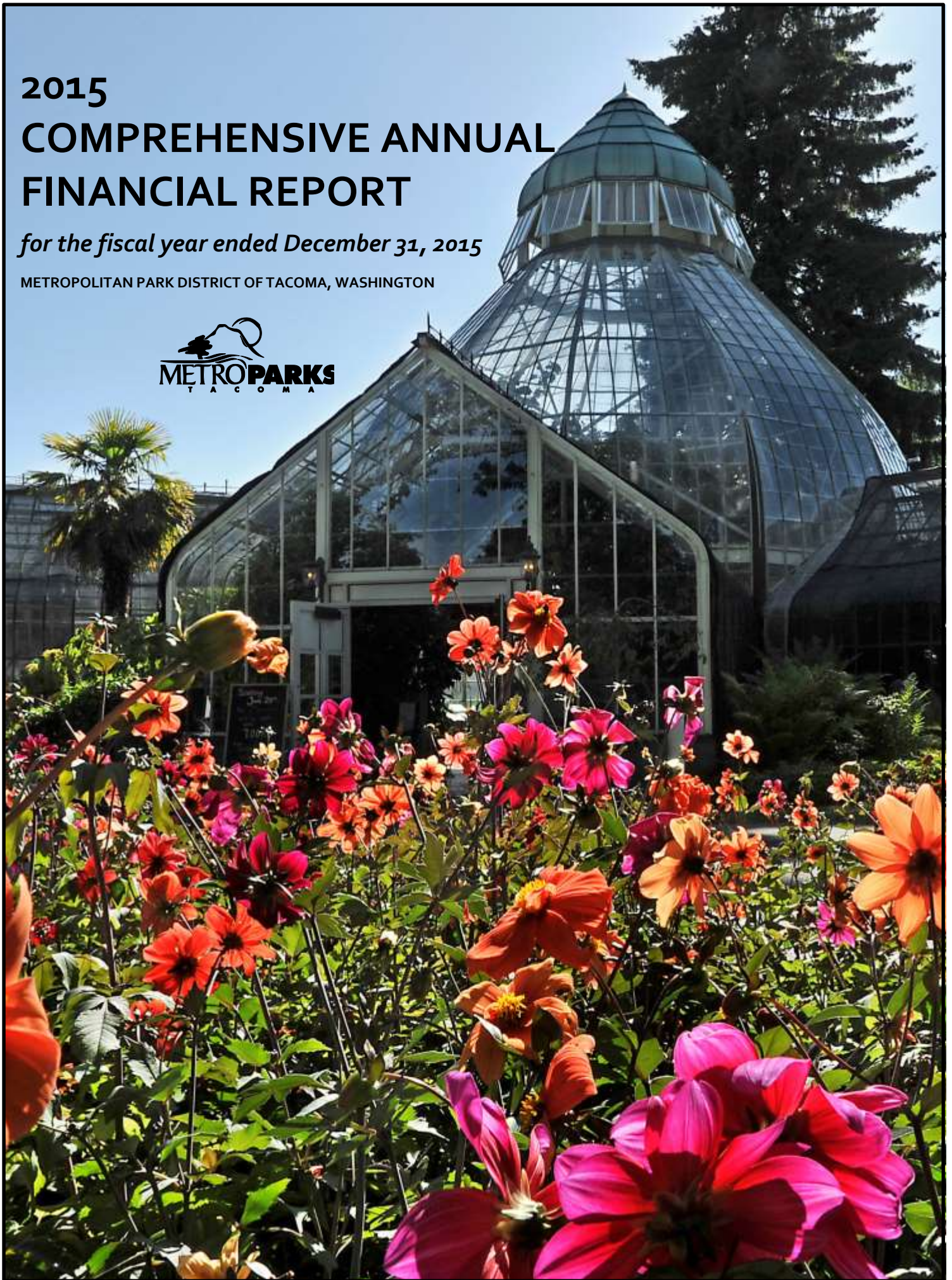


2015 COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the fiscal year ended December 31, 2015

METROPOLITAN PARK DISTRICT OF TACOMA, WASHINGTON





METROPOLITAN PARK DISTRICT OF TACOMA, WASHINGTON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

PREPARED BY:
DEPARTMENT OF GOVERNANCE AND DIRECTION
BRETT FRESHWATERS, CHIEF FINANCIAL OFFICER



METROPOLITAN PARK DISTRICT OF TACOMA, WASHINGTON
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2015

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**METROPOLITAN PARK DISTRICT OF TACOMA
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

December 31, 2015

INTRODUCTORY SECTION





June 27, 2016

Honorable Park Commissioners,
Jack C. Wilson, Executive Director, and
Citizens of the Metropolitan Park District
Tacoma, Washington

We hereby issue the Comprehensive Annual Financial Report (CAFR) of the Metropolitan Park District of Tacoma, Washington (Metro Parks) for the year ended December 31, 2015. This report was prepared by the Financial and Accounting Services Division of the Department of Governance and Direction in conformity with the generally accepted accounting principles (GAAP) for local governments promulgated by the Governmental Accounting Standards Board (GASB).

This report consists of management's representations concerning the finances of Metro Parks. Consequently, management assumes full responsibility for the reliability and completeness of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Metro Parks has established a comprehensive internal control framework that is designed both to protect Metro Parks' assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with GAAP. Since the cost of internal controls should not outweigh their benefits, Metro Parks' framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Metro Parks' financial statements have been audited by the Washington State Auditor's Office. The goal of the independent audit was to provide reasonable assurance that the financial statements for the year ended December 31, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Metro Parks' financial statements for the year ended December 31, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP also requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Metro Parks' MD&A can be found immediately following the Independent Auditor's Report on Financial Statements.

Board of Park Commissioners:
Jessie K. Baines Jr.
Erik Hanberg
Aaron Pointer
Tim Reid
Andrea Smith

4702 S. 19th Street, Tacoma WA 98405-1175
Phone: 253.305.1000 • Fax: 253.305.1098 • www.MetroParksTacoma.org

Executive Director:
Jack C. Wilson

PROFILE OF METRO PARKS

The Metropolitan Park District of Tacoma was created in 1907 by a vote of the people as an independent municipal corporation separate from the City of Tacoma, for the purpose of operating a system of parks and recreation facilities. It is a special purpose district as provided for in state law and is the largest of its kind in the state. Its boundaries include the City of Tacoma and areas of Browns Point and Dash Point. Metro Parks achieved CAPRA accreditation in 2014 by the National Recreation and Parks Association for excellence in operation and service.

Metro Parks administers services at numerous sites, ranging from the 760-acre Point Defiance Park to small neighborhood parks. Major facilities include the W. W. Seymour Botanical Conservatory at Wright Park, the Tacoma Nature Center, Wapato Lake Park, the nationally accredited Point Defiance Zoo & Aquarium, Fort Nisqually (a restored historic fort of the Hudson's Bay Company), various waterfront facilities including the Point Defiance Marina, Meadow Park Golf Course, the nationally accredited Northwest Trek Wildlife Park (located near Eatonville, WA), STAR Center, and the Center at Norpoint. Other facilities include athletic fields, community recreation centers, playgrounds, indoor and outdoor swimming pools, tennis courts, neighborhood parks, and fishing piers. Activities are available for all ages and abilities, and space can be rented in most facilities for banquets, weddings, meetings, and receptions.

Metro Parks is governed by a Board of five Park Commissioners who are elected by the people to six-year staggered terms. The Board meets regularly on the 2nd and 4th Monday of each month at 6 p.m. and all meetings are open to the public. The chief administrative officer is the Executive Director, who is appointed by the Board.

Metro Parks is fiscally independent of other state and local government entities. Metro Parks is a primary government for reporting purposes and there are no additional entities or funds for which Metro Parks has reporting responsibilities. Control by Metro Parks is determined on the basis of budget adoption and resource allocation criteria. Dependence is determined by Metro Parks' obligation to redeem the organization's debts, to finance the organization's deficits, and the extent to which subsidies from Metro Parks constitute a major portion of the organization's total non-grant resources.

A biennial budget, beginning on January 1 of odd numbered years, is adopted for the General Fund. While not required by law, Metro Parks adopts budgets for enterprise funds which are "management budgets" and as such are not reported in the CAFR. All appropriations lapse at the end of the biennium with the exception of capital projects, which run for the life of the project (Project Length Basis). Legal budgetary control is maintained at the fund level for all funds. Encumbrances are utilized to assist in budgetary control by reserving assets within the system once those assets are committed through the Purchase Order System. All encumbrances lapse at the end of the biennium and must be re-appropriated in the next biennial budget. A budget to actual comparison for the General Fund is presented in the basic financial statements.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Metro Parks operates.

Local economy – Metro Parks is located in the city of Tacoma, which is in Pierce County in the central Puget Sound region of Washington State. Approximately one-ninth of the state's population resides in Pierce County, making it the second largest county in the state. Tacoma's boundaries encompass approximately 47.8 square miles.

Pierce County has a diversified economy. The deep-water Port of Tacoma, a top-10 container port in the United States, contributes significantly to the county's position as a major regional trade and service center. The manufacturing sector produces lumber and wood products, chemicals, metals, food, clothing, computer/semiconductor chips and parts, and airplane parts. Agricultural products include berries, lettuce, beans, cabbage, daffodil bulbs, and rhubarb. Pierce County accounts for 11% of the state's nonfarm labor force and job base according to employment statistics.

Service industries account for approximately 87% of all county non-agriculture workers. The largest component of this sector is government services. Joint Base Lewis-McChord employs approximately 66,000 military and civilian personnel. Other large government employers include local public schools, Washington State, Pierce County, and higher education institutions.

Another large regional employment sector is the healthcare industry. Two of the largest employers in the area are Franciscan Health System and Multicare Health System. Multicare Health System, which operates Tacoma General, Allenmore, and Mary Bridge Children's Hospitals, is the county's largest private employer.

The unemployment rate in the Tacoma-Pierce County area, which was 7.3% at the end of 2014, decreased to 6.4% by the end of 2015. This rate is higher than the national rate of 5.0%.

Long-term financial planning – In the spring of 2003, Metro Parks began developing a Strategic Parks and Program Services Plan (Strategic Plan) to address the park, recreation, and service needs of Tacoma residents over the next two decades. After performing an environmental scan of trends, resources, and community needs, Metro Parks developed strategic goals.

Subsequent to the development of strategy and action plans that included policies, capital improvements, and a financial strategy for plan implementation, the Strategic Plan was adopted by the Board of Park Commissioners on August 14, 2006.

The Board of Park Commissioners approved an update of the Strategic Plan on February 27, 2012. This road map for Tacoma's future parks and recreation programs, called Green Vision 2030, takes into account new trends, needs, and demographics. This update satisfies the requirements of the State Recreation and Conservation Office, which provides some of the grants for Metro Parks' construction projects.

Metro Parks received voter approval to issue \$84.3 million in unlimited tax general obligation bonds in November 2005. The bonds were used to refinance existing debt and for construction and improvements throughout the district. The first segment in the amount of \$15 million was issued in December 2005, the second segment in the amount of \$25 million was issued in November 2006, the third segment in the amount of \$19,210,000 was issued in November 2008, and the final portion of \$25,025,000 was issued in November 2010.

In April 2010 the voters approved a levy lid lift which added an estimated \$4.0 million in revenue to fund basic safety, maintenance, and day-to-day operations for 2011 and forward.

In April 2014 Metro Parks received voter approval to issue \$198 million in unlimited tax general obligation bonds. The bonds will be used to refinance existing debt and to fund major upgrades and improvements throughout the District. The first segment in the amount of \$33.4 million was issued in December 2014. The second segment in the amount of \$14.3 million was issued in September 2015.

Relevant financial policies – Metro Parks has adopted a Comprehensive Financial Management Policy which minimizes the cost of government and financial risk through sound business practices. The three main principles of this policy are that 1) revenues will be budgeted in a conservative manner while expenditures are budgeted to include all normally foreseeable costs; 2) revenues should be forecast to exclude one-time resources and to consider market rate factors and competition while expenditure forecasts should include inflationary factors; and 3) a fund balance of 5-10% of biennial expenditures should be maintained.

The budget portion of this policy requires adoption of a biennial balanced budget. The 2015-2016 budget was developed using an inclusive process with priorities established through our Strategic Plan update. It is a results-driven budget guided by the recommendations of our Strategic Plan and the wishes of the citizens.

In accordance with state statute for special purpose districts in Washington State, Pierce County acts as treasurer for Metro Parks. Metro Parks' investment policy is consistent with that of Pierce County. During 2015, Metro Parks' liquid cash was invested by the County in the State's Local Government Investment Pool (LGIP). The LGIP lets local governments use the State Treasurer's resources to safely invest their funds while enjoying the

economies of scale available from a \$7 billion to \$11 billion pooled fund investment portfolio. The average yield on these short-term investments was 0.1% after deducting the fees charged by the County.

Major initiatives – Metro Parks continues to implement the construction projects promised to the citizens as part of the 2005 and 2014 general obligation bond issuances. Ongoing projects include improvements to Point Defiance Zoo & Aquarium, Point Defiance Park and other parks throughout the district.

Metro Parks continues to strive to be a leader among its governmental peers and to set the example for non-profit and for-profit organizations within our region with regard to stewardship and sustainability of our park lands and facilities, efficient use of public dollars, excellence in educational programming and conservation of resources to deliver the programs and products district tax payers have come to expect.

Metro Parks is continuing to work with public and private partners to minimize duplication and to improve services. Some of the larger partnerships are with the Tacoma School District in support of a Science and Math Institute and a School of the Arts, and the City of Tacoma for capital projects.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officer Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Metro Parks for its comprehensive annual financial report for the year ended December 31, 2014. This was the 13th consecutive year that Metro Parks has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated service of the entire staff of the Finance and Administrative Services Department. In particular, I want to express sincere thanks to Tara Dunford, CPA, who manages Finance & Accounting and had primary responsibility for the creation of this report. I would also like to express appreciation to the managers within Metro Parks, the Executive Director, and the Board of Park Commissioners who have conducted Metro Parks' financial business in a commendable manner. In addition, I would like to thank the State Auditor's Office for their technical assistance throughout the year and professionalism in the audit process.

Respectfully,



Brett Freshwaters
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Metropolitan Park District of Tacoma
Washington**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO



(Pictured from left to right: Aaron Pointer, Erik Hanberg, Tim Reid, Andrea Smith, Jessie K. Baines Jr.)

BOARD OF PARK COMMISSIONERS:

Jessie K. Baines Jr., Commissioner
Erik Hanberg, President
Aaron Pointer, Commissioner
Tim Reid, Commissioner
Andrea Smith, Clerk

**EXPIRATION OF
TERM**

December 31, 2021
December 31, 2017
December 31, 2019
December 31, 2019
December 31, 2017

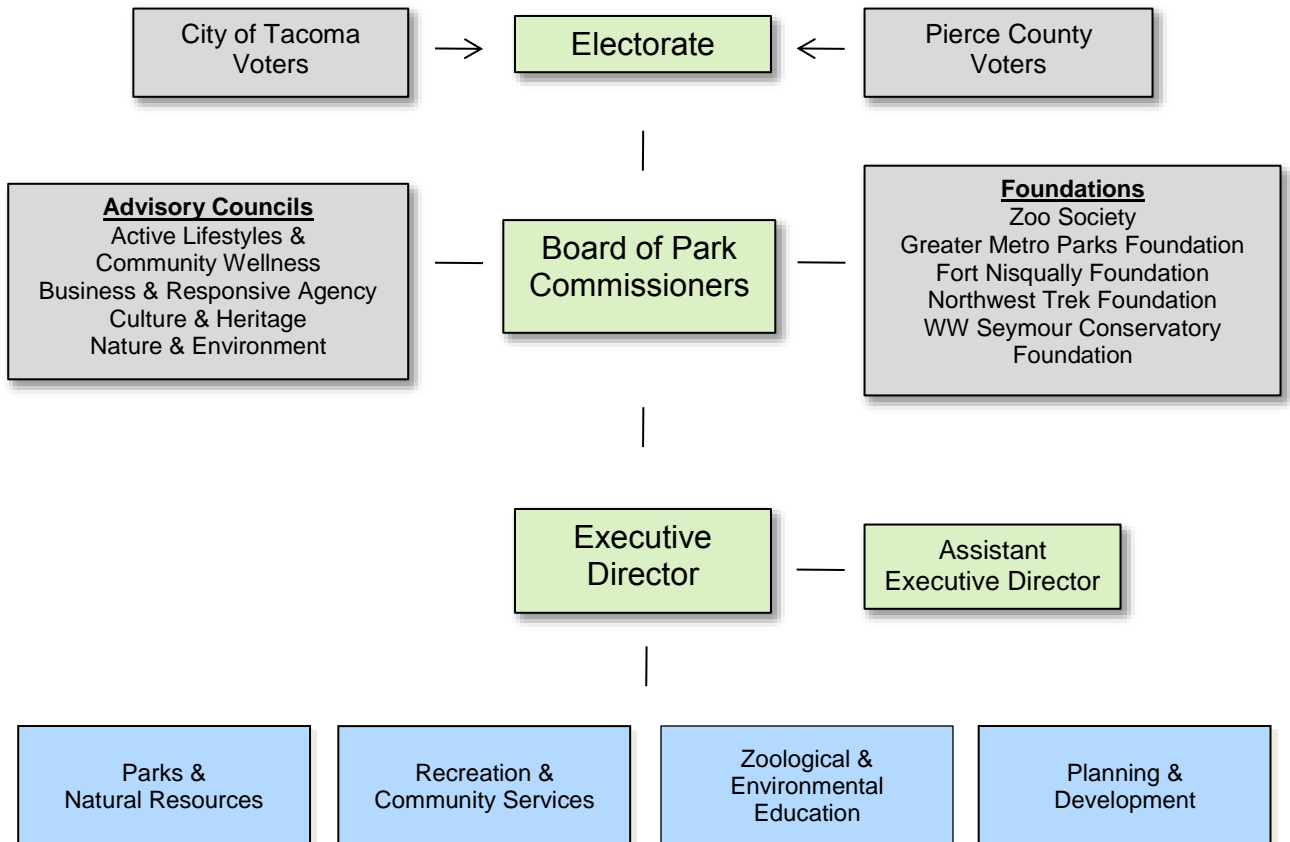
ADMINISTRATIVE DIRECTORS

Jack C. Wilson	Executive Director
Shon Sylvia	Assistant Executive Director
Gary Geddes	Director of Zoological & Environmental Education
Marina Becker	Director of Parks & Natural Resources
Dave Lewis	Director of Recreation & Community Services
Debbie Terwilleger	Director of Planning & Development

LEGAL SERVICES

Roberts Johns & Hemphill PLLC	General Counsel, Contracts, Environmental Law
Summit Law Group	Personnel and Labor Relations
K & L Gates LLP	Bond Counsel

METRO PARKS TACOMA ORGANIZATIONAL CHART



Mission: *Creating healthy opportunities to play, learn and grow.*

Vision: Metro Parks Tacoma envisions a vibrant, active and engaged community.

**METROPOLITAN PARK DISTRICT OF TACOMA
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

December 31, 2015

FINANCIAL SECTION



Washington State Auditor's Office

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

June 27, 2016

Board of Commissioners
Metropolitan Park District of Tacoma
Tacoma, Washington

REPORT ON THE FINANCIAL STATEMENTS

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Matters of Emphasis

As described in Note 1, during the year ended December 31, 2015, the District has implemented the Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 17 through 28 and pension plan information on pages 64 through 65 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.

Supplementary and 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 accompanying information listed as combining financial statements and supplementary information on pages 67 through 82 is presented for purposes of additional analysis 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. This information has been subjected to 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 financial statements or to the 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 taken as a whole.

The information identified in the table of contents as the Introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the District. Such information has 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 it.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated June 27, 2016, 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 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 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.

Sincerely,

A handwritten signature in cursive script that reads "Troy X. Kelley". The signature is written in dark ink and is positioned above the printed name.

TROY KELLEY

STATE AUDITOR

OLYMPIA, WA







MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of Metropolitan Park District of Tacoma (Metro Parks) presents this narrative overview and analysis of the financial activities of Metro Parks during the year ended December 31, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and with the accompanying financial statements and notes.

FINANCIAL HIGHLIGHTS

- At the end of 2015 the assets and deferred outflows of resources of Metro Parks exceeded its liabilities and deferred inflows by \$101.5 million, a decrease of \$815 thousand. Prior period adjustments totaling \$18.2 million decreased beginning net position, primarily due to implementation of pension accounting standards. This was largely offset by an increase in revenue, the majority of which is due to new property tax revenue received to fund re-payment of capital bonds. Net investment in capital assets totals \$104 million and amounts restricted for construction projects and debt service total \$4.4 million. This results in a negative unrestricted balance of \$6.9 million. It should be noted that the net pension liability, being reported for the first time, is \$18.2 million and directly reduces unrestricted net position.
- District-wide revenues were \$73.7 million (up \$19.4 million) while expenses were \$56.3 million (up \$1.5 million). \$14.1 million in new revenue was received in 2015 to fund payments on the debt issued in 2014. Other revenue increases can be explained by a \$4.9 million increase in capital grants and contributions and a \$1.8 million increase in charges for services due to higher attendance and admissions fees received at the zoo & aquarium and wildlife park. The most significant intergovernmental grant was \$3.3 million from the Washington State Department of Ecology for waterfront management and trail development. Capital project planning and implementation required additional staffing, while new facilities and amenities completed in 2015 resulted in increased operating expenses for program staffing and maintenance.
- At the close of 2015, Metro Parks' governmental funds reported a combined ending Fund Balance of \$35.9 million, a decrease of \$12.5 million from 2014. The major factor in the decrease was capital outlay related to bond-funded projects. An additional factor impacting the combined ending Fund Balance in governmental funds is an increase of \$4.9 million in intergovernmental revenues. This increase represents new grants received to fund capital projects.
- At the close of 2015, Metro Parks' business-type activities reported a combined ending net position of \$32.8 million. This represents a decrease of \$4.7 million. Net pension liabilities, being reported for the first time, total \$7.5 million. The remaining \$2.8 million represents an increase in admissions and tax revenue, as well as transfers in to fund repayment of long-term notes payable.

- During 2012, Metro Parks implemented the Governmental Accounting Standards Board (GASB) Statement 63 which required changes in reporting fund equity and certain deferred inflows and outflows. The term “net position” replaced “net assets” on government-wide and proprietary fund statements. Additionally, deferred charges on refunding are now reported on the Statement of Net Position under the deferred outflows of resources category. The deferred charge on refunding was \$2.7 million at the end of 2015. Total deferred outflows were \$4.8 million and include the amounts related to pensions, as described below.
- In 2015, Metro Parks implemented GASB Statements 68 and 71 which required reporting of pension liabilities and related deferred inflows and outflows. Metro Parks’ net pension liability totaled \$18.8 million as of January 1, 2015. This change in accounting principle is reported as an adjustment (decrease) to beginning net position. The net pension liability as of December 31, 2015 totaled \$18.2 million. This amount includes a liability of \$17.7 million plus deferred inflows of \$2.6 million less deferred outflows of \$2.1 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Metro Parks’ basic financial statements which comprises three components – government-wide financial statements; fund financial statements; and notes to the financial statements.

In addition to these basic financial statements, we have included a section with combining statements that provides details about our nonmajor governmental funds. Nonmajor funds are added together and presented in a single column in the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements are designed to provide readers with a broad overview of Metro Parks as a whole using accounting methods similar to those used by private-sector companies. There are two government-wide statements – the Statement of Net Position and the Statement of Activities. The two government-wide statements report Metro Parks’ net position and how it has changed.

The STATEMENT OF NET POSITION includes all of the assets plus deferred outflows of resources and liabilities plus deferred inflows of resources of Metro Parks with the differences between the two reported as net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Net position is one way to measure Metro Parks’ financial health. Over time, increases or decreases in net position may indicate whether Metro Parks’ financial position is improving or deteriorating. Additional factors the reader must consider in order to adequately assess Metro Parks’ overall financial health include changes in its property and sales tax base, and the condition of its assets.

The STATEMENT OF ACTIVITIES presents information showing changes in the net position of Metro Parks during the most recent fiscal year. Thus, revenues and expenses are reported in this statement for some items that will actually result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused sick and vacation leave). This is intended to summarize

and simplify the reader's analysis of the revenues and costs of various Metro Parks activities and the degree to which activities are subsidized by general revenues.

Both government-wide financial statements distinguish between those Metro Parks functions principally supported by taxes and intergovernmental revenues (governmental activities) and other functions that are intended to recover all or a significant portion of operating costs through user fees and charges (business-type activities).

Governmental activities include most of Metro Parks' basic services, such as parks maintenance, recreational services, and general administration. Property taxes, a subsidy from the City of Tacoma, and federal, state, and local grants finance most of these activities, with minor support coming from user fees.

Business-type activities include facilities and attractions such as a zoo, a wildlife park, a marina, and a golf course. Metro Parks charges fees to customers for these attractions with the intent of covering most of the cost associated with operating them. The zoo and wildlife park receive a designated percentage of sales tax collected in Pierce County. The other activities may also receive tax support.

