
2008	599,762	45,838	645,600

Sources: (1) Ohio Department of Development - The Metropolitan Statistical Area (MSA) as defined by the Department of Development, includes Lake, Geauga, Medina and Cuyahoga counties
(2) U.S. Census Bureau
(3) Ohio Department of Jobs and Family Services

CLEVELAND METROPARKS
Principal Employers
Current Year and Nine Years Prior

<u>Employer</u>	<u>2017</u>			<u>2008 (3)</u>		
	<u>Number of Employees (1)</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Number of Employees (1)</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Cleveland Clinic Health System	32,772	1	5.70%	32,415	1	5.39%
University Hospitals Health System	16,606	2	2.89%	10,904	3	1.81%
U.S. Office of Personnel Management	12,045	3	2.09%	13,101	2	2.18%
Progressive Corporation	9,002	4	1.57%	9,057	6	1.50%
Cuyahoga County	7,397	5	1.29%	9,566	4	1.59%
Area Temps Inc.	7,000	6	1.22%			
City of Cleveland	6,561	7	1.14%	7,950	10	1.32%
The MetroHealth System	6,469	8	1.12%			
Cleveland Metropolitan School District	6,392	9	1.11%			
Group Management Services Inc.	5,357	10	0.93%	9,486	5	1.58%
Summa Health System				8,923	7	1.48%
Giant Eagle Inc.				8,800	8	1.46%
United States Postal Service				8,032	9	1.33%
Total Employees	109,601		19.06%	118,234		19.64%
All Other Employers	465,499		80.94%	483,566		80.36%
Total Employment within the City (2)	<u>575,100</u>		<u>100.00%</u>	<u>601,800</u>		<u>100.00%</u>

Sources: (1) Crain's Cleveland Business Magazine
(2) Ohio Department of Jobs & Family Services

CLEVELAND METROPARKS
Full-Time Equivalent Metroparks Employees by Division
Last Ten Years

Division	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Parks	443.8	432.1	412.9	377.2	289.6	213.4	222.4	222.4	223.2	224.8
Zoo	252.8	248.8	250.8	256.0	254.4	250.1	258.7	252.1	248.6	253.9
Golf	103.5	97.4	95.0	100.4	104.4	107.6	123.1	104.0	104.9	102.1
Rangers	103.8	103.9	101.1	99.6	84.7	83.2	85.9	85.8	87.0	87.3
Administration	142.2	132.4	125.8	109.8	110.9	186.2	170.6	153.3	151.2	149.3
Total	1,046.1	1,014.6	985.6	943.0	844.0	840.5	860.7	817.6	814.9	817.4
Percent Change	3.1%	2.9%	4.5%	11.7%	0.4%	-2.3%	5.3%	0.3%	-0.3%	

Source: Cleveland Metroparks Payroll Department

Method: A full-time equivalent at December 31st is one full calendar year of paid employment, or the equivalent of 2,080 hours (the number of available work hours in a year).

CLEVELAND METROPARKS
Operating Indicators
Last Ten Years

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Affiliate Visitation (3)	N/A	N/A	N/A	402,873	366,000	319,616	347,208	369,533	386,959	367,467
Water Safety Division										
Hinckley Dam	63,740	67,173	60,812	65,115	63,277	69,597	63,527	51,922	54,275	54,275
Huntington Beach	125,678	138,532	125,019	184,368	184,368	211,145	215,309	270,318	242,919	242,919
Ledge Lake pool	26,825	31,052	26,983	29,876	29,332	42,337	45,655	44,127	32,297	29,020
Wallace Lake	30,985	24,317	22,803	32,604	29,828	18,804	16,046	38,152	50,371	50,371
Edgewater Park (1)	159,873	159,305	145,758	294,039	209,013	N/A	N/A	N/A	N/A	N/A
Euclid Beach (Wildwood)	16,718	15,780	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
The Chalet										
Public admissions	23,682	27,118	19,809	32,630	37,868	30,127	31,652	39,429	31,059	29,482
Private rentals	17,737	18,552	18,447	20,335	19,054	15,477	15,185	13,298	14,937	14,440
Golf Services										
Golfers at 9 holes	293,103	333,065	348,481	317,600	330,956	364,235	274,596	323,741	351,532	344,325
Golfers at Starts (2)	223,456	247,878	261,848	246,486	257,152	N/A	N/A	N/A	N/A	N/A
Footgolf	2,914	3,915	5,063	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Outdoor Education										
Walk ins	361,623	286,152	282,707	275,881	283,366	272,903	254,741	270,527	270,856	246,724
Programs	270,615	201,516	202,426	215,451	178,278	157,851	148,612	161,976	160,712	152,944
Outdoor recreation	5,768	4,776	4,037	4,660	2,700	3,456	3,554	2,880	2,358	2,929
Historical interpretation (3)	N/A	N/A	4,056	6,054	7,861	6,754	1,043	1,101	4,072	8,950
Nature tracks mobile education unit	30,958	47,166	54,925	31,279	34,814	25,995	21,182	19,565	218,070	17,584
Youth outdoors	11,042	9,536	7,665	9,628	8,969	8,636	8,377	9,898	9,990	9,810
Ranger Department										
Programs	48,354	70,026	54,342	57,725	67,674	20,424	5,846	5,901	2,868	3,424
Parades (3)	N/A	N/A	N/A	N/A	386,500	100,000	102,885	103,050	202,118	154,193
Visitor Services										
Reserved group picnic areas	141,686	141,740	130,183	201,767	175,288	123,655	113,252	107,441	88,956	97,229
Reserved fields (multi-purpose) (4)	251,857	212,406	69,509	21,330	84,975	35,970	30,402	24,946	22,680	33,905
Emerald Necklace Marina (3)	N/A	N/A	N/A	N/A	3,503	7,901	8,627	9,820	10,400	11,977
Marketing										
Special Events	N/A	N/A	N/A	141,802	53,707	67,958	59,321	63,715	63,942	62,538
Cleveland Metroparks Zoo										
Zoo/Rainforest	1,042,564	1,023,608	1,090,148	1,059,632	1,123,660	1,170,443	1,318,458	1,130,518	1,154,607	1,162,850

Source: Cleveland Metroparks Marketing Department

(1) The Metroparks began management of Edgewater Park in 2013

(2) Beginning in 2014, counts will be based on starts, which is the industry standard

(3) Information no longer being tracked separately

(4) Beginning in 2016, counts began for each occurrence, whereas in the past, only a single instance of a recurring rental was counted

CLEVELAND METROPARKS
Capital Assets Statistics by Function/Program
Last Ten Years

Operation	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Building Square Footage										
Zoo	418,058	408,479	408,067	396,544	396,544	396,544	358,342	334,065	327,052	323,769
Golf	172,881	172,881	172,881	172,881	172,881	172,881	122,764	110,394	109,194	108,795
Ranger	85,676	85,676	85,676	85,676	49,726	48,449	48,449	48,449	49,505	45,557
Administration	52,654	52,654	41,203	41,203	39,961	29,746	29,489	29,408	29,408	29,408
Maintenance	778,901	778,901	778,490	775,073	773,699	738,231	709,540	707,143	703,219	659,154

Source: Cleveland Metroparks Department of Finance



**Cleveland
Metroparks**

**100
YEARS**

clevelandmetroparks.com



Dave Yost • Auditor of State

**CLEVELAND METROPOLITAN PARK DISTRICT
CUYAHOGA 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
AUGUST, 9 2018**