Although there are various formal and informal groups and legally separate organizations which support Metro Parks' programs, activities, and events, Metro Parks' officials do not appoint a voting majority of any other organization's government body. As a result, no group or organization is considered to be a component unit of Metro Parks, and the government-wide financial statements do not incorporate any other organization's financial statements.

FUND FINANCIAL STATEMENTS

The accounts of Metro Parks are organized and operated on the basis of individual funds and fund accounting. The fund financial statements provide more detailed information about Metro Parks' most significant funds—not Metro Parks as a whole. Each fund is an independent fiscal and accounting entity with a self-balancing set of accounts composed of assets, liabilities, fund equity, revenues, and expenditures or expenses. Fund accounting segregates Metro Parks' resources and spending activities based upon the purposes for which the resources are allocated. Fund accounting also provides management with information to control spending activities and demonstrate compliance with finance-related legal and contractual provisions. All of Metro Parks' funds can be separated into three categories: governmental funds, proprietary funds, and fiduciary funds.

GOVERNMENTAL FUNDS

Most of Metro Parks' park and recreational services are included in governmental funds which focus on how cash (and other financial assets that can be readily converted to cash) flows in and out and the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance Metro Parks' programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided at the bottom of each page that reconciles the fund statements to the government-wide statement.

Metro Parks maintains twenty individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, the 2014 GO Debt Service

Fund, the 2014 UTGO Bond Projects Fund, and the 2014 Bond Local Projects Fund which are considered major funds. Data from the remaining sixteen governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

PROPRIETARY FUNDS

Metro Parks uses two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal service funds are an accounting device used to accumulate and allocate costs internally among the various Metro Parks functions.

Proprietary funds provide the same type of information as the government-wide financial statements but provide more detail and additional information, such as cash flows. Metro Parks' Zoological and Environmental Education Fund (which includes Point Defiance Zoo and Aquarium and Northwest Trek Wildlife Park) and the Boathouse Marina are considered Metro Parks' major enterprise funds. The third enterprise fund, Meadow Park Golf Course, is considered a nonmajor fund; however since it is the only nonmajor business-type operation it is reported alongside the other two major funds.

Metro Parks' internal service funds are responsible for purchases and debt for fleet vehicles, medical self-insurance and property/liability claims insurance that predominantly benefit governmental rather than business-type functions. Therefore they have been included within governmental activities in the government-wide financial statements.

FIDUCIARY FUNDS

Fiduciary funds are used to provide information about the financial relationships in which Metro Parks acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong. Metro Parks currently has no fiduciary funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The largest portion of Metro Parks' net position (\$104 million) reflects its investment in capital assets (land, buildings, infrastructure, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. Metro Parks uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Metro Parks' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the government-wide net position (\$4.4 million) represents resources that are subject to external restrictions on how they may be used.

Governmental activities account for \$178.9 million (76.2%) of total assets and \$68.4 million (67.3%) of total net position. Business-type activities account for \$55.8 million (23.8%) of total assets and \$33.2 million (32.7%) of total net position.

Capital asset accounts increased \$9.4 million in 2015 mainly due to bond-funded capital projects. Current assets decreased by \$7.7 million, in large part due to the cash spent on capital projects, combined with increased operating revenues in business-type activities. The new balance, deferred inflows of resources, is related to pension liabilities being reported for the first time in 2015.

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	\$ 43,169,053	\$ 52,301,192	\$ 8,207,458	\$ 6,795,712	\$ 51,376,511	\$ 59,096,904
Capital Assets	135,747,083	124,719,898	47,625,644	49,268,128	183,372,727	173,988,026
Total Assets	\$ 178,916,136	\$ 177,021,090	\$ 55,833,102	\$ 56,063,840	\$ 234,749,238	\$ 233,084,930
Deferred Outflows of Resources	\$ 3,423,778	\$ 2,219,911	\$ 1,347,470	\$ 466,986	\$ 4,771,248	\$ 2,686,897
Long-term Liabilities Outstanding	\$ 106,526,491	\$ 111,651,000	\$ 21,568,554	\$ 17,402,316	\$ 128,095,045	\$ 129,053,316
Other Liabilities	5,885,912	3,046,730	1,364,102	1,325,345	7,250,014	4,372,075
Total Liabilities	\$ 112,412,403	\$ 114,697,730	\$ 22,932,656	\$ 18,727,661	\$ 135,345,059	\$ 133,425,391
Deferred Inflows of Resources	\$ 1,561,981	\$ -	\$ 1,081,920	\$ -	\$ 2,643,901	\$ -
Net Position:						
Net Investment in Capital Assets	\$ 68,918,955	\$ 57,081,396	\$ 35,051,379	\$ 33,444,678	\$ 103,970,334	\$ 90,526,074
Restricted	4,434,886	3,446,482	2,933	17,387	4,437,819	3,463,869
Unrestricted	(4,988,311)	4,015,393	(1,888,316)	4,341,100	(6,876,627)	8,356,493
Total Net Position	\$ 68,365,530	\$ 64,543,271	\$ 33,165,996	\$ 37,803,165	\$ 101,531,526	\$ 102,346,436

GOVERNMENTAL ACTIVITIES: Overall total revenues exceeded expenses before transfers in governmental activities by \$15.5 million. Governmental activities were funded by program revenues of \$15.2 million (31.4%) and general revenues (primarily taxes) of \$33.2 million (68.6%). Parks and Natural Resources, Planning and Development and Tacoma Nature Center are more heavily supported by general revenues (75.2%, 100%, and 53.8%, respectively) than General Government and Recreation and Community Services (26.7% and 37.7%, respectively).

Governmental revenues increased by \$17.4 million or 56% from 2014. The most significant revenue increase was \$14.1 million in property tax revenue received to fund payments on the general obligation debt issued in 2014. Capital grants and contributions also increased significantly (\$4.9 million) due to an increased amount of capital grant funding. Settlement revenue declined \$1.9 million from 2014 due to the lack of major settlements received in 2015.

Expenses increased by \$420 thousand or 1.3% from 2014. The most significant increase was in Parks and Natural Resources (\$750 thousand or 5.2%). The increase in Parks and Natural Resources can be partially explained by the transfer of two program areas from Recreation and Community Services to Parks and Natural Resources. The transfer resulted in a decrease of \$278 thousand in Recreation and Community Services expenses. Similarly, General Government expenses decreased by \$883 thousand due to planning functions being moved into a new department – Planning and Development – and being reported separately. Planning & Development expenses totaled \$693 thousand in 2015.

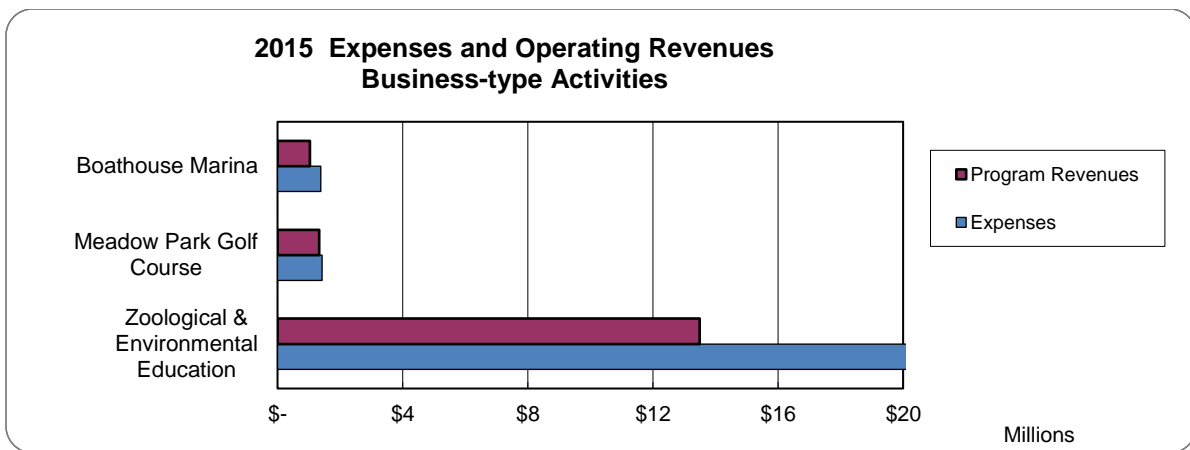
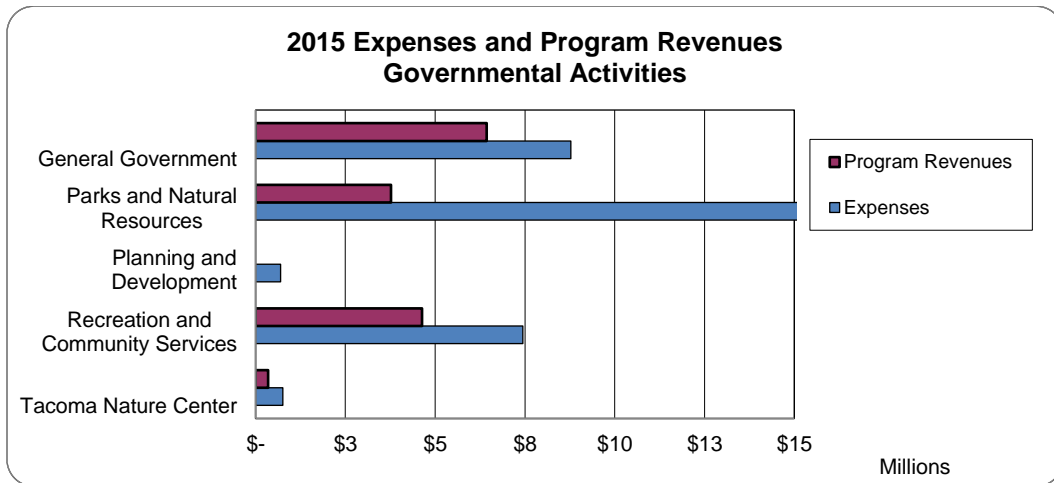
Transfers netting to \$1,189,553 were made to allocate overhead to the enterprise funds and to pay off long-term notes payable. These transfers decreased the net position in governmental activities and increased the net position in business-type activities.

BUSINESS-TYPE ACTIVITIES: Net position before transfers in business-type activities increased by \$1.8 million from 2014. Most of this change was due to increased operating revenues in the Zoological and Environmental Education Fund.

CONDENSED STATEMENT OF CHANGES IN NET POSITION

Summary of Activities	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
<i>Program Revenues</i>						
Charges for Services	\$ 5,405,655	\$ 4,910,603	\$ 14,592,186	\$ 13,307,058	\$ 19,997,841	\$ 18,217,661
Operating Grants & Contributions	3,393,782	3,985,235	1,275,019	1,050,171	4,668,801	5,035,406
Capital Grants & Contributions	6,386,326	1,482,899	-	-	6,386,326	1,482,899
<i>General Revenues</i>						
Total Taxes	32,752,488	18,499,819	9,180,199	8,762,080	41,932,687	27,261,899
Investment Earnings	96,743	18,674	-	1,192	96,743	19,866
Disposition of Capital Assets	-	-	7,675	-	7,675	-
Donated Capital Assets	-	-	69,290	-	69,290	-
Settlements	-	1,928,222	-	-	-	1,928,222
Miscellaneous Revenue	356,767	186,618	229,408	223,708	586,175	410,326
Total Revenues	\$ 48,391,761	\$ 31,012,070	\$ 25,353,777	\$ 23,344,209	\$ 73,745,538	\$ 54,356,279
<i>Expenses</i>						
General Government	\$ 8,774,293	\$ 9,656,912	\$ -	\$ -	\$ 8,774,293	\$ 9,656,912
Parks and Natural Resources	15,197,486	14,450,541	-	-	15,197,486	14,450,541
Planning and Development	692,779	-	-	-	692,779	-
Recreation & Community Services	7,438,860	7,716,073	-	-	7,438,860	7,716,073
Tacoma Nature Center	757,572	617,755	-	-	757,572	617,755
Marina Activities	-	-	1,388,504	1,453,072	1,388,504	1,453,072
Golf Course Activities	-	-	1,423,154	1,513,389	1,423,154	1,513,389
Zoological Activities	-	-	20,676,544	19,478,827	20,676,544	19,478,827
Total Expenses	\$ 32,860,990	\$ 32,441,281	\$ 23,488,202	\$ 22,445,288	\$ 56,349,192	\$ 54,886,569
<i>Increase (Decrease) in net position before transfers</i>	\$ 15,530,771	\$ (1,429,211)	\$ 1,865,575	\$ 898,921	\$ 17,396,346	\$ (530,290)
Transfers In (Out)	\$ (1,189,553)	\$ 307,726	\$ 1,189,553	\$ (307,726)	\$ -	\$ -
<i>Increase (Decrease) in net position</i>	\$ 14,341,218	\$ (1,121,485)	\$ 3,055,128	\$ 591,195	\$ 17,396,346	\$ (530,290)
Change in Net Position						
Beginning Net Position (before restatement)	\$ 64,547,823	\$ 65,664,756	\$ 37,803,166	\$ 37,211,970	\$ 102,350,989	\$ 102,876,726
Adjustments	(10,523,511)	-	(7,692,298)	-	(18,215,809)	-
Beginning Net Position	\$ 54,024,312	\$ 65,664,756	\$ 30,110,868	\$ 37,211,970	\$ 84,135,180	\$ 102,876,726
Increase (Decrease) in net position	14,341,218	(1,121,485)	3,055,128	591,195	17,396,346	(530,290)
Ending Net Position	\$ 68,365,530	\$ 64,543,271	\$ 33,165,996	\$ 37,803,165	\$ 101,531,526	\$ 102,346,436

The following charts show expenses by activity type compared to the program revenues for both governmental activities and business-type activities.



FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

The focus of Metro Parks' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Metro Parks' financing requirements.

The General Fund is the chief operating fund of Metro Parks. At the end of 2015, the unassigned Fund Balance of the General Fund was \$5.1 million, an increase of \$700 thousand. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned Fund Balance to total fund expenditures. This year, unassigned Fund Balance represents 21% of total expenditures.

The other major governmental funds of Metro Parks are the 2014 GO Debt Service fund, the 2014 UTGO Bond Projects fund and the 2014 Bond Local Projects fund. The 2014 GO Debt Service fund was determined to be a major fund due to the amount of revenues and expenditures reported in that fund. The other two funds were determined to be major funds based on the amount of expenditures reported.

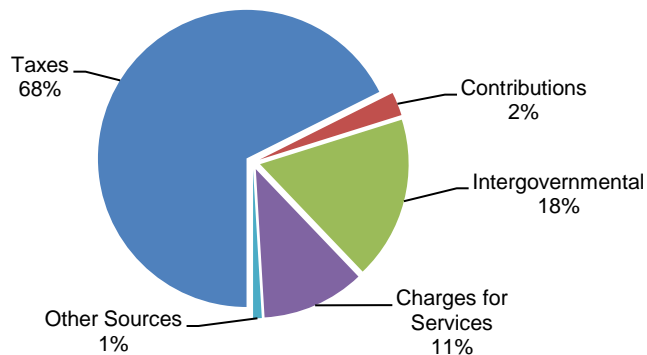
Revenues and Other Financing Sources. The governmental activity Revenues and Other Financing Sources decreased by \$14 million mainly due to debt proceeds of \$33.4 million which were received in 2014, less a large increase in tax revenue received in 2015 (\$14.1 million) to fund payments on the debt issued in 2014; and an increase of \$4.9 million in intergovernmental revenue. Taxes and intergovernmental revenue combined account for 85.3% of the total revenue excluding other financing sources.

The chart below shows the revenues by source with percentages.

SUMMARY OF REVENUES AND OTHER FINANCING SOURCES - GOVERNMENTAL ACTIVITIES

Revenue	Amount		Increases (Decreases)	
	2015	2014	Amount	Percent
Taxes Revenue	\$ 32,634,590	\$ 18,499,818	\$ 14,134,772	76.4%
Intergovernmental Revenue	8,546,382	3,666,150	4,880,232	133.1%
Charges for Services	5,405,655	4,910,603	495,052	10.1%
Investment Earnings	96,743	18,674	78,069	418.1%
Contributions	1,233,726	1,801,985	(568,259)	-31.5%
Insurance Recoveries	-	1,928,221	(1,928,221)	-100.0%
Miscellaneous Revenue	356,767	186,618	170,149	91.2%
Total Revenue	\$ 48,273,863	\$ 31,012,069	\$ 17,261,794	55.7%
Other Financing Sources	4,593,610	35,867,503	(31,273,893)	-87.2%
Total Funding Sources	\$ 52,867,473	\$ 66,879,572	\$ (14,012,099)	-21.0%

2015 Revenues by Source - Governmental Activities

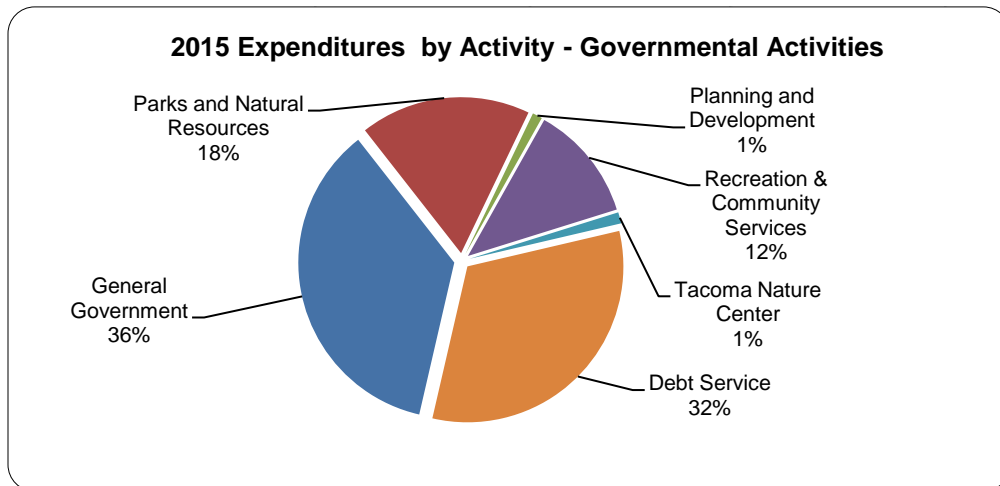


Expenditures and Other Financing Uses. Overall governmental activity Expenditures and Other Financing Uses increased \$31.7 million (94.4%) from 2014 levels, due to increases in capital outlay and debt service expenditures. General Government expenditures account for 32.7% of total expenditures and uses.

The chart below shows expenditures by activity with percentages.

SUMMARY OF EXPENDITURES AND OTHER FINANCING USES - GOVERNMENTAL ACTIVITIES

	Amount		Increases (Decreases)	
	2015	2014	Amount	Percent
Expenditures				
General Government	\$ 21,348,547	\$ 10,019,765	\$ 11,328,782	113.1%
Parks & Natural Resources	10,542,609	9,986,452	556,157	5.6%
Planning and Development	608,017	-	608,017	
Recreation & Community	7,176,536	7,605,597	(429,061)	-5.6%
Tacoma Nature Center	691,817	529,487	162,330	30.7%
Debt Service	19,231,909	5,136,655	14,095,254	274.4%
Total Expenditures	\$ 59,599,435	\$ 33,277,956	\$ 26,321,479	79.1%
Other Financing Uses	5,778,990	354,863	5,424,127	1528.5%
Total Expenditures & Uses	\$ 65,378,425	\$ 33,632,819	\$ 31,745,606	94.4%



FINANCIAL ANALYSIS OF THE BUSINESS-TYPE FUNDS

Metro Parks' proprietary funds distinguish operating revenues and expenses from non-operating items. The operating revenues and expenses generally result from providing services and producing and delivering goods in connection with each proprietary fund's principal ongoing operations.

The Zoological and Environmental Education fund is the largest of the three enterprise funds accounting for 90.3% of the total Revenues and Other Resources and 88% of the total Expenses and Other Uses of the business-type activities. The major sources of revenue for this fund were operations which provided \$12 million (49.5%) and taxes which totaled \$9.2 million (37.8%) of the fund's resources. Grants and contributions provided \$957,171 (4%) of the resources.

The Boathouse Marina accounts for 4.7% of the total Revenues and Other Resources and 6% of the total Expenses and Other Uses in the business-type activities. Operating revenues provided \$1 million (81.3%) of the fund's total revenues and other resources. Transfers in to fund debt repayments provided \$213 thousand (17%).

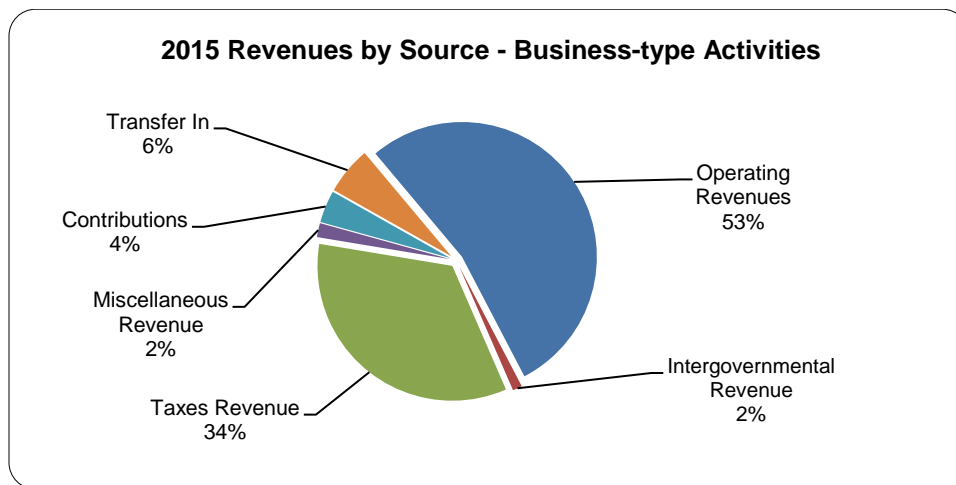
Meadow Park Golf Course accounts for 5% of the total Revenues and Other Resources and 6% of the total Expenses and Other Uses. Operations provided for nearly all of the revenues and expenses of this fund.

Revenues and Other Sources. The largest revenue increases are transfers in (\$1.5 million) due to funding received to repay long-term loans and \$1.1 million (8.4%) in operating revenues due to increased operating revenue in the Zoological and Environmental Education fund.

The chart below shows the revenues by source with percentages.

SUMMARY OF REVENUES AND OTHER SOURCES - BUSINESS-TYPE ACTIVITIES

Revenue	Amount		Increases (Decreases)	
	2015	2014	Amount	Percent
Operating Revenues	\$ 14,375,818	\$ 13,264,941	\$ 1,110,877	8.4%
Taxes Revenue	9,180,199	8,762,080	418,119	4.8%
Intergovernmental Revenue	304,977	303,848	1,129	0.4%
Grants & Contributions	970,042	746,323	223,719	30.0%
Miscellaneous Revenue	453,451	267,017	186,434	69.8%
Total Revenue	\$ 25,284,487	\$ 23,344,209	\$ 1,940,278	8.3%
Transfers In	\$ 1,538,947	-	1,538,947	-
Capital Contributions	69,290	-	69,290	-
Total Funding Sources	\$ 26,892,724	\$ 23,344,209	\$ 3,548,515	15.2%

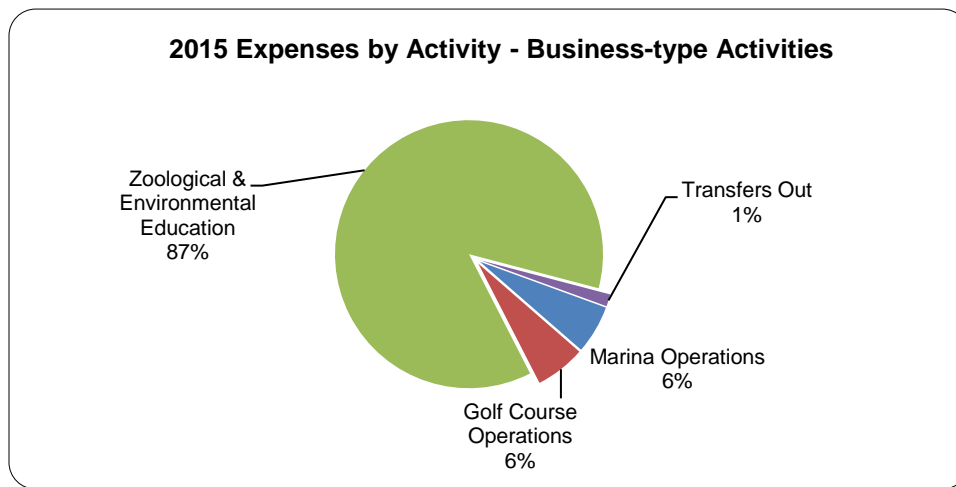


Expenses and Uses. Operations expenses increased 3.7% (\$849 thousand) from 2014 to 2015 primarily due to increases in the Zoological & Environmental Education fund.

The chart below shows expenses by activity with percentages.

SUMMARY OF EXPENSES AND OTHER USES - BUSINESS-TYPE ACTIVITIES

	Amount		Increases (Decreases)	
	2015	2014	Amount	Percent
Expenses				
Marina Operations	\$ 1,395,825	\$ 1,460,764	\$ (64,939)	-4.4%
Golf Course Operations	1,446,445	1,556,229	(109,784)	-7.1%
Zoological & Environmental Education Operations	20,682,430	19,658,314	1,024,116	5.2%
Total Expenses	\$ 23,524,700	\$ 22,675,307	\$ 849,393	3.7%
Transfers Out	349,394	307,726	41,668	13.5%
Total Uses	\$ 23,874,094	\$ 22,983,033	\$ 891,061	3.9%



GENERAL FUND BUDGETARY HIGHLIGHTS

Budget Comparisons. Metro Parks adopted a biennial budget covering the 2015 and 2016 calendar years. This budget adopted by the Board of Park Commissioners for the General Fund anticipated revenues and transfers of \$50.8 million. With appropriations set at \$51.1 million, fund balance would decrease by \$300 thousand. The following budget amendments occurred in 2015-2016 biennium:

- As a result of a new adaptive sports grant, 2015 revenues and expenditures were both increased by \$65,000 in Recreation and Community Services.

The variance of 2015 actual expenses with the amended budget equaled an excess of \$1.4 million. In 2015, revenue totaled 49.5% of the two-year budget while expenditures totaled 47.6%

More detailed information about the budget is located in Note 3.A to the financial statements.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Asset Activity. Metro Parks' net capital assets for governmental and business-type activities amounted to \$183 million at December 31, 2015. This balance includes land,

infrastructure, buildings and other improvements, furnishings and equipment as well as construction in progress. Additional information on Metro Parks' capital assets can be found in Note 4.C to the financial statements.

- The net increase in capital assets for Metro Parks was \$9.4 million in 2015.
- Governmental activity capital assets represent 74% of Metro Parks' net capital assets. These assets are used to provide Metro Parks' citizens with park and recreational facilities and activities which are subsidized by tax revenues.
- Business-type activities utilize 26% of Metro Parks' net capital assets. The majority of these assets (82%) are in the Zoological and Environmental Education Fund. These facilities provide a wide array of Pacific Rim and native wildlife experiences through exhibits, on and off-site programs, and events.

Debt Administration. At the end of 2015 Metro Parks had total long-term liabilities outstanding of \$128.1 million; \$106.5 million in governmental activities (83.1%) and \$21.6 million in business-type activities (16.9%). Additional information about the debt of Metro Parks can be found in Note 4.E to the financial statements.

- Total bonded debt outstanding at year end was \$107.1 million; \$94 million in governmental activities and \$13.1 million in business-type activities. All bonded debt is backed by the full faith and credit of Metro Parks.
- Notes payable total \$308,358. This amount is made up of five loans. Two of the loans are for the purchase of equipment and have an outstanding balance of \$163,035. Two loans were used for fitness equipment and have a balance of \$126,573. The final loan is a zero interest loan with \$18,750 outstanding for capital purchases at the Norpoint facility.
- Compensated absences represents estimated vacation, compensatory time, and sick leave due to employees. The total in governmental activities is \$1.8 million and the total in business-type activities is \$1.3 million.
- Net pension liability represents unfunded amounts related to the State pension plans which Metro Parks participates in. The total in governmental activities is \$10.4 million and the total in business type activities is \$7.2 million. Additional information about pension plans and pension liabilities can be found in Note 5.B to the financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Metro Parks' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Finance and Accounting Services, Metro Parks Tacoma, 4702 South 19th Street, Tacoma, WA 98405.

**METROPOLITAN PARK DISTRICT OF TACOMA
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

December 31, 2015

**GOVERNMENT-WIDE FINANCIAL
STATEMENTS**

AND

FUND FINANCIAL STATEMENTS

METROPOLITAN PARK DISTRICT OF TACOMA
Statement of Net Position
December 31, 2015

	Governmental	Business-type	Total
	Activities	Activities	
ASSETS			
Cash & Cash Equivalents	\$ 31,222,824	\$ 6,299,257	\$ 37,522,081
Investments	5,000,000	-	5,000,000
Receivables (net)	6,888,866	1,775,707	8,664,573
Internal Balances	4,176	(4,176)	-
Prepayments	500	-	500
Inventories	52,687	133,737	186,424
Temporarily Restricted Assets:			
Receivables - Bond Related	-	2,933	2,933
Capital Assets (net of accumulated depreciation):			
Land	36,042,799	4,442,712	40,485,511
Buildings	39,141,585	19,361,625	58,503,210
Infrastructure	35,037,884	19,748,135	54,786,019
Equipment	4,162,296	2,478,876	6,641,172
Collections	567,169	56,390	623,559
Construction in Progress	20,795,350	1,537,906	22,333,256
Total Assets	\$ 178,916,136	\$ 55,833,102	\$ 234,749,238
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	\$ 2,181,313	\$ 486,866	\$ 2,668,179
Deferred Outflows Related to Pensions	1,242,465	860,604	2,103,069
Total Deferred Outflows of Resources	\$ 3,423,778	\$ 1,347,470	\$ 4,771,248
LIABILITIES			
Accounts Payable and Accrued Expenses	\$ 5,444,736	\$ 1,259,428	\$ 6,704,164
Unearned Revenue	382,222	104,674	486,896
Other Current Liabilities	58,954	-	58,954
Noncurrent Liabilities:			
Due within One Year	15,090,720	1,882,838	16,973,558
Due in More Than One Year	91,435,771	19,685,716	111,121,487
Total Liabilities	\$ 112,412,403	\$ 22,932,656	\$ 135,345,059
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	\$ 1,561,981	\$ 1,081,920	\$ 2,643,901
Total Deferred Inflows of Resources	\$ 1,561,981	\$ 1,081,920	\$ 2,643,901
NET POSITION			
Net Investment in Capital Assets	\$ 68,918,955	\$ 35,051,379	\$ 103,970,334
Restricted for:			
Debt Service	2,011,964	2,933	2,014,897
Capital Projects	2,422,922	-	2,422,922
Unrestricted	(4,988,311)	(1,888,316)	(6,876,627)
Total Net Position	\$ 68,365,530	\$ 33,165,996	\$ 101,531,526

The notes to the financial statements are an integral part of this statement.

METROPOLITAN PARK DISTRICT OF TACOMA
Statement of Activities
For the Year Ended December 31, 2015

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue & Changes in Net Position		
	Expenses	Operating			Governmental Activities	Business-type Activities	Total
		Charges for Services	Grants & Contributions	Capital Grants & Contributions			
GOVERNMENTAL ACTIVITIES:							
General Government	\$ 4,819,252	\$ 47,236	\$ -	\$ 6,386,326	\$ 1,614,310		\$ 1,614,310
Parks and Natural Resources	15,197,486	1,331,515	2,435,624	-	(11,430,347)		(11,430,347)
Planning and Development	692,779	-	-	-	(692,779)		(692,779)
Recreation and Community Services	7,438,860	3,796,217	838,962	-	(2,803,681)		(2,803,681)
Tacoma Nature Center	757,572	230,687	119,196	-	(407,689)		(407,689)
Interest on Long-term Debt	3,955,041	-	-	-	(3,955,041)		(3,955,041)
Total Governmental Activities	\$ 32,860,990	\$ 5,405,655	\$ 3,393,782	\$ 6,386,326	\$ (17,675,227)		\$ (17,675,227)
BUSINESS-TYPE ACTIVITIES:							
Boathouse Marina	\$ 1,388,504	\$ 1,020,270	\$ 17,336	\$ -		\$ (350,898)	\$ (350,898)
Meadow Park Golf Course	1,423,154	1,320,229	12,871	-		(90,054)	(90,054)
Zoological & Environmental Education	20,676,544	12,251,687	1,244,812	-		(7,180,045)	(7,180,045)
Total Business-type Activities	\$ 23,488,202	\$ 14,592,186	\$ 1,275,019	\$ -		\$ (7,620,997)	\$ (7,620,997)
TOTAL GOVERNMENT	\$ 56,349,192	\$ 19,997,841	\$ 4,668,801	\$ 6,386,326	\$ (17,675,227)	\$ (7,620,997)	\$ (25,296,224)
GENERAL REVENUES:							
Property Taxes					\$ 30,695,329	\$ 1,827,063	\$ 32,522,392
Sales Taxes					1,814,625	7,353,136	9,167,761
Leasehold Excise Taxes					242,534	-	242,534
Investment Earnings					96,743	-	96,743
Gain on Disposition of Assets					-	7,675	7,675
Donated Capital Assets					-	69,290	69,290
Miscellaneous General Revenues					356,767	229,408	586,175
Transfers					(1,189,553)	1,189,553	-
Total General Revenues & Transfers					\$ 32,016,445	\$ 10,676,125	\$ 42,692,570
Change in Net Position					\$ 14,341,218	\$ 3,055,128	\$ 17,396,346
Net Position - Beginning of Year					\$ 64,547,823	\$ 37,803,166	\$ 102,350,989
Change in Accounting Principles - GASB 68 & 71					(11,105,466)	(7,692,298)	(18,797,764)
Prior Period Adjustment - Correction					581,955	-	581,955
Net Position - Beginning of Year (Restated)					\$ 54,024,312	\$ 30,110,868	\$ 84,135,180
Net Position - End of Year					\$ 68,365,530	\$ 33,165,996	\$ 101,531,526

The notes to the financial statements are an integral part of this statement.

METROPOLITAN PARK DISTRICT OF TACOMA
Balance Sheet
Governmental Funds
December 31, 2015

	General Fund	2014 GO Debt Service	2014 UTGO Bond Projects	2014 Bond Local Projects	Other Governmental Funds	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Cash & Cash Equivalents	\$ 6,397,655	\$ 741,216	\$ 15,218,810	\$ 1,106	\$ 7,660,898	\$ 30,019,685
Investments	-	-	5,000,000	-	-	5,000,000
Receivables (net)	1,356,360	200,249	-	5,065,733	266,524	6,888,866
Interfund Receivable	386,000	-	3,745,000	-	-	4,131,000
Prepayments	500	-	-	-	-	500
Inventories	52,687	-	-	-	-	52,687
Total Assets	\$ 8,193,202	\$ 941,465	\$ 23,963,810	\$ 5,066,839	\$ 7,927,422	\$ 46,092,738
Deferred Outflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Assets and Deferred Outflows of Resources	\$ 8,193,202	\$ 941,465	\$ 23,963,810	\$ 5,066,839	\$ 7,927,422	\$ 46,092,738
LIABILITIES						
Accounts Payable/Accrued Expenditures	\$ 2,122,278	\$ -	\$ 1,202,046	\$ 1,407,794	\$ 610,809	\$ 5,342,927
Interfund Payable	-	-	-	3,745,000	-	3,745,000
Unearned Revenue	294,502	-	-	-	87,720	382,222
Deposits Payable	51,479	-	-	-	-	51,479
Other Current Liabilities	7,475	-	-	-	-	7,475
Total Liabilities	\$ 2,475,734	\$ -	\$ 1,202,046	\$ 5,152,794	\$ 698,529	\$ 9,529,103
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	\$ 365,604	\$ 169,427	\$ -	\$ -	\$ 164,822	\$ 699,853
Total Deferred Inflows of Resources	\$ 365,604	\$ 169,427	\$ -	\$ -	\$ 164,822	\$ 699,853
FUND BALANCES						
<i>Nonspendable:</i>						
Inventory & Prepaids	\$ 52,687	\$ -	\$ -	\$ -	\$ -	\$ 52,687
<i>Restricted:</i>						
Debt Service	-	772,038	-	-	905,677	1,677,715
Capital Improvements	-	-	22,761,764	-	5,063,361	27,825,125
<i>Committed:</i>						
Eastside Pool	37,821	-	-	-	-	37,821
Julia's Gulch	11,773	-	-	-	-	11,773
Wapato Hills	15,560	-	-	-	-	15,560
Waterwalk	3,670	-	-	-	-	3,670
Old Town Dock	19,760	-	-	-	-	19,760
Tacoma Nature Center	95,723	-	-	-	-	95,723
<i>Assigned to:</i>						
Capital Projects Funds	-	-	-	-	1,163,961	1,163,961
Unassigned	5,114,870	-	-	(85,955)	(68,928)	4,959,987
Total Fund Balances	\$ 5,351,864	\$ 772,038	\$ 22,761,764	\$ (85,955)	\$ 7,064,071	\$ 35,863,782
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 8,193,202	\$ 941,465	\$ 23,963,810	\$ 5,066,839	\$ 7,927,422	\$ 46,092,738

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 are not reported in the funds.

Land	\$ 36,042,799	
Buildings	53,638,359	
Infrastructure	56,582,308	
Machinery & Equipment	8,139,647	
Collections	567,169	
Construction in Progress	20,795,350	
Accumulated Depreciation	(41,087,462)	\$ 134,678,170

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Bonds and Notes Payable	\$ (91,981,341)	
Net Pension Liability	\$ (10,756,447)	
Compensated Absences	(1,763,871)	\$ (104,501,659)

Property tax revenue earned but not received within 60 days of year-end, and therefore not available to pay current year liabilities, is reported as deferred inflows on the government statements, but is recognized as revenue on the government-wide statements.

\$ 699,853

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities are included in the governmental activities statement of net position.

\$ 1,625,384

Net position of governmental activities

\$ 68,365,530

The notes to the financial statements are an integral part of this statement.

METROPOLITAN PARK DISTRICT OF TACOMA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2015

	General Fund	2014 GO Debt Service	2014 UTGO Bond Projects	2014 Bond Local Projects	Other Governmental Funds	Total
REVENUES						
<i>Taxes:</i>						
Property Taxes	\$ 13,738,530	\$ 12,380,878	\$ -	\$ -	\$ 4,458,023	\$ 30,577,431
Sales Taxes	1,814,625	-	-	-	-	1,814,625
Leasehold Excise Taxes	242,534	-	-	-	-	242,534
Intergovernmental	3,158,247	-	-	5,371,830	16,305	8,546,382
Charges for Services	5,358,550	-	-	-	47,105	5,405,655
Investment Earnings	13,290	4,574	68,902	-	9,977	96,743
Contributions	235,535	-	-	983,318	14,873	1,233,726
Other Miscellaneous Revenue	349,875	-	-	6,892	-	356,767
Total Revenues	\$ 24,911,186	\$ 12,385,452	\$ 68,902	\$ 6,362,040	\$ 4,546,283	\$ 48,273,863
EXPENDITURES						
<i>Current:</i>						
General Government	\$ 5,007,478	\$ -	\$ -	\$ 17,571	\$ 76,710	\$ 5,101,759
Parks and Natural Resources	10,542,609	-	-	-	-	10,542,609
Planning and Development	608,017	-	-	-	-	608,017
Recreation and Community Services	7,176,536	-	-	-	-	7,176,536
Tacoma Nature Center	691,817	-	-	-	-	691,817
<i>Debt Service:</i>						
Principal	149,217	10,640,000	-	-	3,897,267	14,686,484
Interest	6,489	973,364	-	-	2,908,718	3,888,571
Other Bond Costs	-	-	-	-	656,854	656,854
<i>Capital Outlay:</i>						
General Government	143,156	-	7,272,810	6,553,919	2,276,903	16,246,788
Total Expenditures	\$ 24,325,319	\$ 11,613,364	\$ 7,272,810	\$ 6,571,490	\$ 9,816,452	\$ 59,599,435
Excess (Deficiency) of Revenues over (under) Expenditures	\$ 585,867	\$ 772,088	\$ (7,203,908)	\$ (209,450)	\$ (5,270,169)	\$ (11,325,572)
OTHER FINANCING SOURCES (USES)						
Transfers In	\$ 251,031	\$ -	\$ -	\$ -	\$ 4,338,406	\$ 4,589,437
Transfers Out	-	-	(4,704,345)	-	(1,074,645)	(5,778,990)
Issuance of Refunding Bonds	-	-	-	-	8,084,800	8,084,800
Premium on Refunding Bonds	-	-	-	-	1,252,495	1,252,495
Payment to Refunded Bonds Escrow Agent	-	-	-	-	(9,333,122)	(9,333,122)
Total Other Financing Sources (Uses)	\$ 251,031	\$ -	\$ (4,704,345)	\$ -	\$ 3,267,934	\$ (1,185,380)
Net Change in Fund Balances	\$ 836,898	\$ 772,088	\$ (11,908,253)	\$ (209,450)	\$ (2,002,235)	\$ (12,510,952)
Fund Balances - Beginning	\$ 4,514,966	\$ (50)	\$ 34,670,017	\$ 250,000	\$ 8,939,801	\$ 48,374,734
Prior Period Adjustments	-	-	-	(126,505)	126,505	-
Fund Balances - Ending	\$ 5,351,864	\$ 772,038	\$ 22,761,764	\$ (85,955)	\$ 7,064,071	\$ 35,863,782

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is depreciated over their estimated useful lives.

Capital outlays	\$ 16,246,788	
Depreciation	(5,332,570)	
Net Effect of Capital Assets Sold or Retired	(12,832)	\$ 10,901,386

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.

Debt Proceeds	\$ (8,084,800)	
Premium on Debt	(1,252,495)	
Payment to Escrow	9,333,122	
Debt Retired	14,686,484	\$ 14,682,311

Certain portions of property tax revenues that do not provide current financial resources are reported as deferred inflows of resources in the governmental fund statements. Current year changes are recognized as revenue in the government-wide statement of activities. \$ 117,898

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 funds. Current year changes are recognized as expenses in the government-wide statement of activities. \$ 984,438

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of these activities is reported with governmental activities. \$ 166,137

Change in net position of governmental activities \$ 14,341,218

The notes to the financial statements are an integral part of this statement.

METROPOLITAN PARK DISTRICT OF TACOMA
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended December 31, 2015

	<u>Budgeted Biennial Amounts</u>			Variance with Amended Budget - Positive / (Negative)
	Original	As Amended at 12/31/15	Biennium Actual Through 12/31/15	
REVENUES				
<i>Taxes:</i>				
Property	\$ 28,206,043	\$ 28,206,043	\$ 13,738,530	\$ 14,467,513
Sales	3,389,024	3,389,024	1,814,625	1,574,399
Leasehold Excise	400,244	400,244	242,534	157,710
Intergovernmental	6,122,857	6,187,857	3,158,247	3,029,610
Charges for Services	10,653,332	10,653,332	5,358,550	5,294,782
Investment Earnings	14,400	14,400	13,290	1,110
Contributions	626,206	626,206	235,535	390,671
Other Miscellaneous Revenue	878,934	878,934	349,875	529,059
Total Revenues	\$ 50,291,040	\$ 50,356,040	\$ 24,911,186	\$ 25,444,854
	<i>Percentage received through 12/31/15</i>		<i>49.5%</i>	
EXPENDITURES				
<i>Current:</i>				
General Government	\$ 10,818,572	\$ 10,818,572	\$ 5,007,478	\$ 5,811,094
Planning and Development	1,459,174	1,459,174	608,017	851,157
Parks and Natural Resources	22,104,486	22,104,486	10,542,609	11,561,877
Recreation and Community Services	14,645,052	14,710,052	7,176,536	7,533,516
Tacoma Nature Center	1,320,872	1,320,872	691,817	629,055
<i>Debt Service:</i>				
Principal	251,700	251,700	149,217	102,483
Interest	33,164	33,164	6,489	26,675
<i>Capital Outlay:</i>				
General Government	-	-	143,156	(143,156)
Parks and Natural Resources	408,000	408,000	-	408,000
Recreation and Community Services	35,866	35,866	-	35,866
Total Expenditures	\$ 51,076,886	\$ 51,141,886	\$ 24,325,319	\$ 26,816,567
	<i>Percentage expended through 12/31/15</i>		<i>47.6%</i>	
Excess (Deficiency) of Revenues over (under) Expenditures	\$ (785,846)	\$ (785,846)	\$ 585,867	\$ 1,371,713
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 492,864	\$ 492,864	\$ 251,031	\$ (241,833)
Total Other Financing Sources (Uses)	\$ 492,864	\$ 492,864	\$ 251,031	\$ (241,833)
Net Change in Fund Balances	\$ (292,982)	\$ (292,982)	\$ 836,898	\$ 1,129,880
Fund Balances - Beginning	\$ 4,500,000	\$ 4,500,000	\$ 4,514,966	14,966
Fund Balances - Ending	\$ 4,207,018	\$ 4,207,018	\$ 5,351,864	\$ 1,144,846

The notes to the financial statements are an integral part of this statement.

METROPOLITAN PARK DISTRICT OF TACOMA
Statement of Net Position
Proprietary Funds
December 31, 2015

	<u>Business-type Activities</u>				
	<u>Zoological & Environmental Education</u>	<u>Boathouse Marina</u>	<u>Meadow Park Golf Course</u>	<u>Total</u>	
ASSETS					
<i>Current Assets:</i>					
Cash & Cash Equivalents	\$ 5,807,862	\$ 490,595	\$ 800	\$ 6,299,257	\$ 1,203,139
Receivables (net)	1,719,660	53,964	2,083	1,775,707	-
Inventories	46,459	48,527	38,751	133,737	-
Restricted Receivables - Bond Related	2,933	-	-	2,933	-
Total Current Assets	\$ 7,576,914	\$ 593,086	\$ 41,634	\$ 8,211,634	\$ 1,203,139
<i>Noncurrent Assets:</i>					
Capital Assets (net of accumulated depreciation):					
Land	2,829,542	200,000	1,413,170	4,442,712	-
Buildings	16,653,727	2,165,217	542,681	19,361,625	-
Infrastructure	15,693,193	2,830,068	1,224,874	19,748,135	-
Equipment	2,278,927	49,483	150,466	2,478,876	1,068,913
Collections	56,390	-	-	56,390	-
Construction in Progress	1,537,906	-	-	1,537,906	-
Total Noncurrent Assets	\$ 39,049,685	\$ 5,244,768	\$ 3,331,191	\$ 47,625,644	\$ 1,068,913
Total Assets	\$ 46,626,599	\$ 5,837,854	\$ 3,372,825	\$ 55,837,278	\$ 2,272,052
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charge on Refunding	486,866	-	-	486,866	-
Deferred Outflows Related to Pensions	780,493	33,928	46,183	860,604	-
Total Deferred Outflows of Resources	\$ 1,267,359	\$ 33,928	\$ 46,183	\$ 1,347,470	\$ -
LIABILITIES					
<i>Current Liabilities:</i>					
Accounts Payable and Accrued Expenses	\$ 1,181,687	\$ 24,579	\$ 53,162	\$ 1,259,428	\$ 101,809
Interfund Payables	-	-	386,000	386,000	-
Compensated Absences	821,062	13,901	27,171	862,134	-
Bonds, Notes, Loans Payable	1,020,704	-	-	1,020,704	145,952
Unearned Revenue	-	-	104,674	104,674	-
Total Current Liabilities	\$ 3,023,453	\$ 38,480	\$ 571,007	\$ 3,632,940	\$ 247,761
<i>Noncurrent Liabilities:</i>					
Compensated Absences	\$ 366,423	\$ 12,263	\$ 37,372	\$ 416,058	\$ -
Bonds, Notes, Loans Payable	12,040,427	-	-	12,040,427	17,083
Pension Liability	6,556,286	285,002	387,943	7,229,231	-
Total Noncurrent Liabilities	\$ 18,963,136	\$ 297,265	\$ 425,315	\$ 19,685,716	\$ 17,083
Total Liabilities	\$ 21,986,589	\$ 335,745	\$ 996,322	\$ 23,318,656	\$ 264,844
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows Related to Pensions	981,207	42,653	58,060	1,081,920	-
Total Deferred Inflows of Resources	\$ 981,207	\$ 42,653	\$ 58,060	\$ 1,081,920	\$ -
NET POSITION					
Net Investment in Capital Assets	\$ 26,475,420	\$ 5,244,768	\$ 3,331,191	\$ 35,051,379	\$ 905,878
Restricted for:					
Debt Service	2,933	-	-	2,933	-
Unrestricted	(1,552,191)	248,616	(966,565)	(2,270,140)	1,101,330
Total Net Position	\$ 24,926,162	\$ 5,493,384	\$ 2,364,626	\$ 32,784,172	\$ 2,007,208
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:				<u>\$ 381,824</u>	
Net Position of Business-type Activities				<u>\$ 33,165,996</u>	

The notes to the financial statements are an integral part of this statement.

METROPOLITAN PARK DISTRICT OF TACOMA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2015

	Business-type Activities				Governmental Activities - Internal Service
	Zoological & Environmental Education	Boathouse Marina	Meadow Park Golf Course	Total	
OPERATING REVENUES					
Zoological & Environmental Education Operations	\$ 12,035,319	\$ -	\$ -	\$ 12,035,319	\$ -
Marina Operations	-	1,020,270	-	1,020,270	-
Golf Course Operations	-	-	1,320,229	1,320,229	-
Other Services	-	-	-	-	3,719,496
Total Operating Revenues	\$ 12,035,319	\$ 1,020,270	\$ 1,320,229	\$ 14,375,818	\$ 3,719,496
OPERATING EXPENSES					
Zoological & Environmental Education Operations	\$ 17,980,970	\$ -	\$ -	\$ 17,980,970	\$ -
Marina Operations	-	1,048,283	-	1,048,283	-
Golf Course Operations	-	-	1,308,309	1,308,309	-
Self Insurance and Claims	-	-	-	-	3,288,042
Depreciation	2,018,134	319,942	138,136	2,476,212	238,939
Total Operating Expenses	\$ 19,999,104	\$ 1,368,225	\$ 1,446,445	\$ 22,813,774	\$ 3,526,981
Operating Income (Loss)	\$ (7,963,785)	\$ (347,955)	\$ (126,216)	\$ (8,437,956)	\$ 192,515
NONOPERATING REVENUES (EXPENSES)					
Property Taxes	\$ 1,827,063	\$ -	\$ -	\$ 1,827,063	\$ -
Sales Taxes	7,353,136	-	-	7,353,136	-
Intergovernmental	287,641	17,336	-	304,977	-
Unrestricted Grants and Contributions	957,171	-	12,871	970,042	-
Interest Expense	(456,621)	-	-	(456,621)	(7,532)
Debt Issuance and Other Debt Related Costs	(226,705)	(27,600)	-	(254,305)	-
Gain on Disposition of Assets	3,450	4,225	-	7,675	17,652
Amortization of Bond Premium/Loss on Refunding	216,368	-	-	216,368	-
Miscellaneous Revenues	229,408	-	-	229,408	-
Total Non-operating Revenues (Expenses)	\$ 10,190,911	\$ (6,039)	\$ 12,871	\$ 10,197,743	\$ 10,120
Income (Loss) Before Transfers	\$ 2,227,126	\$ (353,994)	\$ (113,345)	\$ 1,759,787	\$ 202,635
Transfers and Capital Contributions					
Capital Contributions	\$ 69,290	\$ -	\$ -	\$ 69,290	\$ -
Transfers In	1,314,247	212,600	12,100	1,538,947	33,917
Transfers Out	(332,774)	(16,620)	-	(349,394)	(33,917)
Change in Net Position	\$ 3,277,889	\$ (158,014)	\$ (101,245)	\$ 3,018,630	\$ 202,635
Net Position - Beginning of Year	\$ 28,624,520	\$ 5,954,656	\$ 2,878,664		\$ 1,804,573
Change in Accounting Principles - GASB 68 & 71	(6,976,247)	(303,258)	(412,793)		-
Net Position - Beginning of Year (Restated)	\$ 21,648,273	\$ 5,651,398	\$ 2,465,871		\$ 1,804,573
Net Position - End of Year	\$ 24,926,162	\$ 5,493,384	\$ 2,364,626		\$ 2,007,208

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds: \$ 36,498

Change in net position of business-type activities \$ 3,055,128

The notes to the financial statements are an integral part of this statement.

METROPOLITAN PARK DISTRICT OF TACOMA
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2015

	Business-type Activities					Governmental Activities - Internal Service
	Zoological & Environmental Education	Boathouse Marina	Meadow Park Golf Course	Total		
	CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 13,164,475	\$ 935,998	\$ 1,365,714	\$ 15,466,187	\$ 3,719,496	
Cash Payments for Goods and Services	(6,464,684)	(576,706)	(708,527)	(7,749,917)	(3,274,030)	
Cash Payments to Employees for Services	(11,510,928)	(493,127)	(661,212)	(12,665,267)	-	
Net Cash Provided (Used) by Operating Activities	\$ (4,811,137)	\$ (133,835)	\$ (4,025)	\$ (4,948,997)	\$ 445,466	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Operating Grants Received	\$ 287,641	\$ 17,336	-	\$ 304,977	-	
Sales Tax Received	7,234,612	-	-	7,234,612	-	
Donations Received	957,171	-	12,871	970,042	-	
Transfers from Other Funds	1,314,247	212,600	12,100	1,538,947	33,917	
Transfers to Other Funds	(332,774)	(16,620)	-	(349,394)	(33,917)	
Net Cash Provided by Noncapital Financing Activities	\$ 9,460,897	\$ 213,316	\$ 24,971	\$ 9,699,184	\$ -	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Property Tax Received	\$ 1,824,185	-	-	\$ 1,824,185	-	
Acquisition and Construction - Capital Assets	(764,436)	-	-	(764,436)	(364,739)	
Issuance of Refunding Debt	6,925,000	-	-	6,925,000	-	
Premium on Refunding	(732,800)	-	-	(732,800)	-	
Payment to Escrow - Refunding	(6,192,200)	-	-	(6,192,200)	-	
Proceeds on Disposition of Assets	3,450	4,225	-	7,675	17,652	
Principal Paid on Long Term Debt	(2,825,129)	(185,000)	(22,689)	(3,032,818)	(198,918)	
Interest Paid on Long Term Debt	(456,621)	-	-	(456,621)	(13,725)	
Other Debt Costs	(226,705)	(27,600)	-	(254,305)	-	
Net Cash Used for Capital and Related Financing Activities	\$ (2,445,256)	\$ (208,375)	\$ (22,689)	\$ (2,676,320)	\$ (559,730)	
CASH FLOWS FROM INVESTING ACTIVITIES						
Net Cash Provided (Used) by Investing Activities	\$ -	\$ -	\$ -	\$ -	\$ -	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 2,204,504	\$ (128,894)	\$ (1,743)	\$ 2,073,867	\$ (114,264)	
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	\$ 3,603,358	\$ 619,489	\$ 2,543	\$ 4,225,390	\$ 1,317,403	
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 5,807,862	\$ 490,595	\$ 800	\$ 6,299,257	\$ 1,203,139	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating Income (Loss)	\$ (7,963,785)	\$ (347,955)	\$ (126,216)	\$ (8,437,956)	\$ 192,515	
Miscellaneous Revenues	229,408	-	-	229,408	-	
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities						
Depreciation	\$ 2,018,134	\$ 319,942	\$ 138,136	\$ 2,476,212	\$ 238,939	
Changes in Assets and Liabilities						
(Increase) Decrease in Accounts Receivable	420,702	(53,864)	2,079	368,917	-	
(Increase) Decrease in Due From Other Governments	479,046	-	10,504	489,550	-	
(Increase) Decrease in Inventory	6,918	2,714	(1,109)	8,523	-	
Increase (Decrease) in Accounts Payable & Accrued Expenses	(164,987)	(11,244)	(7,772)	(184,003)	14,012	
Increase (Decrease) in Due to Other Funds	1,482	-	(54,000)	(52,518)	-	
Increase (Decrease) in Due to Other Governments	-	(16,281)	343	(15,938)	-	
Increase (Decrease) in Compensated Absences	161,945	3,261	1,108	166,314	-	
Increase (Decrease) in Unearned Revenue	-	(30,408)	32,902	2,494	-	
Total Adjustments	\$ 2,923,240	\$ 214,120	\$ 122,191	\$ 3,259,551	\$ 252,951	
Net Cash Provided (Used) by Operating Activities	\$ (4,811,137)	\$ (133,835)	\$ (4,025)	\$ (4,948,997)	\$ 445,466	
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES						
CAPITAL ASSETS CONTRIBUTED FROM						
Governmental Activities	\$ 69,290	-	-	\$ 69,290	-	
TOTAL NON-CASH CONTRIBUTIONS	\$ 69,290	\$ -	\$ -	\$ 69,290	\$ -	

The notes to the financial statements are an integral part of this statement.



METROPOLITAN PARK DISTRICT OF TACOMA

December 31, 2015

NOTES TO THE FINANCIAL STATEMENTS

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METROPOLITAN PARK DISTRICT OF TACOMA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Metropolitan Park District of Tacoma, Washington, (Metro Parks) was incorporated in 1907 under the provisions of Chapter 35.61 Revised Code of Washington (RCW) and operates under the laws of the State of Washington applicable to a municipality with a commissioner form of government.

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

A. THE REPORTING ENTITY

The Metropolitan Park District of Tacoma is a special purpose government which provides park and recreation services through over eighty park and recreation facilities. Metro Parks is governed by a board of five commissioners who are elected by City of Tacoma voters to six year staggered terms. In addition, Metro Parks owns and operates a boathouse and marina, a golf course, an animal wildlife park, and a zoo and aquarium. Metro Parks is fiscally independent of other state and local government entities. Based on the criteria of the Governmental Accounting Standards Board (GASB), Metro Parks is a primary government for reporting purposes. There are no additional entities or funds for which Metro Parks has reporting responsibilities. Control by Metro Parks is determined on the basis of budget adoption and resource allocation criteria. Dependence is determined by Metro Parks' obligation to redeem the organization's debts, to finance the organization's deficits, and the extent to which subsidies from Metro Parks constitute a major portion of the organization's total non-grant resources.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of Metro Parks. For the most part, the effect of interfund activity has been removed from these statements; however, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING & FINANCIAL STATEMENT PRESENTATION

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

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

Property taxes and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Other taxes and receipts become measurable and available when received and are recognized as revenue at that time. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Metro Parks reports the following major governmental funds:

The *General Fund* is the primary operating fund of Metro Parks. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

The *2014 GO Bond Debt Service Fund* accounts for repayment of principal and interest on the \$33.4 million of voter-approved bonds issued in 2014.

The *2014 UTGO Bond Projects Fund* accounts for \$33.4 million of voter-approved bonds issued in 2014.

The *2014 Bond Local Projects Fund* accounts for grants, donations and other matching funds used to expand bond projects.

A variety of Metro Parks' programs are accounted for in nonmajor governmental funds. Nonmajor *Debt Service Funds* are for the accumulation of resources to pay principal, interest, and related costs on general long-term debt. Nonmajor *Capital Project Funds* account for financial resources which are designated for the acquisition or construction of general government capital improvements.

Metro Parks reports the following major proprietary funds:

The *Zoological and Environmental Education Fund* is an enterprise fund which accounts for Point Defiance Zoo and Aquarium and Northwest Trek Wildlife Park. These facilities provide a wide array of Pacific Rim and native wildlife experiences through exhibits, on and off-site programs, and events. Point Defiance Zoo and Aquarium is a year-round 27-acre zoological facility where visitors view wildlife species native to the Pacific Rim. Northwest Trek is a 715 acre wildlife and nature preserve where visitors are provided the rare opportunity to view animals native to the Pacific Northwest in a captive yet natural setting.

The *Boathouse Marina Fund* accounts for the Point Defiance Boathouse. These operations provide dry boat storage, boat and motor rentals, gas sales, tackle and gift shop sales, fishing license sales, guest moorage, parking, and free fishing piers.

The third and final business-type operation, Meadow Park Golf Course, is accounted for as a nonmajor *Enterprise Fund*; however, since it is the only nonmajor business-type operation, it is reported alongside the major programs.

Additionally, Metro Parks reports three Internal Service funds to account for fleet purchasing services provided to other departments on a cost reimbursement basis, medical self-insurance and property/liability claims.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All other revenues and expenses are reported as nonoperating.

When both restricted and unrestricted resources are available for use, it is the policy of Metro Parks to use restricted resources first, then unrestricted resources as they are needed.

D. ASSETS, LIABILITIES, FUND BALANCE, NET POSITION

1. Deposits and Investments

Metro Parks' cash and cash equivalents are composed of cash on hand, demand deposits, and short term investments with original maturities of six months or less from the date of acquisition. It is Metro Parks' policy to invest all temporary cash surpluses. Interest on these investments is credited to the General Fund except where legal requirements, specific Board policy, or agreements with outside agencies require otherwise. Investments are stated at fair value (see Note 4-A).

2. Receivables And Payables

Taxes receivable consists of property taxes and related interest and penalties. Property taxes are levied and become an enforceable lien against the property on January 1 of each year. The first of two equal installments is due on April 30 and, if not paid in full, the second half is due on October 31. Because property taxes are considered liens on property, no estimated uncollectible amounts are established (see Note 4-B). Additional taxes receivable are from distributions of Washington State sales tax revenue, a portion of which is dedicated to parks and accredited zoological facilities.

Accrued interest receivable consists of amounts earned on investments, notes, and contracts at the end of the year. Accounts receivable are amounts due for services rendered by Metro Parks. All receivables from or payables to other governments are included in these accounts.

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund receivables/payables". All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." A detail of interfund activity at December 31, 2015 is furnished in Note 4-D to these financial statements.

3. Inventories And Prepaid Items

All inventories are valued at cost on the first in, first out basis and consist of goods held for resale to the public. Governmental fund types recognize the cost of inventory items as expenditures when purchased and proprietary fund types recognize the cost of inventory items as expenses when sold. The Nonspendable Fund Balance in the General Fund is equal to the ending amount of inventory and prepaid items to indicate that this portion of the fund balance is not available for future expenditures.

Occasionally payments to vendors reflect costs applicable to future accounting periods and would be recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Certain assets are classified as restricted assets because their use is restricted by contract. Resources for construction and debt service within the Enterprise Funds are segregated and classified as restricted assets. Related liabilities are included on the statement of net position as liabilities payable from restricted assets or as certain long-term liabilities.

5. Capital Assets

Capital assets, which include property, buildings, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by Metro Parks as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are completed.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's useful life are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets as applicable. Buildings, infrastructure, and equipment of Metro Parks are depreciated using the straight line method over their estimated useful lives. The estimated useful lives are as follows:

Buildings	20 – 50 years
Infrastructure	10 – 50 years
Equipment, Furniture, & Vehicles	3 – 25 years

6. Construction Commitments

Metro Parks has active construction project contracts totaling \$634,273 at December 31, 2015. These projects are financed by general obligation bonds issued for the purpose of constructing and upgrading park facilities as well as by grants and contributions.

7. Compensated Absences

Employees accrue vacation pay by reason of tenure. Vacation pay may be accumulated up to a maximum equal to the amount accrued in a two-year period (a three-year period for senior/executive management) and is payable upon resignation, retirement, or death. Compensatory time is payable as earned. Sick leave may accumulate indefinitely. Upon separation from employment with Metro Parks, all sick leave shall be forfeited except under the following circumstances.

- Sick leave is paid out at 50% in the event of death of the employee, and 100% at death as a result of a service connected accident or illness.

- Sick leave is paid out at 25% if the employee is 1) eligible to draw pension with the State Department of Retirement Systems, 2) is a minimum of 50 years old, or 3) has 30 years of service with Metro Parks.

Accumulated Unpaid Amounts At December 31, 2015			
	Current Portion		Long-term Portion
Vacation	\$	1,324,736	\$ 608,619
Sick Leave		598,365	432,250
Compensatory Time		78,093	-
Total	\$	2,001,194	\$ 1,040,869
Governmental Funds	\$	1,139,060	\$ 624,811
Proprietary Funds		862,134	416,058
Total	\$	2,001,194	\$ 1,040,869

Metro Parks records all accumulated unused vacation and compensatory time. For unused sick leave, the accrued liability is recorded as 10% of accumulated unused sick leave which is considered the material amount vested. In proprietary funds, the expenses are accrued when incurred and the liability is recorded in the fund. For governmental funds, unused vacation, compensatory time and sick leave at year-end is considered long-term debt since it is believed current expendable resources will not be used to liquidate any of the accrued benefits. Compensated absences would be reported in governmental funds only if they have matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement). The General Fund has typically been used to liquidate the liability for compensated absences.

8. Long-Term Debt

In the government-wide financial statements and proprietary fund's financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Gains or losses on refunded bonds are reported as deferred outflows of resources and are amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premium and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Arbitrage occurs when funds borrowed at tax-exempt interest rates are invested in higher yielding taxable securities. Such investment earnings in excess of related interest expense on tax-exempt debt are reported as a liability due to the federal government and a reduction to interest revenue.

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Metro Parks has two items that qualify for reporting in this category. One is the deferred charge on refunding reported

in the government-wide and proprietary fund statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item is deferred outflows related to pensions. This item includes several elements: a) contributions to retirement plans subsequent to the measurement date; b) difference between expected and actual plan experience; c) change in plan assumptions; and d) changes in proportionate share of the plans.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. Metro Parks has two items that qualify for reporting in this category. One is unavailable revenue from property taxes. The deferred inflow of resources from unavailable property tax revenue occurs only in governmental fund financial statements prepared under the modified accrual basis of accounting and, accordingly, is reported as a deferred inflow of resources only in the governmental funds balance sheet. This amount is deferred and will be recognized as an inflow of resources in the period that amounts become available. The other item which qualifies for reporting is deferred inflows related to pensions. This balance represents the difference between expected and actual investment earnings. This amount is reported in the government-wide and proprietary fund statements of net position.

10. Fund Balance Policies

In the fund financial statements, governmental funds may report fund balance in five areas. Amounts that are not available for current use, such as fund balance related to inventories and prepaid items, are reported as *Nonspendable*. The remaining amounts are classified according to the relative strength of the constraints placed on the spending of such funds. *Restricted* amounts are subject to externally enforceable constraints such as bond covenants and grantor requirements. *Committed* fund balance has formal legal constraints imposed by resolution of the Board of Park Commissioners. *Assigned* fund balance reflects an intended use or earmarking of the resources which are imposed by less formal means. The Board of Park Commissioners has the authority to assign fund balance. No formal action is required to reallocate assigned fund balance. *Unassigned* is the residual classification for the General Fund and includes all amounts that are not reported in the other categories.

11. Fund Balance Flow Assumptions

Sometimes Metro Parks will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which resources are considered to be applied. It is Metro Parks' policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

12. Net Position Flow Assumptions

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

13. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. The schedule presents detailed explanations for the major elements of the reconciliation including certain government-wide assets and liabilities not included in governmental fund balance sheets.

B. DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation states "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 funds." Of the \$984,438 reported, \$37,502 represents a decrease in liability for compensated absences, \$349,020 represents a decrease in liability for pension obligations and \$597,916 represents amortization of bond premiums and deferred charges on refunding which are not included in the governmental fund statements.

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Metro Parks' biennial budget is adopted by resolution of the Board of Park Commissioners for the general fund on a basis consistent with generally accepted accounting principles. While not required by law, Metro Parks adopts budgets for enterprise funds which are "management budgets" and as such, are not reported in the CAFR. Life-to-date budgets have been adopted for *Debt Service Funds* and *Capital Projects Funds*. Appropriations lapse at the end of the biennium except for the debt service and capital project funds which are budgeted on a project length basis.

The budget amounts shown in the *Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual* are the biennial amounts.

Budgets are adopted at the fund level and constitute the legal authority for expenditures at that level. Subsidiary revenue and expenditure ledgers are used to compare the budgeted amounts with actual revenues and expenditures. As a management control device the subsidiary ledgers monitor expenditures for individual functions and activities by object class. Budgetary accounts are integrated in fund ledgers for all budgeted funds.

By October 31 of even numbered years the Executive Director submits a proposed biennial budget to the Board of Park Commissioners. This budget is based on priorities established by the Board of Park Commissioners and estimates provided by Metro Parks' departments during the preceding months, and balanced with revenue estimates made by the Department Directors. The Board of Park Commissioners conducts public hearings on the proposed budget in November and December. After adjustments, a final balanced budget is adopted no later than December 31. Within 90 days of adoption, the final budget document is available to the public. During the budget preparation process, the Board of Park Commissioners adopts the salary ranges and the benefits package for the biennium.

Department Directors are authorized to transfer budgeted amounts between object classes within their departments and the Executive Director is authorized to transfer budgeted amounts between departments. Any revisions that alter the total expenditures of a fund must be approved by the Board of Park Commissioners.

When the Board of Park Commissioners determines that it is in the best interest of Metro Parks to increase or decrease the appropriation for a particular fund or department, it may do so by resolution approved by a simple majority. The General Fund budget was amended once during the 2015-2016 biennium. The amendment was a \$65,000 increase in intergovernmental revenues in the Recreation department due to new grant revenue, offset by a \$65,000 increase in operating expenses.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in all funds. It is the policy of Metro Parks to cause encumbrances to lapse at year-end so that ongoing purchase orders, contracts, and commitments must be re-encumbered for the next year.

B. LEGAL AND CONTRACTUAL COMPLIANCE

Metro Parks has complied, to the best of its knowledge, with all material finance-related legal and contractual provisions. No related party transactions have been identified.

NOTE 4 – DETAILED NOTES ON ALL FUNDS

A – CASH AND INVESTMENTS

In accordance with state statute, Pierce County is the ex-officio treasurer for Metro Parks. As such, it holds all of the District's cash and investments except for imprest and clearing accounts. All cash and time deposits are entirely insured or collateralized through federal depository insurance with the balance of the deposits collateralized by the state's multiple financial institution collateral pool. Metro Parks' Comprehensive Financial Management Policy requires the deposit and investment of public funds "in a manner which will provide the maximum security with the highest investment return while meeting the daily cash flow demands of Metro Parks and conforming to all state and local statutes governing the investment of public funds". Chapter 39.58 of the Revised Code of Washington requires public monies to be deposited in only "qualified public depositories", as designated by the Washington Public Deposit Protection Commission (WPDPC). The WPDPC is also the monitoring state agency for the multiple financial institution collateral pool for public money deposits in the state.

DEPOSITS. At year-end, the carrying amount and bank balance of Metro Parks' deposits was \$13,298,112. All of the balance was covered by federal depository insurance (FDIC) and the WPDPC. Deposits covered by WPDPC are considered insured for deposit categorization purposes.

INVESTMENTS. Metro Park's policy and Washington State statutes authorize Metro Parks to invest in obligations of the United States Treasury, agencies, and instrumentalities, bankers' acceptances, certificates of deposits issued by qualified public depositories, and repurchase agreements. At December 31, 2015, the Pierce County Treasurer was holding \$24,140,000 in short-term investments

in the Local Government Investment Pool. The Pool offers 100% liquidity, therefore, all of these short term investments are considered cash equivalents and not subject to risk categorization. Additionally, the Pierce County Treasurer was holding a \$5,000,000 two-year certificate of deposit on behalf of Metro Parks.

OTHER. Metro Parks has an additional \$83,970 in cash and checking imprest accounts at multiple locations throughout the District.

B – RECEIVABLES

Receivables as of year-end for Metro Parks’ individual major funds and nonmajor funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

Receivables	General Fund	2014 GO Debt Service Fund	2014 Bond Local Fund	Nonmajor Governmental Funds	Boathouse Marina	Zoological & Environmental Education	Nonmajor Proprietary Funds	Total
Accounts	\$ 450,294	\$ -	\$ -	\$ 5,000	\$ 110,139	\$ 288,692	\$ 35,423	\$ 889,548
Taxes	732,960	200,249	-	192,839	-	1,328,354	-	2,454,402
Intergovernmental	283,570	-	5,065,733	68,685	-	105,547	-	5,523,535
Gross Receivables	\$ 1,466,824	\$ 200,249	\$ 5,065,733	\$ 266,524	\$ 110,139	\$ 1,722,593	\$ 35,423	\$ 8,867,485
Less: Allowance for Uncollectible	(110,464)	-	-	-	(56,175)	-	(33,340)	(199,979)
Total	\$ 1,356,360	\$ 200,249	\$ 5,065,733	\$ 266,524	\$ 53,964	\$ 1,722,593	\$ 2,083	\$ 8,667,506

C – CAPITAL ASSETS

Governmental assets with a net book value of \$29,258 were retired during 2015.

Capital asset activity for the year ended December 31, 2015 was as follows:

<i>Governmental Activities</i>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 36,042,799	\$ -	\$ -	\$ 36,042,799
Collections	567,169	-	-	567,169
Construction in progress	7,996,091	16,191,309	3,392,051	20,795,350
Total capital assets not being depreciated	\$ 44,606,059	\$ 16,191,309	\$ 3,392,051	\$ 57,405,318
Capital assets being depreciated:				
Buildings	\$ 51,784,527	\$ 1,864,805	\$ 10,973	\$ 53,638,359
Infrastructure	55,173,896	1,457,954	49,542	56,582,308
Machinery, equipment, and vehicles	10,072,314	505,934	155,206	10,423,042
Total capital assets being depreciated	\$ 117,030,737	\$ 3,828,693	\$ 215,721	\$ 120,643,709
Less accumulated depreciation for:				
Buildings	\$ (12,721,767)	\$ (1,785,980)	\$ (10,973)	\$ (14,496,774)
Infrastructure	(18,676,856)	(2,907,479)	(39,911)	(21,544,424)
Machinery, equipment, and vehicles	(5,518,275)	(878,050)	(135,579)	(6,260,746)
Total accumulated depreciation	\$ (36,916,898)	\$ (5,571,509)	\$ (186,463)	\$ (42,301,944)
Total capital assets being depreciated, net	\$ 80,113,839	\$ (1,742,816)	\$ 29,258	\$ 78,341,765
Governmental activities capital assets, net	\$ 124,719,898	\$ 14,448,493	\$ 3,421,309	\$ 135,747,083

<i>Business-type Activities</i>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 4,442,712	\$ -	\$ -	\$ 4,442,712
Collections	56,390	-	-	56,390
Construction in progress	1,502,715	35,191	-	1,537,906
Total capital assets not being depreciated	\$ 6,001,817	\$ 35,191	\$ -	\$ 6,037,008
Capital assets being depreciated:				
Buildings	\$ 37,290,002	\$ 136,977	\$ -	\$ 37,426,979
Infrastructure	33,730,066	377,278	-	34,107,344
Machinery, equipment, and vehicles	8,972,121	284,282	15,254	9,241,149
Total capital assets being depreciated	\$ 79,992,189	\$ 798,537	\$ 15,254	\$ 80,775,472
Less accumulated depreciation for:				
Buildings	\$ (17,036,267)	\$ (1,029,087)	\$ -	\$ (18,065,354)
Infrastructure	(13,318,757)	(1,040,452)	-	(14,359,209)
Machinery, equipment, and vehicles	(6,370,854)	(406,673)	(15,254)	(6,762,273)
Total accumulated depreciation	\$ (36,725,878)	\$ (2,476,212)	\$ (15,254)	\$ (39,186,836)
Total capital assets being depreciated, net	\$ 43,266,311	\$ (1,677,675)	\$ -	\$ 41,588,636
Business-type activities capital assets, net	\$ 49,268,128	\$ (1,642,484)	\$ -	\$ 47,625,644

Depreciation expense was charged to programs as follows:

<i>Governmental activities:</i>	
General Government	\$ 62,597
Parks and Natural Resources	5,089,076
Recreation and Community Services	327,732
Zoological and Environmental Education	92,104
Total depreciation expense - governmental activities	\$ 5,571,509
<i>Business-type activities:</i>	
Boathouse Marina	\$ 319,942
Meadow Park Golf Course	138,136
Zoological and Environmental Education	2,018,134
Total depreciation expense - business-type activities	\$ 2,476,212

D – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances at December 31, 2015 is as follows:

Interfund receivables/payables:

Receivable Fund	Payable Fund			Total Receivable
	Meadow Park Golf Course	2014 Bond Local Projects	Internal Service Funds	
General Fund	\$ 386,000	-	-	\$ 386,000
2014 Bond Projects	-	3,745,000	-	3,745,000
Boathouse Marina	-	-	14,874	14,874
Zoological & Environmental Education	-	-	185,372	185,372
Meadow Park Golf Course	-	-	181,578	181,578
Total Payable	\$ 386,000	\$ 3,745,000	\$ 381,824	\$ 4,512,824

The General Fund and the 2014 Bond Projects fund have given 30 day operating loans to the funds indicated. The amounts due to Boathouse Marina, Zoological & Environmental Education and Meadow Park Golf Course denotes the “lookback adjustment” for the internal service funds.

Interfund cash transfers:

Transfers Out	Transfers In						Total Transfers Out
	General Fund	Nonmajor Governmental	Internal Service Funds	Boathouse Marina	Zoological & Environmental Education	Meadow Park Golf Course	
2014 GO Construction	\$ -	\$ 3,307,726	\$ -	\$ 212,600	\$ 1,171,919	\$ 12,100	\$ 4,704,345
Nonmajor Governmental	-	932,317	-	-	142,328	-	1,074,645
Internal Service Funds	-	-	33,917	-	-	-	33,917
Boathouse Marina	16,620	-	-	-	-	-	16,620
Zoological & Environmental Education	234,411	98,363	-	-	-	-	332,774
Total Transfers In	\$ 251,031	\$ 4,338,406	\$ 33,917	\$ 212,600	\$ 1,314,247	\$ 12,100	\$ 6,162,301

The purpose of the transfers was to pay for General Fund overhead charges (\$251,031), debt service costs (\$5,195,358), to fund capital projects (\$627,427) and to repay an interfund loan (\$88,485).

E – LONG-TERM DEBT

1. General Obligation Bonds

Metro Parks issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of Metro Parks. These bonds generally are issued as 20 year serial bonds with varying principal amounts maturing each year.

Metro Parks has retained the services of Bank of New York Mellon Corporate Trust to determine the applicability of federal arbitrage regulations. There is currently no arbitrage liability.

General obligation bonds currently outstanding are as follows:

<i>Governmental activities</i>	Interest Rate	Original Amount	Outstanding
2006 Construction Bonds	4.00%-5.25%	25,000,000	1,000,000
2008 Construction Bonds	3.50%-5.25%	19,210,000	9,960,000
2010 Construction Bonds	5.57%-6.35%	25,025,000	25,025,000
2012 Refunding Bonds	0.5%-4.00%	3,698,150	3,392,900
2014 Construction Bonds	2.00%-5.00%	33,400,000	22,760,000
2014 Refunding Bonds	3.00%-5.00%	18,040,000	18,040,000
2015 Refunding Bonds	2.00%-5.00%	8,087,800	7,988,700
Total Governmental activities		\$ 132,460,950	\$ 88,166,600
<i>Business-type activities</i>			
2012 Refunding Bonds	0.5%-4.00%	6,296,850	5,777,100
2015 Refunding Bonds	2.00%-5.00%	6,192,200	6,116,300
Total Business-type activities		\$ 12,489,050	\$ 11,893,400
Total General Obligation Bonds		\$ 144,950,000	\$ 100,060,000

Annual debt service requirements to maturity for general obligation bonds are as follows. Because the 2010 General Obligation Bonds are "Build America Bonds", the federal government will be paying \$7.2 million of the interest on those bonds.

Year ending December 31	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2016	\$ 12,815,200	\$ 4,137,760	\$ 834,800	\$ 460,163	\$ 18,247,923
2017	3,095,700	3,755,534	869,300	444,834	8,165,368
2018	3,911,000	3,640,369	929,000	419,109	8,899,478
2019	2,713,300	3,489,937	986,700	386,991	7,576,928
2020	3,604,650	3,380,121	1,045,350	357,033	8,387,154
2021-2025	27,816,750	13,895,252	7,228,250	972,293	49,912,545
2026-2030	28,055,000	6,491,485	-	-	34,546,485
2031-2035	6,155,000	495,950	-	-	6,650,950
	\$ 88,166,600	\$ 39,286,408	\$ 11,893,400	\$ 3,040,423	\$ 142,386,831

2. Notes Payable

In 1996, the City of Tacoma provided \$1,125,000 for construction at the Center at Norpoint. These obligations were set up as two long-term notes payable. The \$750,000 note was repaid in 2003 with the proceeds from the 2002 General Obligation Bonds. The remaining \$375,000 note is a zero-interest loan that is being paid over twenty years. \$18,750 was outstanding at December 31, 2015.

The Equipment Rental Internal Service fund has two loans outstanding for the purchase of equipment and vehicles for all funds. \$280,500 was borrowed in 2007 and is to be repaid over ten years at an interest rate of 4.4%. \$521,672 was borrowed in 2011 and is payable over five years at a rate of 1.51%. \$160,950 was outstanding as of December 31, 2015.

In 2012, the General Fund borrowed \$575,576 to fund fitness equipment. The loan is in two parts - \$376,646 over four years at 3.06% interest and \$198,930 over six years at 3.49% interest. \$126,573 was outstanding at December 31, 2015.

The annual debt service requirements to maturity for the notes payable are as follows:

Year ending December 31	Governmental Activities		Total
	Principal	Interest	
2016	\$ 238,403	\$ 9,022	\$ 247,425
2017	52,672	1,583	54,255
2018	15,198	133	15,331
	\$ 306,273	\$ 10,738	\$ 317,011

3. Refunded Debt

In 2014 Metro Parks issued \$18,040,000 of general obligation refunding bonds for the purposes of generating resources for future debt service payments on \$19,640,000 of refunded debt. The proceeds were placed in an irrevocable trust. The refunding bonds partially refunded the 2006 GO Bonds. The partially refunded portions of these bonds are considered to be defeased and the liability has been removed from the statement of net position. This advance refunding was undertaken to reduce total debt service payments over the next 10 years by \$2,371,469 and resulted in an economic gain of \$2,073,104. The escrow account balance at December 31, 2015 was \$20,430,249.

In 2015 Metro Parks issued \$14,280,000 of general obligation refunding bonds for the purposes of generating resources for future debt service payments on \$15,970,000 of refunded debt. The proceeds were placed in an irrevocable trust. The refunding bonds fully refunded the 2005 GO bonds and partially refunded the 2006 GO bonds. The refunded portions of these bonds are considered to be defeased and the liability has been removed from the statement of net position. This advance refunding was undertaken to reduce total debt service payments of the next 10 years by \$2,865,362 and resulted in an economic gain of \$2,292,086.

4. Bond Rating

On July 27, 2015, Moody's Investors Service affirmed its Global Scale Rating of "Aa2" on all of Metro Parks' outstanding Unlimited Tax General Obligation Bonds.

On July 27, 2015, Standard & Poor's Corporation affirmed its "AA" rating on all of Metro Parks' outstanding Unlimited Tax General Obligation Bonds.

5. Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Governmental Activities</i>					
General Obligation Bonds	\$ 101,096,100	\$ 8,087,800	\$ 21,017,300	\$ 88,166,600	\$ 12,815,200
Plus premiums deferred	5,528,974	1,252,495	930,738	5,850,731	841,291
Notes Payable	3,218,628	-	2,912,355	306,273	293,084
Plus premiums deferred	6,073	-	3,988	2,085	2,085
Compensated Absences	1,801,374	993,440	1,030,942	1,763,872	1,139,060
Net Pension Liability	8,168,301	2,268,630	-	10,436,931	-
Governmental Activities - Long-term Liabilities	\$ 119,819,450	\$ 12,602,365	\$ 25,895,323	\$ 106,526,492	\$ 15,090,720
<i>Business-type Activities</i>					
General Obligation Bonds	\$ 14,138,900	\$ 6,192,200	\$ 8,437,700	\$ 11,893,400	\$ 834,800
Plus premiums deferred	553,521	958,929	344,720	1,167,730	185,904
Notes Payable	1,522,865	-	1,522,865	-	-
Plus premiums deferred	77,898	-	77,898	-	-
Compensated Absences	1,111,879	718,701	552,387	1,278,193	862,134
Net Pension Liability	5,657,844	1,571,387	-	7,229,231	-
Business-type Activities - Long-term Liabilities	\$ 23,062,907	\$ 9,441,217	\$ 10,935,570	\$ 21,568,554	\$ 1,882,838

F – OPERATING LEASES

Metro Parks has entered into operating leases with various vendors for the rental of copy machines and other equipment. These agreements allow Metro Parks to cancel the leases with appropriate notice. The amounts paid on the leases are not significant to any single operating unit or to Metro Parks as a whole.

G – RESTRICTED ASSETS

Certain assets are restricted for specific purposes under provisions of various bond indentures. There are no restricted assets in the governmental funds. The only restricted assets in business-type funds is \$2,933 for bond related taxes receivable.

H – CONTINGENCIES AND LITIGATIONS

Metro Parks is the owner of approximately 23 acres of property constituting a breakwater peninsula along the western shore of Commencement Bay (the "breakwater peninsula"). The property was created by Asarco as it dumped slag from its copper smelting operation into the bay. Slag has elements of arsenic and lead, both of which are considered hazardous substances by the Environmental Protection Agency (EPA).

In the 1990s, the EPA tested the Asarco site and surrounding properties and discovered hazardous substances at levels requiring a cleanup. The EPA then established the boundaries of the Asarco Tacoma Smelter Superfund Site, which includes Metro Parks' breakwater peninsula, and issued a Record of Decision describing the remediation alternatives for the site.

In January 1997, Metro Parks, Asarco, the City of Tacoma, and the Town of Ruston executed the "Definitive Agreement" requiring Asarco to negotiate a consent decree with the EPA and to design and implement a remediation plan to redevelop the Asarco and Metro Parks' sites. Before performing its

obligations, Asarco filed bankruptcy. Asarco subsequently received a discharge from the Bankruptcy Court and is no longer obligated to perform under the Definitive Agreement.

In 2009, Asarco sold its Tacoma property to a residential developer, Point Ruston LLC, who is responsible for remediating the Asarco property and a portion of the Metro Parks' property. Point Ruston and Metro Parks entered into an agreement to remediate a significant portion of the breakwater peninsula and that work has been completed. Metro Parks is currently negotiating with the EPA to establish a cooperative agreement where Metro Parks and the EPA will jointly fund the remaining remedial work on the breakwater peninsula. However, the cooperative agreement will not include remediation of the yacht basin, which is between the breakwater peninsula and the shore. The EPA's Record of Decision requires the yacht basin to be remediated.

Metro Parks cannot at this time quantify the remediation costs.

NOTE 5 – OTHER INFORMATION

A – RISK MANAGEMENT

Metro Parks is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 179 Members.

New members initially contract for a three-year term, and thereafter automatically renew on an annual basis. A one-year withdrawal notice is required before membership can be terminated. Termination does not relieve a former member from its unresolved loss history incurred during membership.

Liability coverage is written on an occurrence basis, Metro Parks has a \$25,000 deductible. Coverage includes general, automobile, police, public officials' errors or omissions, stop gap, and employee benefits liability. Limits are \$4 million per occurrence self insured layer, and \$16 million per occurrence in the re-insured excess layer. The excess layer is insured by the purchase of reinsurance and insurance and is subject to aggregate limits. Total limits are \$20 million per occurrence subject to aggregate sublimits in the excess layers. The Board of Directors determines the limits and terms of coverage annually.

Insurance coverage for property, automobile physical damage, fidelity, inland marine, and boiler and machinery are purchased on a group basis. Various deductibles apply by type of coverage. Property insurance and auto physical damage are self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that amount by the purchase of insurance.

In-house services include risk management consultation, loss control field services, claims and litigation administration, and loss analyses. WCIA contracts for the claims investigation consultants for personnel issues and land use problems, insurance brokerage, and lobbyist services.

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, and administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

An investment committee, using investment brokers, produces additional revenue by investment of WCIA's assets in financial instruments which comply with all State guidelines.

A Board of Directors governs WCIA, which is comprised of one designated representative from each member. The Board elects an Executive Committee and appoints a Treasurer to provide general policy direction for the organization. The WCIA Executive Director reports to the Executive Committee and is responsible for conducting the day to day operations of WCIA.

The current limits of coverage for Metro Parks are:

Limits		Limits	
<i>Property Insurance:</i>		<i>Liability Insurance:</i>	
Property Pool	\$ 300,000,000	General Liability, Automobile Liability, Stop-Gap coverage, & Employee Benefits Liability	\$ 20,000,000
Flood Pool	\$ 100,000,000	Crime & Fidelity	\$ 2,500,000
Earthquake Pool	\$ 150,000,000	Public Officials and Employment Practice Liability	\$ 20,000,000
Unscheduled Infrastructure - tunnels, bridges, streets, etc.	\$ 1,000,000		
Specific Auto Physical Damage	Replacement		

There are a limited number of general liability claims against Metro Parks, all of which are deemed to be of limited significance in light of the insurance coverage. There have been no settlements exceeding insurance coverage for the last three years and prior.

B – EMPLOYEE RETIREMENT SYSTEM

The following table represents the aggregate pension amounts for all plans subject to the requirements of the GASB Statement 68, *Accounting and Financial Reporting for Pensions* for the year 2015:

Aggregate Pension Amounts - All Plans	
Pension liabilities	\$ 17,666,162
Deferred outflows of resources	\$ 2,103,069
Deferred inflows of resources	\$ 2,643,901
Pension expense/expenditures	\$ (590,771)

Substantially all Metro Parks' full-time and qualifying part-time employees participate in the Public Employees' Retirement System (PERS) administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to: Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98504-8380; or it may be downloaded from the DRS website at www.drs.wa.gov.

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2015 were as follows:

PERS Plan 1	Employer	Employee
January through June 2015	9.21%	6.00%
July through December 2015	11.18%	6.00%

The district's actual and required contributions to the plan were \$76,063 for the year ended December 31, 2015.

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a death benefit that is reduced by a factor that varies according to age for each year before 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- o With a benefit that is reduced by three percent for each year before age 65; or
- o With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules

PERS Plan 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with the choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UUAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2015 were as follows:

PERS Plan 2/3	Employer 2/3	Employee 2
January through June 2015	9.21%	4.92%
July through December 2015	11.18%	6.12%
Employee PERS Plan 3		varies

The district’s actual and required contributions to the PERS 2/3 plans were \$2,082,023 for the year ended December 31, 2015.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2015 with a valuation date of June 30, 2014. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary’s (OSA) *2007-2012 Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2014 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2015. Plan liabilities were rolled forward from June 30, 2014, to June 30, 2015, reflecting each plan’s normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- Inflation: 3% total economic inflation; 3.75% salary inflation
- Salary increases: In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- Investment rate of return: 7.5%

Mortality rates were based on the RP-2000 report’s Combined Healthy Table and Combined Disabled Table, published by the Society of Actuaries. The OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

There were minor changes in methods and assumptions since the last valuation.

- The OSA updated demographic assumptions, consistent with the changes from the *2007-2012 Experience Study Report*, used when valuing the PERS 1 and TERS 1 Basic Minimum COLA.
- The OSA corrected how valuation software calculates a member’s entry age under the entry age normal actuarial cost method. Previously, the funding age was rounded, resulting in an entry age one year higher in some cases.
- For purposes of calculating the Plan 2/3 Entry Age Normal Cost contribution rates, the OSA now uses the current blend of Plan 2 and Plan 3 salaries rather than using a long-term membership assumption of two-thirds Plan 2 members and one-third Plan 3 members.
- The OSA changed the way it applies salary limits, as described in the *2007-2012 Experience Study Report*.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.5 percent.

To determine that rate, an asset sufficiency test included an assumed 7.7 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.7 percent except LEOFF 2, which has assumed 7.5 percent). Consistent with the long-term expected rate of return, a 7.5 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue being made at contractually required rates (including PERS 2/3, PSERS 2, SERS 2/3, and TRS 2/3 employers, whose rates include a component for the PERS 1, and TRS 1 plan liabilities). Based on these assumptions, the pension plans' 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 of 7.5 percent was used to determine the total liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.5 percent was determined using a building-block-method. The Washington State Investment Board (WSIB) used a best estimate of expected future rates of return (expected returns, net of pension plan investment expense, including inflation) to develop each major asset class. Those expected returns make up one component of WSIB's capital market assumptions. The WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns at various future times. The long-term expected rate of return of 7.5 percent approximately equals the median of the simulated investment returns over a 50-year time horizon.

Estimated Rate of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pensions plan's target asset allocation as of June 30, 2015, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.70%
Tangible Assets	5%	4.40%
Real Estate	15%	5.80%
Global Equity	37%	6.60%
Private Equity	23%	9.60%
	100%	

Sensitivity of NPL

The table below presents the district's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the district's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5 percent) or 1-percentage point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
PERS 1	\$ 11,886,551	\$ 9,763,060	\$ 7,937,052
PERS 2	\$ 23,109,080	\$ 7,903,102	\$ (3,739,545)
Total	\$ 34,995,631	\$ 17,666,162	\$ 4,197,507

Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

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

At June 30, 2015, Metro Parks reported a total pension liability of \$17,666,162 for its proportionate share of the net pension liabilities as follows:

	Liability
PERS 1	\$ 9,763,060
PERS 2/3	\$ 7,903,102
Total	\$ 17,666,162

At June 30, the district's proportionate share of the collective net pension liabilities was as follows:

	Proportionate Share 6/30/14	Proportionate Share 6/30/15	Change in Proportion
PERS 1	0.186347%	0.186641%	0.00029%
PERS 2/3	0.219596%	0.221186%	0.00159%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations* for all PERS plans.

The collective net pension liability was measured as of June 30, 2015, and the actuarial valuation date on which the total pension liability is based was as of June 30, 2014, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2015, Metro Parks recognized pension expense as follows:

	Pension Expense
PERS 1	\$ (380,455)
PERS 2/3	\$ (210,316)
Total	\$ (590,771)

Deferred Outflows of Resources and Deferred Inflows of Resources

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

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ 534,146
Contributions subsequent to the measurement date	\$ 540,786	\$ -
TOTAL	\$ 540,786	\$ 534,146

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 840,101	\$ -
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ 2,109,755
Changes of assumptions	\$ 12,734	
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 51,161	\$ -
Contributions subsequent to the measurement date	\$ 658,287	\$ -
TOTAL	\$ 1,562,283	\$ 2,109,755

Deferred outflows of resources related to pensions resulting from the district's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized as pension expense in subsequent years as follows:

Year ended 12/31:	PERS 1
2016	\$ 133,537
2017	\$ 133,537
2018	\$ 133,537
2019	\$ 133,535

Year ended 12/31:	PERS 2/3
2016	\$ 261,557
2017	\$ 261,557
2018	\$ 261,557
2019	\$ 421,088

C – DEFERRED COMPENSATION

Metro Parks offers its employees a deferred compensation plan through third party vendors in accordance with Internal Revenue Code Section 457. The plan, available to all career employees, permits them to defer a portion of their salary until future years. At December 31, 2015, \$7,848,343 was being held in these third party accounts.

D – REPORTING CHANGES

With this report, Metro Parks has implemented GASB Statement 68, Accounting and Reporting for Pensions, an amendment of GASB Statement 27; and GASB Statement 71, Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement 68.

E – CHANGES IN ACCOUNTING PRINCIPLES/PRIOR PERIOD ADJUSTMENTS

In order to implement GASB 68 and GASB 71 a decrease in beginning net position is reported to reflect the net pension liability as of January 1, 2015. The total adjustment of \$18.8 million is presented on the Government-Wide Statement of Activities as an \$11.1 million decrease to beginning net position – governmental activities and as a \$7.7 million decrease to beginning net position – business-type activities. The adjustment is also reported on the Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds. The \$7.7 million decrease is allocated to the proprietary funds as follows: \$7.0 million to the *Zoological and Environmental Education Fund*; \$300 thousand to the *Boathouse Marina Fund*; and \$400 thousand to the *Meadow Park Golf Course Fund*.

An increase of \$581,955 to beginning net position is reported on the Statement of Activities to reflect the correction of a prior year reporting error related to unavailable property tax revenues. In prior years unavailable property taxes were correctly reported on the governmental fund statements (as a receivable and a deferred inflow), but were reported incorrectly on the government-wide statements (neither the receivable nor the related revenue was reported). The adjustment to beginning net position reflects the receivable balance that should have been reported as of December 31, 2014. A new reconciling item has been added to the Governmental Funds Statement of Revenues, Expenditures and Fund Balances to reflect the current year change in deferred inflows related to unavailable property tax revenue. The 2015 change is correctly reported as an increase of \$117,898.

A decrease in beginning fund balance of \$126,505 is reported in the *2014 Bond Local Projects Fund*. This is offset by an increase of the same amount in the *Asarco Projects Fund* (a Non-major Capital Projects Fund). These adjustments were made to reflect a change in funding source for a multi-year capital project. The adjustments do not have an impact on the Statement of Activities.



METROPOLITAN PARK DISTRICT OF TACOMA

December 31, 2015

REQUIRED SUPPLEMENTARY INFORMATION

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- 1 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
- 2 SCHEDULE OF EMPLOYER CONTRIBUTIONS

Metropolitan Park District of Tacoma
Schedule of Proportionate Share of the Net Pension Liability
As of June 30, 2015 (*measurement date*)
Last 10 Fiscal Years*

Public Employees' Retirement System Plan 1	<u>2015</u>
<u>Employer's proportion of the net pension liability</u>	0.186641%
<u>Employer's proportionate share of the net pension liability</u>	\$ 9,763,060
<u>Employer's covered employee payroll</u>	\$ 808,733
<u>Employer's proportionate share of the net pension liability as a percentage of covered employee payroll</u>	1207.20%
<u>Plan fiduciary net position as a percentage of the total pension liability</u>	59.10%
Public Employees' Retirement System Plans 2 & 3	<u>2015</u>
<u>Employer's proportion of the net pension liability</u>	0.221186%
<u>Employer's proportionate share of the net pension liability</u>	\$ 7,903,102
<u>Employer's covered employee payroll</u>	\$ 19,692,604
<u>Employer's proportionate share of the net pension liability as a percentage of covered employee payroll</u>	40.13%
<u>Plan fiduciary net position as a percentage of the total pension liability</u>	89.20%

Notes to Schedule:

*This schedule will be built prospectively until it contains 10 years of data

*There were no changes in benefit terms or assumptions

Metropolitan Park District of Tacoma
Schedule of Employer Contributions
As of December 31, 2015
Last 10 Fiscal Years*

Public Employees' Retirement System Plan 1	2015
<u>Statutorily or contractually required contributions</u>	\$ 76,063
<u>Contributions in relation to the statutorily or contractually required contributions</u>	\$ (76,063)
<u>Contribution deficiency (excess)</u>	<u>\$ -</u>
<u>Covered employer payroll</u>	\$ 759,555
<u>Contributions as a percentage of covered employee payroll</u>	10.01%

Public Employees' Retirement System Plans 2 & 3	2015
<u>Statutorily or contractually required contributions</u>	\$ 2,082,023
<u>Contributions in relation to the statutorily or contractually required contributions</u>	\$ (2,082,023)
<u>Contribution deficiency (excess)</u>	<u>\$ -</u>
<u>Covered employer payroll</u>	\$ 20,533,783
<u>Contributions as a percentage of covered employee payroll</u>	10.14%

Notes to Schedule:

*This schedule will be built prospectively until it contains 10 years of data

*There were no changes in benefit terms or assumptions



**METROPOLITAN PARK DISTRICT OF TACOMA
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

December 31, 2015

NONMAJOR GOVERNMENTAL FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and payment of, general long-term debt principal and interest.

Capital Project Funds are created to account for financial resources which are used for the acquisition or construction of major capital facilities by Metro Parks except those financed by Proprietary Funds.

METROPOLITAN PARK DISTRICT OF TACOMA
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015

	Debt Service Funds	Capital Projects Funds	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
<i>Current Assets:</i>			
Cash & Cash Equivalents	\$ 877,659	\$ 6,783,239	\$ 7,660,898
Receivables (net)	192,840	73,684	266,524
Total Assets	\$ 1,070,499	\$ 6,856,923	\$ 7,927,422
Deferred Outflows of Resources	\$ -	\$ -	\$ -
Total Assets and Deferred Outflows of Resources	\$ 1,070,499	\$ 6,856,923	\$ 7,927,422
LIABILITIES			
<i>Current Liabilities:</i>			
Accounts Payable & Accrued Expenditures	\$ -	\$ 610,809	\$ 610,809
Unearned Revenues	-	87,720	87,720
Total Liabilities	\$ -	\$ 698,529	\$ 698,529
DEFERRED INFLOWS OF RESOURCES			
Unavailable Resources - Property Taxes	\$ 164,822	\$ -	\$ 164,822
Total Deferred Inflows of Resources	\$ 164,822	\$ -	\$ 164,822
FUND BALANCES			
<i>Restricted for:</i>			
Debt Service	\$ 905,677	\$ -	\$ 905,677
Capital Improvements	-	5,063,361	5,063,361
<i>Assigned to:</i>			
Capital Improvements	-	1,163,961	1,163,961
<i>Unassigned</i>	-	(68,928)	(68,928)
Total Fund Balances	\$ 905,677	\$ 6,158,394	\$ 7,064,071
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,070,499	\$ 6,856,923	\$ 7,927,422

METROPOLITAN PARK DISTRICT OF TACOMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2015

	<u>Debt Service</u>	<u>Capital Projects</u>	
	<u>Funds</u>	<u>Funds</u>	<u>Total</u>
REVENUES			
Property Taxes	\$ 4,458,023	\$ -	\$ 4,458,023
Intergovernmental Revenues	-	16,305	16,305
Charges for Services	-	47,105	47,105
Investment Earnings	2,891	7,086	9,977
Contributions	-	14,873	14,873
Total Revenues	<u>\$ 4,460,914</u>	<u>\$ 85,369</u>	<u>\$ 4,546,283</u>
EXPENDITURES			
<i>Current:</i>			
General Government	\$ -	\$ 76,710	\$ 76,710
<i>Debt Service:</i>			
Principal	3,897,267	-	3,897,267
Interest	2,908,718	-	2,908,718
Other Bond Costs	656,854	-	656,854
<i>Capital Outlay:</i>			
General Government	-	2,276,903	2,276,903
Total Expenditures	<u>\$ 7,462,839</u>	<u>\$ 2,353,613</u>	<u>\$ 9,816,452</u>
Deficiency of Revenues under Expenditures	<u>\$ (3,001,925)</u>	<u>\$ (2,268,244)</u>	<u>\$ (5,270,169)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	\$ 3,656,411	\$ 681,995	\$ 4,338,406
Transfers Out	(567,644)	(507,001)	(1,074,645)
Issuance of Refunding Bonds	8,084,800	-	8,084,800
Premium on Refunding Bonds	1,252,495	-	1,252,495
Payment to Refunded Bonds Escrow Agent	(9,333,122)	-	(9,333,122)
Total Other Financing Sources (Uses)	<u>\$ 3,092,940</u>	<u>\$ 174,994</u>	<u>\$ 3,267,934</u>
Net Change in Fund Balances	<u>\$ 91,015</u>	<u>\$ (2,093,250)</u>	<u>\$ (2,002,235)</u>
Fund Balances - Beginning	\$ 814,662	\$ 8,125,139	\$ 8,939,801
Prior Period Adjustments	-	126,505	126,505
Fund Balances - Ending	<u>\$ 905,677</u>	<u>\$ 6,158,394</u>	<u>\$ 7,064,071</u>



METROPOLITAN PARK DISTRICT OF TACOMA COMPREHENSIVE ANNUAL FINANCIAL REPORT

December 31, 2015

NONMAJOR DEBT SERVICE FUNDS

2005 General Obligation Bond Debt Service Fund

This fund is used to make principal and interest payments on the 2005 Unlimited Tax General Obligation Bonds dated December 15, 2005, serially maturing from December 1, 2006 to December 1, 2025. These funds are the first issue from the \$84.3 million approved by voters in November 2005 which are being used for new construction and major improvement projects.

2006 General Obligation Bond Debt Service Fund

This fund is used to make principal and interest payments on the 2006 Unlimited Tax General Obligation Bonds dated November 8, 2006, serially maturing from December 1, 2007 to December 1, 2025. These funds are the second issue from the \$84.3 million approved by voters in November 2005.

2008 General Obligation Bond Debt Service Fund

This fund is used to make principal and interest payments on the 2008 Unlimited Tax General Obligation Bonds dated December 9, 2008, serially maturing from December 1, 2009 to December 1, 2027. These funds are the third issue from the \$84.3 million approved by voters in November 2005.

2010 General Obligation Bond Debt Service Fund

This fund is used to make principal and interest payments on the 2010 Unlimited Tax General Obligation Bonds dated December 9, 2010, serially maturing from December 1, 2026 to December 1, 2030. These bonds are Build America Bonds that receive a 35% tax credit from the federal government. These funds are the final issue from the \$84.3 million approved by voters in November 2005.

Energy Debt

This fund is used to make principal and interest payments on loans received in 2011 to finance energy upgrades throughout Metro Parks.

2012 Refunding Bonds Debt Service Fund

This fund is used to make principal and interest payments on the general government portion of the 2012 General Obligation Refunding Bonds dated June 13, 2012, maturing from December 1, 2012 to December 1, 2025. These bonds refunded \$3,560,000 of the 2005 GO Bonds.

2014 Refunding Bonds Debt Service Fund

This fund is used to make principal and interest payments on the general government portion of the 2014 General Obligation Refunding Bonds dated December 2, 2014, maturing from December 1, 2017 to December 1, 2025. These bonds refunded \$19,640,000 of the 2006 GO Bonds.

2015 Refunding Bonds Debt Service Fund

This fund is used to make principal and interest payments on the general government portion of the 2015 General Obligation Refunding Bonds dated September 3, 2015, maturing from December 1, 2015 to December 1, 2025. These bonds refunded \$9,045,000 of the 2005 GO Bonds.

Retired Bonds Debt Service Fund

Metro Parks is still receiving delinquent tax revenue from the original levies for several voter approved issues. These revenues are being transferred to repay other voter approved debt which will allow the reduction of the levy for those other issues.

METROPOLITAN PARK DISTRICT OF TACOMA
 Combining Balance Sheet
 Nonmajor Debt Service Funds
 December 31, 2015

	2005 UTGO	2006 UTGO	2008 UTGO	2010 UTGO	2012	2014	2015		Total
	Bonds	Bonds	Bonds	Bonds	Refunding Bonds	Refunding Bonds	Refunding Bonds	Retired Bonds	
ASSETS									
<i>Current Assets:</i>									
Cash & Cash Equivalents	\$ 2	\$ 87,587	\$ 279,668	\$ 139,685	\$ 73,700	\$ 53,901	\$ 243,116	\$ -	\$ 877,659
Receivables (net)	60,704	15,016	53,797	31,107	17,987	14,118	-	111	192,840
Total Assets	\$ 60,706	\$ 102,603	\$ 333,465	\$ 170,792	\$ 91,687	\$ 68,019	\$ 243,116	\$ 111	\$ 1,070,499
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DEFERRED INFLOWS OF RESOURCES									
Unavailable Resources - Property Taxes	\$ 51,841	\$ 12,921	\$ 45,988	\$ 26,609	\$ 15,407	\$ 11,945	\$ -	\$ 111	\$ 164,822
Total Deferred Inflows of Resources	\$ 51,841	\$ 12,921	\$ 45,988	\$ 26,609	\$ 15,407	\$ 11,945	\$ -	\$ 111	\$ 164,822
FUND BALANCES									
<i>Restricted for:</i>									
Debt Service	\$ 8,865	\$ 89,682	\$ 287,477	\$ 144,183	\$ 76,280	\$ 56,074	\$ 243,116	\$ -	\$ 905,677
Total Fund Balances	\$ 8,865	\$ 89,682	\$ 287,477	\$ 144,183	\$ 76,280	\$ 56,074	\$ 243,116	\$ -	\$ 905,677
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 60,706	\$ 102,603	\$ 333,465	\$ 170,792	\$ 91,687	\$ 68,019	\$ 243,116	\$ 111	\$ 1,070,499

METROPOLITAN PARK DISTRICT OF TACOMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2015

	2005 UTGO	2006 UTGO	2008 UTGO	2010 UTGO	2012		2014	2015	
	Bonds	Bonds	Bonds	Bonds	Refunding	Energy Debt	Refunding	Refunding	Total
REVENUES									
Property Taxes	\$ 568,656	\$ 19,918	\$ 1,738,205	\$ 1,005,790	\$ 252,563	\$ -	\$ 872,891	\$ -	\$ 4,458,023
Investment Earnings	929	270	848	469	286	-	89	-	2,891
Total Revenues	\$ 569,585	\$ 20,188	\$ 1,739,053	\$ 1,006,259	\$ 252,849	\$ -	\$ 872,980	\$ -	\$ 4,460,914
EXPENDITURES									
<i>Debt Service:</i>									
Principal	\$ -	\$ -	\$ 1,100,000	\$ -	\$ 133,200	\$ 2,564,967	\$ -	\$ 99,100	\$ 3,897,267
Interest	245,312	50,000	561,350	1,033,166	112,648	-	818,969	87,273	2,908,718
Other Bond Costs	54	54	54	402	40	656,250	-	-	656,854
Total Expenditures	\$ 245,366	\$ 50,054	\$ 1,661,404	\$ 1,033,568	\$ 245,888	\$ 3,221,217	\$ 818,969	\$ 186,373	\$ 7,462,839
Excess (Deficiency) of Revenues over (under) Expenditures	\$ 324,219	\$ (29,866)	\$ 77,649	\$ (27,309)	\$ 6,961	\$ (3,221,217)	\$ 54,011	\$ (186,373)	\$ (3,001,925)
OTHER FINANCING SOURCES									
Transfers In	\$ -	\$ -	\$ -	\$ 9,878	\$ -	\$ 3,221,217	\$ -	\$ 425,316	\$ 3,656,411
Transfers Out	(567,644)	-	-	-	-	-	-	-	(567,644)
Issuance of Refunding Bonds	-	-	-	-	-	-	-	8,084,800	8,084,800
Premium on Refunding Bonds	-	-	-	-	-	-	-	1,252,495	1,252,495
Payment to Refunded Bonds Escrow Agent	-	-	-	-	-	-	-	(9,333,122)	(9,333,122)
Total Other Financing Sources	\$ (567,644)	\$ -	\$ -	\$ 9,878	\$ -	\$ 3,221,217	\$ -	\$ 429,489	\$ 3,092,940
Net Change in Fund Balances	\$ (243,425)	\$ (29,866)	\$ 77,649	\$ (17,431)	\$ 6,961	\$ -	\$ 54,011	\$ 243,116	\$ 91,015
Fund Balances - Beginning	\$ 252,290	\$ 119,548	\$ 209,828	\$ 161,614	\$ 69,319	\$ -	\$ 2,063	\$ -	\$ 814,662
Fund Balances - Ending	\$ 8,865	\$ 89,682	\$ 287,477	\$ 144,183	\$ 76,280	\$ -	\$ 56,074	\$ 243,116	\$ 905,677

METROPOLITAN PARK DISTRICT OF TACOMA COMPREHENSIVE ANNUAL FINANCIAL REPORT

December 31, 2015

NONMAJOR CAPITAL PROJECT FUNDS

1986 Bond Construction Fund

This fund originally accounted for monies received and expended as a result of the voter-approved 1986 General Obligation Bond issue. Since the original projects were completed, this fund has received interest and general fund contributions for other construction projects.

Mitigation Fee Construction Fund

The Park District established this fund to account for payments made to the Park District by real property owners and developers for the purpose of mitigating direct impacts of development.

Asarco Projects

This fund accounts for a large settlement Metro Parks received in 2009.

Capital Planning and Projects Fund

Metro Parks established this fund to account for payments and expenditures for District-wide strategic planning and previously deferred capital maintenance, repair, and renovation projects. The projects are prioritized based on citizen support, consistency with our mission, impact on operations, user benefit, significance of park/facility, and health, safety and environmental impact.

2010 Bond Projects

This fund is used to account for capital projects funded by the 2010 GO Bond issue.

Bond Local Projects

This fund is used to account for grants, donations and other matching funds used to expand 2010-2012 bond projects.

Energy Projects Construction Fund

In 2011 Metro Parks Tacoma began a District-wide program to replace and upgrade infrastructure equipment to improve operational and energy efficiency. The program is funded in part by a federal American Recovery and Reinvestment Act of 2009 (ARRA) grant.

METROPOLITAN PARK DISTRICT OF TACOMA
Combining Balance Sheet
Nonmajor Governmental Capital Projects Funds
December 31, 2015

	1986 Bond Projects	Mitigation Fee Projects	Asarco Projects	Capital Planning & Projects	2010 Bond Projects	Bond Local Projects	Energy Projects	Total
ASSETS								
<i>Current Assets:</i>								
Cash & Cash Equivalents	\$ 5,746	\$ 31,447	\$ 1,224,888	\$ 105,171	\$ 2,808,502	\$ 2,534,732	\$ 72,753	\$ 6,783,239
Receivables (net)	-	-	-	8,264	-	65,420	-	73,684
Total Assets	\$ 5,746	\$ 31,447	\$ 1,224,888	\$ 113,435	\$ 2,808,502	\$ 2,600,152	\$ 72,753	\$ 6,856,923
LIABILITIES								
<i>Current Liabilities:</i>								
Accounts Payable & Accrued Expenditures	\$ -	\$ -	\$ 210,852	\$ 703	\$ 254,018	\$ 3,555	\$ 141,681	\$ 610,809
Unearned Revenues	-	-	-	-	-	87,720	-	87,720
Total Liabilities	\$ -	\$ -	\$ 210,852	\$ 703	\$ 254,018	\$ 91,275	\$ 141,681	\$ 698,529
FUND BALANCES								
<i>Restricted for:</i>								
Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ 2,554,484	\$ 2,508,877	\$ -	\$ 5,063,361
<i>Assigned to:</i>								
Capital Projects	5,746	31,447	1,014,036	112,732	-	-	-	1,163,961
<i>Unassigned</i>	-	-	-	-	-	-	(68,928)	(68,928)
Total Fund Balances	\$ 5,746	\$ 31,447	\$ 1,014,036	\$ 112,732	\$ 2,554,484	\$ 2,508,877	\$ (68,928)	\$ 6,158,394
Total Liabilities and Fund Balances	\$ 5,746	\$ 31,447	\$ 1,224,888	\$ 113,435	\$ 2,808,502	\$ 2,600,152	\$ 72,753	\$ 6,856,923

METROPOLITAN PARK DISTRICT OF TACOMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Capital Projects Funds
For the Year Ended December 31, 2015

	1986 Bond Projects	Mitigation Fee Projects	Asarco Projects	Capital Planning & Projects	2010 Bond Projects	Bond Local Projects	Energy Projects	Total
REVENUES								
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ 16,305	\$ -	\$ -	\$ -	\$ 16,305
Charges for Services	-	-	-	-	-	47,105	-	47,105
Investment Earnings	6	31	1,258	-	5,770	21	-	7,086
Contributions	-	975	-	-	-	13,898	-	14,873
Total Revenues	\$ 6	\$ 1,006	\$ 1,258	\$ 16,305	\$ 5,770	\$ 61,024	\$ -	\$ 85,369
EXPENDITURES								
<i>Current:</i>								
General Government	\$ -	\$ -	\$ 43,041	\$ 16,207	\$ 17,405	\$ 57	\$ -	\$ 76,710
<i>Capital Outlay:</i>								
General Government	-	-	6,432	-	2,248,075	22,396	-	2,276,903
Total Expenditures	\$ -	\$ -	\$ 49,473	\$ 16,207	\$ 2,265,480	\$ 22,453	\$ -	\$ 2,353,613
Excess (Deficiency) of Revenues over (under) Expenditures	\$ 6	\$ 1,006	\$ (48,215)	\$ 98	\$ (2,259,710)	\$ 38,571	\$ -	\$ (2,268,244)
OTHER FINANCING SOURCES (USES)								
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88,485	\$ 593,510	\$ 681,995
Transfers Out	-	-	-	-	(507,001)	-	-	(507,001)
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ (507,001)	\$ 88,485	\$ 593,510	\$ 174,994
Net Change in Fund Balances	\$ 6	\$ 1,006	\$ (48,215)	\$ 98	\$ (2,766,711)	\$ 127,056	\$ 593,510	\$ (2,093,250)
Fund Balances - Beginning	\$ 5,740	\$ 30,441	\$ 935,746	\$ 112,634	\$ 5,321,195	\$ 2,381,821	\$ (662,438)	\$ 8,125,139
Prior Period Adjustments	-	-	126,505	-	-	-	-	126,505
Fund Balances - Ending	\$ 5,746	\$ 31,447	\$ 1,014,036	\$ 112,732	\$ 2,554,484	\$ 2,508,877	\$ (68,928)	\$ 6,158,394



**METROPOLITAN PARK DISTRICT OF TACOMA
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

December 31, 2015

INTERNAL SERVICE FUNDS

Internal service funds are used to account for financing of goods or services provided to other funds on a reimbursement basis. The accrual basis of accounting is used for Internal Service Funds.

Equipment Rental

This fund accounts for purchases and replacements of vehicles and equipment. Rates are intended to cover the cost of maintenance, repair and future replacements.

Medical Self-Insurance

This fund accounts for medical self-insurance activities, including purchasing of insurance coverage, payments of claim settlements and minimization of potential loss exposure. Funding is provided by user fees charged to employees and departments.

Property and Liability Claims

This fund accounts for property and liability insurance activities, including purchasing of insurance coverage, payments of claims settlements and minimization of potential loss exposure. Funding is provided by user fees charged to departments.

METROPOLITAN PARK DISTRICT OF TACOMA
Combining Statement of Net Position
Internal Service Funds
December 31, 2015

	Equipment Rental	Medical Self Insurance	Property and Liability Claims	Total
ASSETS				
<i>Current Assets:</i>				
Cash & Cash Equivalents	\$ 635,748	\$ 452,751	\$ 114,640	\$ 1,203,139
Total Current Assets	\$ 635,748	\$ 452,751	\$ 114,640	\$ 1,203,139
<i>Noncurrent Assets:</i>				
Capital Assets (net of accumulated depreciation):				
Equipment	1,068,913	-	-	1,068,913
Total Noncurrent Assets	\$ 1,068,913	\$ -	\$ -	\$ 1,068,913
Total Assets	\$ 1,704,661	\$ 452,751	\$ 114,640	\$ 2,272,052
Total Deferred Outflows of Resources	\$ -	\$ -	\$ -	\$ -
LIABILITIES				
<i>Current Liabilities:</i>				
Accounts Payable and Accrued Expenses	\$ -	\$ 100,109	\$ 1,700	\$ 101,809
Bonds, Notes, Loans Payable	145,952	-	-	145,952
Total Current Liabilities	\$ 145,952	\$ 100,109	\$ 1,700	\$ 247,761
<i>Noncurrent Liabilities:</i>				
Bonds, Notes, Loans Payable	17,083	-	-	17,083
Total Noncurrent Liabilities	\$ 17,083	\$ -	\$ -	\$ 17,083
Total Liabilities	\$ 163,035	\$ 100,109	\$ 1,700	\$ 264,844
Total Deferred Inflows of Resources	\$ -	\$ -	\$ -	\$ -
NET POSITION				
Net Investment in Capital Assets	\$ 905,878	\$ -	\$ -	\$ 905,878
Unrestricted	635,748	352,642	112,940	1,101,330
Total Net Position	\$ 1,541,626	\$ 352,642	\$ 112,940	\$ 2,007,208

METROPOLITAN PARK DISTRICT OF TACOMA
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2015

	Equipment Rental	Medical Self Insurance	Property and Liability Claims	Total
OPERATING REVENUES				
Other Services	\$ 398,750	\$ 3,182,956	\$ 137,790	\$ 3,719,496
Total Operating Revenues	\$ 398,750	\$ 3,182,956	\$ 137,790	\$ 3,719,496
OPERATING EXPENSES				
Self Insurance and Claims	\$ 16,427	\$ 3,229,214	\$ 42,401	\$ 3,288,042
Depreciation	238,939	-	-	238,939
Total Operating Expenses	\$ 255,366	\$ 3,229,214	\$ 42,401	\$ 3,526,981
Operating Income (Loss)	\$ 143,384	\$ (46,258)	\$ 95,389	\$ 192,515
NONOPERATING REVENUES (EXPENSES)				
Interest Expense	(7,532)	-	-	(7,532)
Gain on Disposition of Assets	17,652	-	-	17,652
Total Non-operating Revenues (Expenses)	\$ 10,120	\$ -	\$ -	\$ 10,120
Income (Loss) Before Transfers	\$ 153,504	\$ (46,258)	\$ 95,389	\$ 202,635
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 33,917	\$ -	\$ -	\$ 33,917
Transfers Out	\$ -	\$ -	\$ (33,917)	\$ (33,917)
Total Other Financing Sources (Uses)	\$ 33,917	\$ -	\$ (33,917)	\$ -
Change in Net Position	\$ 187,421	\$ (46,258)	\$ 61,472	\$ 202,635
Net Position - Beginning of Year	\$ 1,354,205	\$ 398,900	\$ 51,468	\$ 1,804,573
Net Position - End of Year	\$ 1,541,626	\$ 352,642	\$ 112,940	\$ 2,007,208

METROPOLITAN PARK DISTRICT OF TACOMA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2015

	Equipment Rental	Medical Self Insurance	Property and Liability Claims	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 398,750	\$ 3,182,956	\$ 137,790	\$ 3,719,496
Cash Payments for Goods and Services	(16,427)	(3,216,902)	(40,701)	(3,274,030)
Net Cash Provided (Used) by Operating Activities	\$ 382,323	\$ (33,946)	\$ 97,089	\$ 445,466
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction - Capital Assets	(364,739)	-	-	(364,739)
Proceeds on Disposition of Assets	17,652	-	-	17,652
Transfers In - Capital Related	33,917	-	-	33,917
Transfers Out - Capital Related	-	-	(33,917)	(33,917)
Principal Paid on Long Term Debt	(198,918)	-	-	(198,918)
Interest Paid on Long Term Debt	(13,725)	-	-	(13,725)
Net Cash Used for Capital and Related Financing Activities	\$ (525,813)	\$ -	\$ (33,917)	\$ (559,730)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (143,490)	\$ (33,946)	\$ 63,172	\$ (114,264)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	\$ 779,238	\$ 486,697	\$ 51,468	\$ 1,317,403
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 635,748	\$ 452,751	\$ 114,640	\$ 1,203,139
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 143,384	\$ (46,258)	\$ 95,389	\$ 192,515
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Depreciation	\$ 238,939	\$ -	\$ -	\$ 238,939
Changes in Assets and Liabilities				
Increase (Decrease) in Accounts Payable & Accrued Expenses	-	12,312	1,700	14,012
Total Adjustments	\$ 238,939	\$ 12,312	\$ 1,700	\$ 252,951
Net Cash Provided (Used) by Operating Activities	\$ 382,323	\$ (33,946)	\$ 97,089	\$ 445,466

METROPOLITAN PARK DISTRICT OF TACOMA COMPREHENSIVE ANNUAL FINANCIAL REPORT

December 31, 2015

STATISTICAL SECTION

This part of the Metropolitan Park District of Tacoma's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the government's overall financial health.

CONTENTS	STARTING PAGE
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	84
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	90
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future.</i>	94
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	97
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	99

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

Metropolitan Park District of Tacoma
Net Position by Components
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Net Investment in Capital										
Assets	\$ 4,631,485	\$ 14,240,269	\$ 12,177,871	\$ 41,006,846	\$ 55,621,089	\$ 48,591,527	\$ 54,756,113	\$ 58,606,229	\$ 57,081,396	\$ 68,918,955
Restricted	37,433,655	27,944,883	33,172,940	1,678,858	1,691,368	6,904,405	1,455,537	1,314,781	2,783,994	2,011,964
Unrestricted	4,256,706	4,817,064	2,755,837	10,115,952	9,726,345	12,007,757	9,844,949	5,750,415	4,677,881	(2,565,389)
Total Governmental Activities Net Position	<u>\$ 46,321,846</u>	<u>\$ 47,002,216</u>	<u>\$ 48,106,648</u>	<u>\$ 52,801,656</u>	<u>\$ 67,038,802</u>	<u>\$ 67,503,689</u>	<u>\$ 66,056,599</u>	<u>\$ 65,671,425</u>	<u>\$ 64,543,271</u>	<u>\$ 68,365,530</u>
Business-type Activities										
Net Investment in Capital										
Assets	\$ 31,484,453	\$ 33,143,401	\$ 33,939,945	\$ 32,857,531	\$ 33,186,851	\$ 34,029,488	\$ 33,490,018	\$ 34,135,220	\$ 33,444,678	\$ 35,051,379
Restricted	1,321,757	1,108,017	301,360	277,973	169,578	163,031	100,513	65,144	17,387	2,933
Unrestricted	627,917	1,089,041	518,102	1,119,677	1,907,734	2,029,881	2,826,309	3,011,606	4,341,100	(1,888,316)
Total Business-type Activities Net Position	<u>\$ 33,434,127</u>	<u>\$ 35,340,459</u>	<u>\$ 34,759,407</u>	<u>\$ 34,255,181</u>	<u>\$ 35,264,163</u>	<u>\$ 36,222,400</u>	<u>\$ 36,416,840</u>	<u>\$ 37,211,970</u>	<u>\$ 37,803,165</u>	<u>\$ 33,165,996</u>
Primary Government										
Net Investment in Capital										
Assets	\$ 36,115,938	\$ 47,383,670	\$ 46,117,816	\$ 73,864,377	\$ 88,807,940	\$ 82,621,015	\$ 88,246,131	\$ 92,741,449	\$ 90,526,074	\$ 103,970,334
Restricted	38,755,412	29,052,900	33,474,300	1,956,831	1,860,946	7,067,436	1,556,050	1,379,925	2,801,381	4,437,819
Unrestricted	4,884,623	5,906,105	3,273,939	11,235,629	11,634,079	14,037,638	12,671,258	8,762,021	9,018,981	(6,876,627)
Total Primary Government Net Position	<u>\$ 79,755,973</u>	<u>\$ 82,342,675</u>	<u>\$ 82,866,055</u>	<u>\$ 87,056,837</u>	<u>\$ 102,302,965</u>	<u>\$ 103,726,089</u>	<u>\$ 102,473,439</u>	<u>\$ 102,883,395</u>	<u>\$ 102,346,436</u>	<u>\$ 101,531,526</u>

Metropolitan Park District of Tacoma
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities										
General Government ⁵	\$ 4,769,518	\$ 6,395,402	\$ 6,096,703	\$ 5,465,224	\$ 7,256,819	\$ 6,316,487	\$ 6,374,576	\$ 5,909,462	\$ 6,106,585	\$ 4,819,252
Parks & Natural Resources	8,854,275	9,654,701	10,423,009	10,491,681	11,524,173	11,406,944	12,757,044	12,813,820	14,450,541	15,197,486
Planning & Development ⁵	-	-	-	-	-	-	-	-	-	692,779
Recreation & Community Services	7,111,170	6,705,710	7,373,613	6,752,775	6,888,332	7,522,817	8,099,222	8,084,741	7,716,073	7,438,860
Tacoma Nature Center ¹	-	-	-	384,752	426,495	535,319	591,908	492,838	617,755	757,572
Interest on long-term debt	996,386	1,896,045	1,756,446	2,489,004	2,604,012	3,350,788	3,428,482	3,423,079	3,550,327	3,955,041
Total Governmental Activities Expenses	\$ 21,731,349	\$ 24,651,858	\$ 25,649,771	\$ 25,563,436	\$ 28,699,831	\$ 29,132,355	\$ 31,251,232	\$ 30,723,940	\$ 32,441,281	\$ 32,860,990
Business-type Activities										
Boathouse Marina	\$ 833,179	\$ 837,813	\$ 819,585	\$ 1,066,958	\$ 1,071,110	\$ 1,129,261	\$ 1,279,345	\$ 1,345,600	\$ 1,453,072	\$ 1,388,504
Meadow Park Golf Course	1,616,357	1,581,724	1,963,322	1,541,938	1,450,918	1,331,358	1,343,499	1,476,311	1,513,389	1,423,154
Zoological Environmental & Education ¹	15,455,652	16,257,956	17,434,126	16,207,602	16,280,635	17,586,149	19,068,716	18,896,523	19,478,827	20,676,544
Center at Norpoint / Boathouse Restaurant ²	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities Expenses	\$ 17,905,188	\$ 18,677,493	\$ 20,217,033	\$ 18,816,498	\$ 18,802,663	\$ 20,046,768	\$ 21,691,560	\$ 21,718,434	\$ 22,445,288	\$ 23,488,202
Total Primary Government Expenses	\$ 39,636,537	\$ 43,329,351	\$ 45,866,804	\$ 44,399,934	\$ 47,502,494	\$ 49,179,123	\$ 52,942,792	\$ 52,442,374	\$ 54,886,569	\$ 56,349,192
Program Revenues										
Governmental Activities										
Charges for Services										
General Government ⁵	\$ 102,714	\$ 77,707	\$ 16,843	\$ 521	\$ 319	\$ 223	\$ 225	\$ 52,758	\$ 46,440	\$ 47,236
Parks & Natural Resources	159,858	159,515	186,510	136,932	117,923	116,678	110,695	568,417	537,428	1,331,515
Planning & Development ⁵	-	-	-	-	-	-	-	-	-	-
Recreation & Community Services	3,750,109	3,832,896	3,827,642	3,367,858	3,365,488	3,320,462	3,612,860	3,867,493	4,100,045	3,796,217
Tacoma Nature Center ¹	-	-	-	111,795	182,542	174,816	194,457	189,727	226,690	230,687
Operating Grants & Contributions										
General Government	92,918	17,038	89,800	2,961	79,683	21,197	2,254	10,284	479,743	-
Parks & Natural Resources	2,430,702	2,617,955	2,756,970	2,773,035	2,737,824	2,586,021	2,578,965	2,477,271	2,590,726	2,435,624
Recreation & Community Services	1,397,068	1,354,208	1,482,253	1,387,431	1,292,014	1,238,731	1,228,846	882,582	894,712	838,962
Tacoma Nature Center ¹	-	-	-	9,079	10,022	11,621	13,474	14,568	20,054	119,196
Capital Grants & Contributions										
General Government	220,407	104,938	1,210,250	712,291	3,703,563	2,333,397	1,141,547	2,165,732	1,482,899	6,386,326
Parks & Natural Resources	-	-	-	-	-	-	-	-	-	-
Recreation & Community Services	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Revenues	\$ 8,153,776	\$ 8,164,257	\$ 9,570,268	\$ 8,501,903	\$ 11,489,378	\$ 9,803,146	\$ 8,883,323	\$ 10,228,832	\$ 10,378,737	\$ 15,185,763
Business-type Activities										
Charges for Services										
Boathouse Marina	\$ 675,925	\$ 763,087	\$ 797,468	\$ 1,043,676	\$ 854,900	\$ 955,032	\$ 1,010,362	\$ 1,072,932	\$ 1,161,522	\$ 1,020,270
Meadow Park Golf Course	1,533,890	1,593,398	1,849,872	1,499,109	1,383,922	1,241,135	1,208,393	1,271,232	1,242,650	1,320,229
Zoological Environmental & Education	5,685,761	6,548,044	7,152,271	7,499,676	8,445,285	8,906,675	9,181,371	10,748,845	10,902,886	12,251,687
Center at Norpoint / Boathouse Restaurant ²	-	-	-	-	-	-	-	-	-	-
Operating Grants & Contributions										
Marina	-	-	-	-	-	-	3,354	-	752	17,336
Meadow Park Golf Course	-	5,485	2,403	151,142	2,498	2,272	15,506	681	14	12,871
Zoological Environmental & Education	737,477	855,697	2,073,010	2,231,207	1,849,320	2,277,337	1,505,751	1,290,125	1,049,405	1,244,812
Center at Norpoint / Boathouse Restaurant ²	-	-	-	-	-	-	-	-	-	-
Capital Grants & Contributions										
Marina	70,721	359,600	38,536	-	-	-	-	-	-	-
Meadow Park Golf Course	5,194	112,190	234,059	-	-	-	-	-	-	-
Zoological Environmental & Education	5,940,291	1,555,762	1,506,110	-	-	-	-	-	-	-
Center at Norpoint ²	-	-	-	-	-	-	-	-	-	-
Boathouse Restaurant ²	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities Revenues	\$ 14,649,259	\$ 11,793,263	\$ 13,653,729	\$ 12,424,810	\$ 12,535,925	\$ 13,382,451	\$ 12,924,737	\$ 14,383,815	\$ 14,357,229	\$ 15,867,205
Total Primary Government Revenues	\$ 22,803,035	\$ 19,957,520	\$ 23,223,997	\$ 20,926,713	\$ 24,025,303	\$ 23,185,597	\$ 21,808,060	\$ 24,612,647	\$ 24,735,966	\$ 31,052,968

Continues on next page.

Metropolitan Park District of Tacoma
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense)/Revenue										
Governmental activities	\$ (13,577,573)	\$ (16,487,601)	\$ (16,079,503)	\$ (17,081,533)	\$ (17,210,453)	\$ (19,329,209)	\$ (22,367,909)	\$ (20,495,108)	\$ (22,062,544)	\$ (17,675,227)
Business-type activities	(3,255,929)	(6,884,230)	(6,563,304)	(6,391,688)	(6,266,738)	(6,664,317)	(8,766,823)	(7,334,619)	(8,088,059)	(7,620,997)
Total Primary Government Net Revenue (Expense)	\$ (16,833,502)	\$ (23,371,831)	\$ (22,642,807)	\$ (23,473,221)	\$ (23,477,191)	\$ (25,993,526)	\$ (31,134,732)	\$ (27,829,727)	\$ (30,150,603)	\$ (25,296,224)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes	\$ 12,525,989	\$ 12,829,917	\$ 14,812,392	\$ 14,217,385	\$ 14,566,914	\$ 19,081,917	\$ 17,788,054	\$ 16,519,167	\$ 16,586,654	\$ 30,695,329
Sales Taxes	1,660,232	1,693,460	1,558,911	1,371,173	1,429,447	1,397,468	1,438,473	1,600,661	1,685,434	1,814,625
Other Taxes	182,190	188,250	187,419	166,460	282,927	260,713	225,144	196,877	227,731	242,534
Investment Earnings	1,081,815	2,059,372	791,868	202,626	96,240	112,181	51,675	30,426	18,674	96,743
Disposition of Capital Assets	-	12,094	15,327	33,421	3,600	-	39,034	-	-	-
Transfer of Capital Assets	-	-	(1,263,120)	(1,338,949)	211,771	-	-	-	-	-
Insurance Recoveries	-	-	-	-	-	1,339,605	1,409,549	1,248,537	1,928,222	-
Miscellaneous General Revenues ³	329,271	617,266	62,377	6,069,556	264,908	33,590	12,573	54,056	186,618	356,767
Extrordinary Items ⁴	-	-	-	-	14,267,173	-	-	-	-	-
Transfers	(143,723)	(214,735)	709,934	1,510,174	336,347	(886,212)	107,592	464,601	307,726	(1,189,553)
Total Governmental Activities Revenues	\$ 15,635,774	\$ 17,185,624	\$ 16,875,108	\$ 22,231,846	\$ 31,459,327	\$ 21,339,262	\$ 21,072,094	\$ 20,114,325	\$ 20,941,059	\$ 32,016,445
Business-type Activities										
Property Taxes	\$ 1,710,931	\$ 1,738,856	\$ 918,531	\$ 1,769,298	\$ 1,763,684	\$ 1,949,830	\$ 1,973,033	\$ 1,990,877	\$ 1,970,827	\$ 1,827,063
Sales Taxes	6,487,310	6,685,418	6,228,277	5,532,475	5,764,588	5,671,593	5,874,677	6,430,979	6,791,253	7,353,136
Investment Earnings	114,085	71,827	26,587	-	-	3,057	2,212	2,906	1,192	-
Donated Capital Assets	-	-	-	-	-	-	-	70,000	-	69,290
Disposition of Capital Assets	-	(92,143)	(600,382)	3,344	3,384	11,344	1,669	-	-	7,675
Amortization of Bond Premium/Discount	-	-	-	-	45,273	-	-	-	-	-
Miscellaneous General Revenues	-	-	53,671	92,513	18,887	41,173	252,264	95,874	223,708	229,408
Transfers	143,723	214,735	(709,934)	(1,510,174)	(336,347)	886,212	(107,592)	(464,601)	(307,726)	1,189,553
Total Business-type Activities Revenues	\$ 8,456,049	\$ 8,618,693	\$ 5,916,750	\$ 5,887,456	\$ 7,259,469	\$ 8,563,209	\$ 7,996,263	\$ 8,126,035	\$ 8,679,254	\$ 10,676,125
Total Primary Government Revenues	\$ 24,091,823	\$ 25,804,317	\$ 22,791,858	\$ 28,119,302	\$ 38,718,796	\$ 29,902,471	\$ 29,068,357	\$ 28,240,360	\$ 29,620,313	\$ 42,692,570
Change in Net Position										
Governmental activities	\$ 2,058,201	\$ 698,023	\$ 795,605	\$ 5,150,313	\$ 14,248,874	\$ 2,010,053	\$ (1,295,815)	\$ (380,783)	\$ (1,121,485)	\$ 14,341,218
Business-type activities	5,200,120	1,734,463	(646,554)	(504,232)	992,731	1,898,892	(770,560)	791,416	591,195	3,055,128
Total Primary Government	\$ 7,258,321	\$ 2,432,486	\$ 149,051	\$ 4,646,081	\$ 15,241,605	\$ 3,908,945	\$ (2,066,375)	\$ 410,633	\$ (530,290)	\$ 17,396,346

Notes

- ¹ The Tacoma Nature Center's accounting was moved from the Zoological Environmental and Education proprietary fund to the General Fund effective 1/1/09
- ² The Center at Norpoint and the Boathouse Restaurant funds were merged into the General Fund as of 1/1/2005. They are reported within Recreation.
- ³ In 2009 Metro Parks received a one time settlement payment of \$5,883,416 from Asarco which is included in Miscellaneous General Revenues for that year.
- ⁴ In 2010 the City of Tacoma donated land to Metro Parks with an assessed value of \$14,267,173.
- ⁵ Prior to 2015, Planning & Development was reported within General Government.

**Metropolitan Park District of Tacoma
 Governmental Activities Tax Revenues By Source
 Last Ten Fiscal Years
 (accrual basis of accounting)**

Fiscal Year Ended December 31	Property Tax	Sales Tax	Leasehold Tax	Total
2006	12,525,989	1,660,232	182,190	14,368,411
2007	12,829,917	1,693,460	188,250	14,711,627
2008	14,812,392	1,558,911	187,419	16,558,722
2009	14,217,385	1,371,173	166,460	15,755,018
2010	14,566,914	1,429,447	282,927	16,279,288
2011	19,081,917	1,397,468	260,713	20,740,098
2012	17,788,054	1,438,473	225,144	19,451,671
2013	16,519,167	1,600,661	196,877	18,316,705
2014	16,586,654	1,685,434	227,731	18,499,819
2015	30,695,329	1,814,625	242,534	32,752,488

**Metropolitan Park District of Tacoma
Fund Balance of Governmental Funds
Last Ten Fiscal Years ¹
(modified accrual basis of accounting)**

Fiscal Year Ended	General Fund							
	Reserved	Unreserved	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
December 31								
2006	56,496	6,387,763	-	-	-	-	-	6,444,259
2007	54,049	6,033,146	-	-	-	-	-	6,087,195
2008	56,205	4,054,280	-	-	-	-	-	4,110,485
2009	67,587	3,830,862	-	-	-	-	-	3,898,449
2010	70,507	2,917,933	-	-	-	-	-	2,988,440
2011	-	-	69,510	-	-	-	5,564,751	5,634,261
2012	-	-	59,140	-	8,098	-	5,494,231	5,561,469
2013	-	-	54,797	-	23,196	-	4,900,743	4,978,736
2014	-	-	48,133	-	51,455	-	4,410,824	4,510,412
2015	-	-	52,687	-	184,307	-	5,114,870	5,351,864

	All Other Governmental Funds							
	Reserved	Unreserved ²	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
2006	33,766,300	3,054,377	-	-	-	-	-	36,820,677
2007	25,687,597	2,257,286	-	-	-	-	-	27,944,883
2008	31,257,522	1,915,418	-	-	-	-	-	33,172,940
2009	23,776,280	7,577,836	-	-	-	-	-	31,354,116
2010	40,400,218	7,859,568	-	-	-	-	-	48,259,786
2011	-	-	-	26,952,320	-	7,487,623	-	34,439,943
2012	-	-	-	10,968,271	-	6,245,492	(603,677)	16,610,086
2013	-	-	-	8,249,799	-	2,028,900	(127,343)	10,151,356
2014	-	-	-	43,437,695	-	1,084,561	(662,488)	43,859,768
2015	-	-	-	29,502,840	-	1,163,961	(154,883)	30,511,918

Note

¹ In 2011 Metro Parks adopted GASB 54's fund balance reporting categories. Prior years were not restated.

² Reported in Capital Projects funds.

Metropolitan Park District of Tacoma
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes										
Property taxes	\$ 12,525,989	\$ 12,829,917	\$ 14,812,392	\$14,217,385	\$14,566,914	\$19,081,917	\$17,788,054	\$16,519,167	\$16,586,654	\$30,577,431
Sales taxes	1,660,232	1,693,450	1,558,911	1,371,173	1,429,447	1,397,468	1,438,473	1,600,661	1,685,433	1,814,625
Leasehold excise taxes	182,190	188,250	187,419	166,460	282,927	260,713	225,144	196,877	227,731	242,534
Intergovernmental	3,923,950	3,889,322	5,256,002	4,620,782	6,218,484	5,834,196	4,768,702	3,190,420	3,666,150	8,546,382
Charges for services	4,012,680	4,070,118	4,045,143	3,512,257	3,666,416	3,612,331	3,918,237	4,678,394	4,910,603	5,405,655
Investment earnings	1,081,815	2,059,372	791,868	202,626	96,240	112,181	51,675	30,426	18,674	96,743
Contributions	217,145	204,816	283,271	264,015	1,604,623	356,772	196,383	2,360,017	1,801,985	1,233,726
Insurance premiums & recoveries	314,223	606,373	33,881	172,153	251,937	1,339,605	1,409,459	1,248,538	1,928,221	-
Other miscellaneous revenue	15,048	10,894	24,297	5,892,340	12,704	33,590	12,573	32,621	186,618	356,767
Total Revenues	\$ 23,933,272	\$ 25,552,512	\$ 26,993,184	\$30,419,191	\$28,129,692	\$32,028,773	\$29,808,700	\$29,857,121	\$31,012,069	\$48,273,863
Expenditures										
General Government ¹	\$ 4,742,780	\$ 6,122,786	\$ 6,046,194	\$12,289,131	\$7,114,412	\$6,208,882	\$6,309,461	\$5,790,648	\$6,055,028	\$5,101,759
Parks & Natural Resources	8,006,454	8,729,805	9,383,624	8,853,422	9,333,454	8,852,411	9,553,539	9,102,985	9,820,172	10,542,609
Planning & Development ¹	-	-	-	-	-	-	-	-	-	608,017
Recreation & Community Services	6,921,880	6,526,959	7,118,539	6,516,696	6,668,342	7,236,844	7,785,670	7,768,446	7,605,597	7,176,536
Tacoma Nature Center	-	-	-	344,399	387,203	464,652	500,051	437,910	529,487	691,817
Capital outlays	2,403,311	9,291,042	16,381,700	705,148	9,399,176	21,853,084	18,526,595	9,327,152	4,131,017	16,246,788
Debt service										
Principal	2,846,504	1,691,010	3,097,663	1,833,275	2,018,750	968,750	1,488,448	1,542,956	1,609,015	14,686,484
Interest	714,698	1,863,817	1,732,312	2,461,248	2,573,339	3,320,149	3,382,948	3,386,969	3,325,700	3,888,571
Other costs	281,688	1,078	761	913	905	1,198	2,013	1,775	201,940	656,854
Total Expenditures	\$ 25,917,315	\$ 34,246,497	\$ 43,760,793	\$33,004,232	\$37,495,581	\$48,905,970	\$47,548,725	\$37,358,841	\$33,277,956	\$59,599,435
Excess of Revenues over (under) Expenditures	\$ (1,984,043)	\$ (8,693,985)	\$ (16,767,609)	(\$2,585,041)	(\$9,365,889)	(\$16,877,197)	(\$17,740,025)	(\$7,501,720)	(\$2,265,887)	(\$11,325,572)
Other Financing Sources (Uses)										
Transfers in	\$ 1,013,662	\$ 428,638	\$ 1,491,766	\$979,356	\$1,251,135	\$859,620	\$1,516,670	\$940,864	\$662,589	\$4,589,437
Transfers out	(1,157,385)	(643,374)	(781,833)	(205,830)	(919,576)	(10,050)	(686,168)	(476,263)	(354,863)	(5,778,990)
Debt proceeds and capital leases	26,073,383	-	19,612,477	-	25,310,931	5,149,152	575,576	-	35,204,914	4,173
Disposition of capital assets	-	-	-	33,421	-	-	3,750	-	-	-
Total Other Financing Sources (Uses)	\$ 25,929,660	\$ (214,736)	\$ 20,322,410	\$806,947	\$25,642,490	\$5,998,722	\$1,409,828	\$464,601	\$35,512,640	(\$1,185,380)
Net Change in Fund Balances	\$ 23,945,617	\$ (8,908,721)	\$ 3,554,801	(\$1,778,094)	\$16,276,601	(\$10,878,475)	(\$16,330,197)	(\$7,037,119)	\$33,246,753	(\$12,510,952)
Debt Service as a Percentage of Noncapital Expenditures	15.1%	14.3%	17.6%	13.3%	16.3%	15.9%	16.8%	17.6%	16.9%	42.8%

¹ Prior to 2015, Planning & Development was reported within General Government.

Metropolitan Park District of Tacoma
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended December 31¹	Real Property²	Personal Property	Total Taxable Assessed Value	Department of Revenue Ratio	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2006	15,220,700,753	870,988,668	16,091,689,421	0.877	18,348,562,624	87.70%
2007	18,184,695,607	999,657,654	19,184,353,261	0.878	21,850,060,662	87.80%
2008	20,159,862,923	1,110,825,398	21,270,688,321	0.874	24,337,171,992	87.40%
2009	20,929,299,054	1,183,251,338	22,112,550,392	0.864	25,593,229,620	86.40%
2010	20,244,380,303	931,900,736	21,176,281,039	0.902	23,477,029,977	90.20%
2011	18,281,483,744	1,166,607,505	19,448,091,249	0.910	21,371,528,845	91.00%
2012	16,871,617,193	1,144,482,516	18,016,099,709	0.920	19,582,717,075	92.00%
2013	15,213,161,557	1,122,008,028	16,335,169,585	0.876	18,647,453,864	87.60%
2014	15,761,306,879	1,174,033,619	16,935,340,498	0.891	19,007,116,159	89.10%
2015	17,012,161,383	1,241,904,064	18,254,065,447	0.900	20,282,294,941	90.00%

Sources: Pierce County Assessor-Treasurer & Washington State Department of Revenue

Notes

¹ Assessment information by the major components of real and personal property taxes was not readily available from the Assessor-Treasurer for the periods shown.

² Although Commercial and Residential property is valued separately, the valuation information was not readily available from the Assessor-Treasurer.

³ *General Note:* Real and personal property are re-evaluated and reassessed annually. The Pierce County Assessor-Treasurer is responsible for the re-evaluation and reassessment of most of the real and personal property within the county. However the Washington State Department of Revenue (DOR) re-evaluates inter county utility companies and provides that information to the county. By law real property is to be assessed at 100% of market value. However, the actual assessment amount is usually less than 100%. Annually the DOR determines the actual assessment percentage of market value. The Estimated Actual Taxable Value is calculated by dividing Total Taxable Assessed Value by the DOR's percentage for the year.

**Metropolitan Park District of Tacoma
Property Tax Rates
Direct and Overlapping¹ Governments
Last Ten Fiscal Years**

Taxing Districts	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Metropolitan Park District of Tacoma										
Operating Millage ²	0.5762	0.4978	0.4601	0.4565	0.4870	0.7500	0.7500	0.7500	0.7500	0.7500
Debt Service Millage	0.3006	0.2625	0.2709	0.2637	0.2797	0.6672	0.3574	1.1530	0.3874	1.0400
Total Metro Parks' Millage	<u>0.8768</u>	<u>0.7603</u>	<u>0.7310</u>	<u>0.7203</u>	<u>0.7666</u>	<u>1.4172</u>	<u>1.1074</u>	<u>1.9030</u>	<u>1.1374</u>	<u>1.7900</u>
Pierce County										
Operating Millage	1.3335	1.1355	1.0447	1.0424	1.1181	1.2415	1.3721	1.5263	1.5046	1.4278
Conservation Futures Millage	0.0499	0.0424	0.0391	0.0390	0.0418	0.0465	0.3051	0.0571	0.0563	0.0534
Total County Millage	<u>1.3834</u>	<u>1.1779</u>	<u>1.0838</u>	<u>1.0815</u>	<u>1.1599</u>	<u>1.2880</u>	<u>1.6772</u>	<u>1.5834</u>	<u>1.5609</u>	<u>1.4812</u>
Port of Tacoma										
Operating Millage	0.1857	0.1856	0.1851	0.1829	0.1840	0.1819	0.1814	0.1833	0.1833	0.1837
Total Port Millage	<u>0.1857</u>	<u>0.1856</u>	<u>0.1851</u>	<u>0.1829</u>	<u>0.1840</u>	<u>0.1819</u>	<u>0.1814</u>	<u>0.1833</u>	<u>0.1833</u>	<u>0.1837</u>
City of Tacoma										
Operating Millage	2.7926	2.4218	2.2350	2.2164	2.3646	2.6293	2.9667	3.2622	3.2310	3.0531
Debt Service Millage	0.1862	0.1579	0.1408	0.1353	0.1372	0.1152	0.1491	0.1761	0.1698	0.1578
EMS Millage	0.4041	0.5000	0.4639	0.4689	0.4884	0.5000	0.5000	0.5000	0.5000	0.5000
Total City of Tacoma Millage	<u>3.3829</u>	<u>3.0797</u>	<u>2.3758</u>	<u>2.8207</u>	<u>2.9902</u>	<u>3.2445</u>	<u>3.6158</u>	<u>3.9383</u>	<u>3.9008</u>	<u>3.7109</u>
Tacoma School District #10³										
Operating Millage	3.8231	3.3213	3.0702	3.1474	3.4364	4.0771	4.4873	4.8848	4.7531	4.6087
Capital Project Fund Millage	-	-	-	-	-	0.7924	0.9621	1.2262	0.9201	0.5383
Debt Service Millage	2.7323	2.1865	1.6964	1.6545	1.2178	1.5107	1.5914	1.8153	2.0882	2.5448
Total Tacoma School District #10 Millage	<u>6.5554</u>	<u>5.5078</u>	<u>4.7666</u>	<u>4.8019</u>	<u>4.6542</u>	<u>6.3801</u>	<u>7.0408</u>	<u>7.9263</u>	<u>7.7614</u>	<u>7.6918</u>
Other Districts (applicable to property outside of the City of Tacoma's limits)⁴										
County Road Millage	1.8127	1.5235	1.4005	1.4107	1.5369	1.7213	1.8820	1.5263	2.1072	1.9887
Rural Library	0.4008	0.4800	0.4423	0.4437	0.4707	0.5000	0.5000	0.0571	0.5000	0.5000
Fire Protection District - Operating Millage	0.6708	0.5398	0.5232	0.5181	0.5580	0.6257	0.7155	0.8294	0.7905	0.7456
Fire Protection District - Debt Serv. Millage	0.1873	0.1227	0.1035	0.1010	0.1287	-	-	-	-	-
EMS	0.3679	0.2961	0.2870	0.2842	0.3061	0.3432	0.3925	0.5000	0.4338	0.4088
Total Other Districts	<u>3.4395</u>	<u>2.9621</u>	<u>2.7565</u>	<u>2.7577</u>	<u>3.0004</u>	<u>3.1902</u>	<u>3.4900</u>	<u>2.9128</u>	<u>3.8315</u>	<u>3.6431</u>
Total Direct and Overlapping Rates Inside the City of Tacoma										
	<u>12.3842</u>	<u>10.7113</u>	<u>9.1423</u>	<u>9.6072</u>	<u>9.7550</u>	<u>12.5117</u>	<u>13.6226</u>	<u>15.5343</u>	<u>14.5439</u>	<u>14.8576</u>
Total Direct and Overlapping Rates Outside the City of Tacoma										
	<u>12.4408</u>	<u>10.5937</u>	<u>9.5230</u>	<u>9.5442</u>	<u>9.7652</u>	<u>12.4574</u>	<u>13.4968</u>	<u>14.5088</u>	<u>14.4746</u>	<u>14.7898</u>

Source: Pierce County Assessor-Treasurer

Notes

¹ Overlapping tax rates are those of county and other local governments which apply to property owners within the Metro Parks Tacoma's boundaries. Only the rates for Pierce County and the Port of Tacoma completely overlap those of Metro Parks Tacoma. The rates for the City of Tacoma and the Tacoma School District are also provided as they apply to the majority of property owners within Metro Parks Tacoma's boundaries. The rates are rounded to four decimal places.

² By law Metro Parks is allowed to levy taxes at the rate of \$0.75 per \$1000 of assessed value. However, citizen tax initiatives have limited the annual dollar increase in regular taxes to 1% above the prior year's dollar amount without a vote of the citizens. As property values increase, the tax rate must be reduced to avoid collecting more in actual dollars than the allowable 1% increase.

³ Tacoma School District #10 serves the majority of property owners within the boundaries of Metro Parks Tacoma. However, five other school districts serve some portion of Metro Parks Tacoma's geographic area. The rates for these districts are less than the rates shown for Tacoma School District #10 and property owners in those areas will pay less.

⁴ The rates identified here apply to property owners living outside of the City of Tacoma's limits but inside of Metro Parks Tacoma's boundaries. These property owners pay some or all of these rates instead of those for the City of Tacoma.

**Metropolitan Park District of Tacoma
Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	Year Ending December 31, 2015			Year Ending December 31, 2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Rocktekn CP LLC	\$ 216,102,715	1	1.18%	\$ -		
Tacoma Mall Partnership	200,016,113	2	1.10%	147,127,034	1	0.91%
US Oil & Refining Co.	124,408,100	3	0.68%			
Targa Sound Terminal	88,004,100	4	0.48%			
Puget Sound Energy/Gas	85,007,463	5	0.47%	65,049,151	4	0.40%
AT&T Mobility LLC	79,737,957	6	0.44%	39,141,651	8	0.24%
CSC of Tacoma LLC	72,338,500	7	0.40%	48,959,900	6	0.30%
Simpson Lumber Co, LLC	61,415,200	8	0.34%	61,597,800	5	0.38%
Westridges Apartments Prop. Owner LLC	59,316,700	9	0.32%			
Centurylink (formerly Qwest Corp)	53,278,387	10	0.29%	65,489,116	3	0.41%
Simpson Tacoma Kraft Co.				104,051,538	2	0.65%
Wells Operating Partnership LP				39,247,800	7	0.24%
NGP Centennial Tacoma LLC				38,897,400	9	0.24%
University Street Properties I LLC				37,775,802	10	0.23%
Total Top 10 Property Tax Payers	\$ 1,039,625,235		5.70%	\$ 647,337,192		4.02%
Total Metro Parks Assessed Value	\$ 18,254,065,447			\$ 16,091,689,421		

Source: Pierce County Assessor-Treasurer

**Metropolitan Park District of Tacoma
Property Tax Levies and Collections
Last Ten Fiscal Years & Prior**

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected / Adjusted ² in the Fiscal Year of the Levy		Collected or Adjusted in Subsequent Years ³	Total Collections and Adjustments to Date		Uncollected at End of Current Year
		Amount	Percentage of Levy		Amount	Percentage of Levy	
2005 & prior ¹				\$ 36			\$ 757
2006	14,069,842	13,671,796	97.17%	397,891	14,069,687	100.00%	156
2007	14,519,937	14,053,609	96.79%	466,058	14,519,667	100.00%	270
2008	15,498,139	14,977,946	96.64%	519,401	15,497,348	99.99%	792
2009	15,854,986	15,315,995	96.60%	537,345	15,853,339	99.99%	1,647
2010	16,175,555	15,627,826	96.61%	542,479	16,170,305	99.97%	5,250
2011	21,098,483	20,438,363	96.87%	648,430	21,086,793	99.94%	11,690
2012	19,875,075	19,301,236	97.11%	553,117	19,854,353	99.90%	20,721
2013	18,730,891	18,250,664	97.44%	396,576	18,647,240	99.55%	83,651
2014	19,214,197	18,792,329	97.80%	270,869	19,063,198	99.21%	151,000
2015	32,595,591	32,068,943	98.38%		32,068,943	98.38%	526,648
Total Uncollected At Year End 2015							<u>\$ 802,581</u>

Source: Pierce County Budget and Finance Office

Notes

¹ This line shows only the current year collections/adjustments related to taxes for these years and the uncollected balance remaining for them.

² The initial tax levy may be reduced or increased as a result of taxpayer appeals or other adjustments.

³ Foreclosure procedures begin when taxes on a property are delinquent for three years. Amounts recorded as collections or adjustments for taxes in excess of three years are primarily due to the sale of tax title property or adjustments.

**Metropolitan Park District of Tacoma
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities		Business-type Activities		Total Primary Government	Percentage of Personal Income ¹	Tacoma Per Capita
	General	Notes	General	Notes			
	Obligation Bonds	Payable	Obligation Bonds	Payable			
2006	37,756,939	397,547	23,433,061	10,427	61,597,974	0.84%	309
2007	36,245,000	748,232	22,425,000	91,575	59,509,807	0.76%	295
2008	51,013,467	796,830	21,139,736	-	72,950,033	0.88%	360
2009	50,655,000	747,694	20,846,477	-	72,249,171	0.90%	355
2010	73,680,000	1,115,768	19,175,000	285,000	94,255,768	1.14%	462
2011	72,730,000	4,773,750	17,865,000	1,521,940	96,890,690	1.22%	487
2012	71,701,500	4,549,412	16,813,500	1,866,617	94,931,029	1.10%	476
2013	70,525,600	3,867,817	15,474,400	1,640,714	91,508,531	1.04%	457
2014	106,625,074	3,224,701	14,694,139	1,599,045	126,142,959	1.44%	628
2015	94,017,331	308,358	13,061,130	-	107,386,819	²	531

Notes

¹ Metro Parks primarily serves the citizens of Tacoma, a city within the geographic boundaries of Pierce County. Personal income data is available only at the county level from the Federal Bureau of Economic Analysis (BEA). The county's Per Capital Personal Income amount, as shown in the Demographics schedule, was multiplied by the population for Tacoma to derive the Tacoma Personal Income Amount. The Total Primary Government debt amount was divided by the calculated Tacoma Personal Income Amount to derive the Percentage of Personal Income reported here.

² Per Capita Income is not available for this year from the BEA

**Metropolitan Park District of Tacoma
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Net Bonded Debt	Percentage of	Per Capita
				Estimated Actual Taxable Value of Property	
2006	61,190,000	1,990,078	59,199,922	0.323%	297
2007	58,670,000	2,044,383	56,625,617	0.259%	281
2008	73,890,000	1,736,796	72,153,204	0.296%	356
2009	71,020,000	1,127,140	69,892,860	0.273%	344
2010	92,855,000	955,503	91,899,497	0.391%	450
2011	90,595,000	820,124	89,774,876	0.420%	451
2012	88,515,000	890,946	87,624,054	0.447%	439
2013	86,000,000	660,925	85,339,075	0.458%	426
2014	121,319,213	1,002,261	120,316,952	0.633%	599
2015	107,078,461	908,042.00	106,170,419	0.523%	525

Metropolitan Park District of Tacoma
Direct and Overlapping Governmental Activities Debt
As of December 31, 2015

Governmental Unit	Direct Debt Outstanding	Overlapping Debt			Total Direct & Overlapping Debt
		Total Overlapping Debt	Estimated Percentage Applicable	Estimated Share of Overlapping Debt	
Debt repayable with property taxes:					
Direct Governmental Debt					
Metro Parks Tacoma	94,325,689				\$ 94,325,689
City of Tacoma ¹		209,654,000	100.00%	209,654,000	209,654,000
Fire Protection District #13 ²			93.17%	-	-
Tacoma School District #10 ²		574,370,000 *	94.79%	544,432,993	544,432,993
Pierce County ²		154,086,008 *	23.59%	36,347,546	36,347,546
Port of Tacoma ³		179,575,000	23.59%	42,360,176	42,360,176
Fife School District #417 ²		19,192,407 *	7.55%	1,449,294	1,449,294
University Place School District #83 ²		66,182,738 *	3.22%	2,133,282	2,133,282
Clover Park School District #400 ²		137,830,000 *	2.23%	3,072,652	3,072,652
Franklin Pierce School District #402 ²		11,096,800 *	0.68%	75,159	75,159
Rural Library District ²		-	0.64%	-	-
Totals	94,325,689	1,351,986,953		839,525,101	\$ 933,850,790

Sources:

- ¹ City of Tacoma
- ² Pierce County's Budget and Finance Office
- ³ Port of Tacoma

Notes

1. The percentage of overlapping debt applicable is estimated using the taxable assessed property values provided by the Pierce County Assessor-Treasurer's Office. The Estimated Percentage Applicable was derived by determining the portion of Metro Parks Tacoma's taxable assessed value within each governmental region and dividing that portion by the total assessed value for each government.

Metropolitan Park District of Tacoma
Legal Debt Margin Information (In thousands)
Last Ten Fiscal Years

(amounts expressed in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Maximum Debt Limit ¹	\$ 402,292	\$ 479,609	\$ 531,767	\$ 552,814	\$ 529,407	\$ 486,202	\$ 450,403	\$ 408,329	\$ 423,384	\$ 456,352
Total Net Debt Applicable to Limit	(59,114)	(58,350)	(73,245)	(70,620)	(93,311)	(96,071)	(94,125)	(91,464)	(125,141)	(106,479)
Maximum Legal Debt Margin	\$ 343,178	\$ 421,259	\$ 458,522	\$ 482,194	\$ 436,096	\$ 390,131	\$ 356,278	\$ 316,865	\$ 298,243	\$ 349,873
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	14.69%	12.17%	13.77%	12.77%	17.63%	19.76%	20.90%	22.40%	29.56%	23.33%
Legal Debt Margin Calculation										
Total Assessed Value	\$16,091,689	\$19,184,353	\$21,270,688	\$22,112,550	\$21,176,281	\$19,448,091	\$18,016,100	\$16,333,170	\$16,935,340	\$18,254,065
Debt Limit Without a Vote of the People ²	40,229	47,961	53,177	55,281	52,941	48,620	45,040	40,833	42,338	45,635
Debt Limit With a Vote of the People ³	402,292	479,609	531,767	552,814	529,407	486,202	450,403	408,329	423,384	456,352
Outstanding Indebtedness:										
Without Voter Approval	\$ (1,182)	\$ (840)	\$ (797)	\$ (748)	\$ (1,400)	\$ (6,296)	\$ (6,289)	\$ (6,340)	\$ (4,824)	\$ (308)
Approved by Voters	(60,008)	(58,670)	(73,890)	(71,020)	(92,866)	(90,595)	(88,515)	(86,000)	(121,319)	(107,078)
Combined	\$ (61,190)	\$ (59,510)	\$ (74,687)	\$ (71,768)	\$ (94,266)	\$ (96,891)	\$ (94,804)	\$ (92,340)	\$ (126,143)	\$ (107,387)
Plus Bond Fund Balance Attributable to										
Debt Without Voter Approval	\$ 2	\$ -								
Voter Approved Debt	2,074	1,160	1,442	1,148	955	820	679	876	1,002	908
Combined	\$ 2,076	\$ 1,160	\$ 1,442	\$ 1,148	\$ 955	\$ 820	\$ 679	\$ 876	\$ 1,002	\$ 908
Legal Debt Margin										
Without a Vote	\$ 39,049	\$ 47,121	\$ 52,380	\$ 54,533	\$ 51,541	\$ 42,324	\$ 38,751	\$ 34,493	\$ 37,515	\$ 45,327
With a Vote	343,176	421,259	458,522	482,194	436,096	390,131	356,278	316,865	298,243	349,873
Combined	\$ 343,178	\$ 421,259	\$ 458,522	\$ 482,194	\$ 436,096	\$ 390,131	\$ 356,278	\$ 316,865	\$ 298,243	\$ 349,873

Notes

¹ Under state law Metro Parks may issue debt up to a maximum of 2.5% of total assessed value with a vote of the people. Metro Parks may issue debt equal to 0.25% of assessed value without a vote of the people. Unvoted debt is included in the overall 2.5% debt limit. State law provides that general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation debt.

² 0.25% of assessed value

³ 2.5% of assessed value

**Metropolitan Park District of Tacoma
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	City of Tacoma Population ¹	Personal Income (amounts in thousands) ²	Per Capita Personal Income ²	Median Age in Pierce County ¹	Tacoma School District Enrollment ³	Pierce County Unemployment Rate ⁴
2006	199,600	27,426,221	35,926	35.22	30,458	5.6%
2007	201,700	29,311,050	37,944	35.29	30,060	5.3%
2008	202,700	30,809,575	39,228	35.31	29,677	6.1%
2009	203,400	30,268,237	38,002	35.38	29,500	9.8%
2010	204,200	30,852,767	38,787	35.52	28,889	10.4%
2011	198,900	32,121,956	39,978	36.09	28,840	10.0%
2012	199,600	33,446,136	41,171	36.27	28,712	9.2%
2013	200,400	34,134,693	41,617	36.49	28,909	8.4%
2014	200,900	36,282,818	43,613	36.75	30,211	7.3%
2015	202,300			37.08	30,877	6.4%

Notes

¹ Source: Washington State Office of Financial Management: Population is only for City of Tacoma, Median age is for Pierce County.

² Source: Federal Bureau of Economic Analysis: Information is for all of Pierce County and may be revised by the BEA. Information is only available through 2014 and is subject to revision. Data in this schedule has been revised to include such revisions through November, 2015.

³ Source: Tacoma School District #10 (Count is as of October 1st the prior year).

⁴ Source: Washington State Employment Security Department for December of the year indicated, not seasonally adjusted.

**Metropolitan Park District of Tacoma
Principal Area Employers in Pierce County
Current Year and Nine Years Ago**

Taxpayer ¹	Business Type	2015 ⁴			2006		
		Employees	Rank	Percentage of of Total Area Employment	Employees	Rank	Percentage of of Total Area Employment
U. S. Army Fort Lewis	Military				39,204	1	11.03%
U.S. Air Force McChord	Military				10,772	3	3.03%
Madigan Army Medical Center	Military				3,231	7	0.91%
Joint Base Lewis McChord	Military	66,054	1	17.80%	53,207		14.97%
Local Public School Districts	Education	13,408	2	3.61%	13,275	2	3.73%
Multicare Health System	Health Services	6,904	3	1.86%	3,874	6	1.09%
Washington State Employees	Government/Public Office	6,455	4	1.74%	7,649	4	2.15%
Franciscan Health System	Health Services	5,338	5	1.44%	3,896	5	1.10%
Pierce County Government	Government/Public Office	2,979	3	0.80%	3,160	8	0.89%
Washington State Higher Ed.	Colleges	2,566	7	0.69%	2,958	9	0.83%
Fred Meyer Stores	Retail	2,560	8	0.69%			
State Farm Insurance Companies	Insurance Services	2,206	9	0.59%			
City of Tacoma	Government/Public Office	2,078	10	0.56%	2,044	10	
Total Percentage of Employees Employed by Major Employers				29.79%	24.76%		
Total Pierce County Employment As Of December 31 ²		371,122	355,500				

Notes

¹ Source: Economic Development Board for Tacoma-Pierce County

² Source: Washington State Employment Security Department

³ Joint Base Lewis McChord was formed in 2010 by "merging" two military bases, the U. S. Army Fort Lewis and U. S. Air Force Base McChord. In 2011 Madigan Army Medical Center was combined with them. They are shown individually for years prior to the "merger," although added together for the current comparison purposes.

⁴ Data is from 2014 as 2015 was not available at time of publication

Metropolitan Park District of Tacoma
Full-time Metro Parks Employees by Function
Last Ten Fiscal Years

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GOVERNMENTAL FUNDS										
General Government ³	29	37 ¹	39	34	36	37	31	33	38	28
Parks & Natural Resources	69	68	72	65	59	64	60	61	68	72
Planning & Development ³	-	-	-	-	-	-	-	-	-	17
Recreation & Community Services	44	35	40	31	31	40	37	34	37	33
Tacoma Nature Center ²	-	-	-	3	4	4	3	3	3	4
SUB TOTAL	142	140	151	133	130	145	131	131	146	154
PROPRIETARY FUNDS										
Boathouse Marina	3	2	3	2	2	2	3	3	3	3
Meadow Park Golf Course	7	6	7	6	6	5	5	5	5	5
Zoological & Environmental Education	101	101	108	95	94	95	92	98	111	118
SUB TOTAL	111	109	118	103	102	102	100	106	119	126
TOTAL	253	249	269	236	232	247	231	237	265	280

Notes

¹ Marketing and Communciations were moved from Recreation to General Government in 2007.

² The Tacoma Nature Center was moved to the General Fund effective January 1, 2009.

³ Prior to 2015, Planning and Development was reported within General Government.

**Metropolitan Park District of Tacoma
Operating Indicators by Function
Last Ten Fiscal Years**

CULTURAL & RECREATIONAL	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Program Attendance										
Active Lifestyle programs ^{1,3}	305,323	285,064	472,555	398,178	417,958	404,442	454,229	450,305	584,438	326,125
Classes, activities, and events related to sports, aquatics, fitness and wellness, and adventures.										
Cultural, Arts, & Enrichment programs ^{1,3}	117,324	103,357	39,982	341,889	338,880	334,764	307,306	222,917	315,519	285,977
Classes, activities, and events related to visual and performing arts, and family and personal development.										
Boathouse Marina - locker rentals	3,140	3,020	3,063	2,915	2,893	2,810	2,509	2,747	2,667	2,705
Facility Rentals - number of bookings ³	1,991	1,754	2,032	1,984	2,192	1,898	1,807	2,232	2,410	4,781
Fort Nisqually - admissions and events	24,665	21,756	19,961	23,772	28,830	28,007	32,443	37,931	38,205	40,373
Zoological Sites - admission information										
Paid general admissions										
Northwest Trek Wildlife Park	132,760	135,895	141,393	136,665	138,242	125,768	131,546	128,185	125,929	151,855
Point Defiance Zoo & Aquarium	262,783	280,350	299,257	271,612	302,512	288,786	290,275	315,128	312,847	337,703
Paid admissions - Zoolights										
Point Defiance Zoo & Aquarium	39,716	61,422	41,104	86,877	63,683	128,299	88,225	122,224	93,852	97,997
Total admissions - paid and unpaid ²										
Northwest Trek Wildlife Park	182,537	184,308	194,042	189,712	191,172	175,821	182,487	179,839	179,092	214,696
Point Defiance Zoo & Aquarium	597,411	600,078	619,467	624,595	680,891	695,813	661,748	711,077	690,148	732,208
Golf Course - rounds of golf										
Meadow Park (27 hole)	58,302	61,800	63,353	63,776	55,396	52,608	49,277	50,868	53,031	57,033

Notes

¹ Variations in classification attendance numbers are caused by changes in amenities at individual parks, the methods used to track attendance, and the composition and/or classification of programs, activities, and events.

² In appreciation for citizen support of the zoo Tacoma citizens are offered free admission to the zoo on selected days. Free admissions are also provided to supporting foundation members at both the zoo and wildlife park.

³ In 2015, new metrics were utilized in data collection.

**Metropolitan Park District of Tacoma
Capital Asset Statistics by Function
Last Ten Fiscal Years**

	Fiscal Year									
CULTURAL & RECREATIONAL	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Number of Parks: Owned or Operated	73	73	73	73	73	73	73	73	73	73
Parks Acreage: Owned or Maintained	2,448	2,593	2,596	2,596	2,943	2,943	2,673	2,673	2,673	2,673
Number of Zoological Sites Northwest Trek Point Defiance Zoo & Aquarium	2	2	2	2	2	2	2	2	2	2
Number of Athletic Complexes Heidelberg Park Peck Field South End Recreation Area	3	3	3	3	3	3	3	3	3	3
Number of Community Centers: Owned or Operated Eastside Jane Clark Jefferson Manitou ¹ Oakland People's Portland Avenue ² South End ⁵ South Park ¹ Tacoma Nature Center The Center at Norpoint Titlow Lodge Wright Park Conservatory STAR Center ⁵	13	13	13	13	13	13	13	13	13	13
Number of Golf Courses Meadow Park (27 hole)	1	1	1	1	1	1	1	1	1	1
Facilities at Point Defiance Park: Owned or Operated Anthony's Restaurant Boathouse Marina Camp Six ³ Fort Nisqually Lodge Pagoda Zoo and Aquarium	7	7	7	7	7	6	6	6	6	6
Number of Swimming Pools Eastside (indoor) Peoples (indoor) The Center at Norpoint (indoor) Stewart Heights (outdoor) Titlow (outdoor) ⁴ Kandle (outdoor) ⁴	5	5	5	5	5	5	5	5	5	5
Number of Waterfront Areas: Owned or Operated Brown's Point China Lake Dash Point Point Defiance Puyallup River Bank Ruston Way Swan Creek Thea Foss Waterway Titlow Wapato	10	10	10	10	10	10	10	10	10	10
Number of Nature Centers Tacoma Nature Center	1	1	1	1	1	1	1	1	1	1

Notes

Certain facilities may appear in more than one listed category.

¹ The Manitou and South Park Community Centers are being leased to private operators pending divestiture of the properties.

² Portland Avenue Community Center was primarily contracted to outside parties between 2005 and 2012.

³ Camp Six closed in 2011.

⁴ Titlow pool was replaced in 2012 by Kandle pool.

⁵ The District stopped operating the South End Community Center in early 2012 and opened the South Tacoma Area Recreational Center in late 2012.

