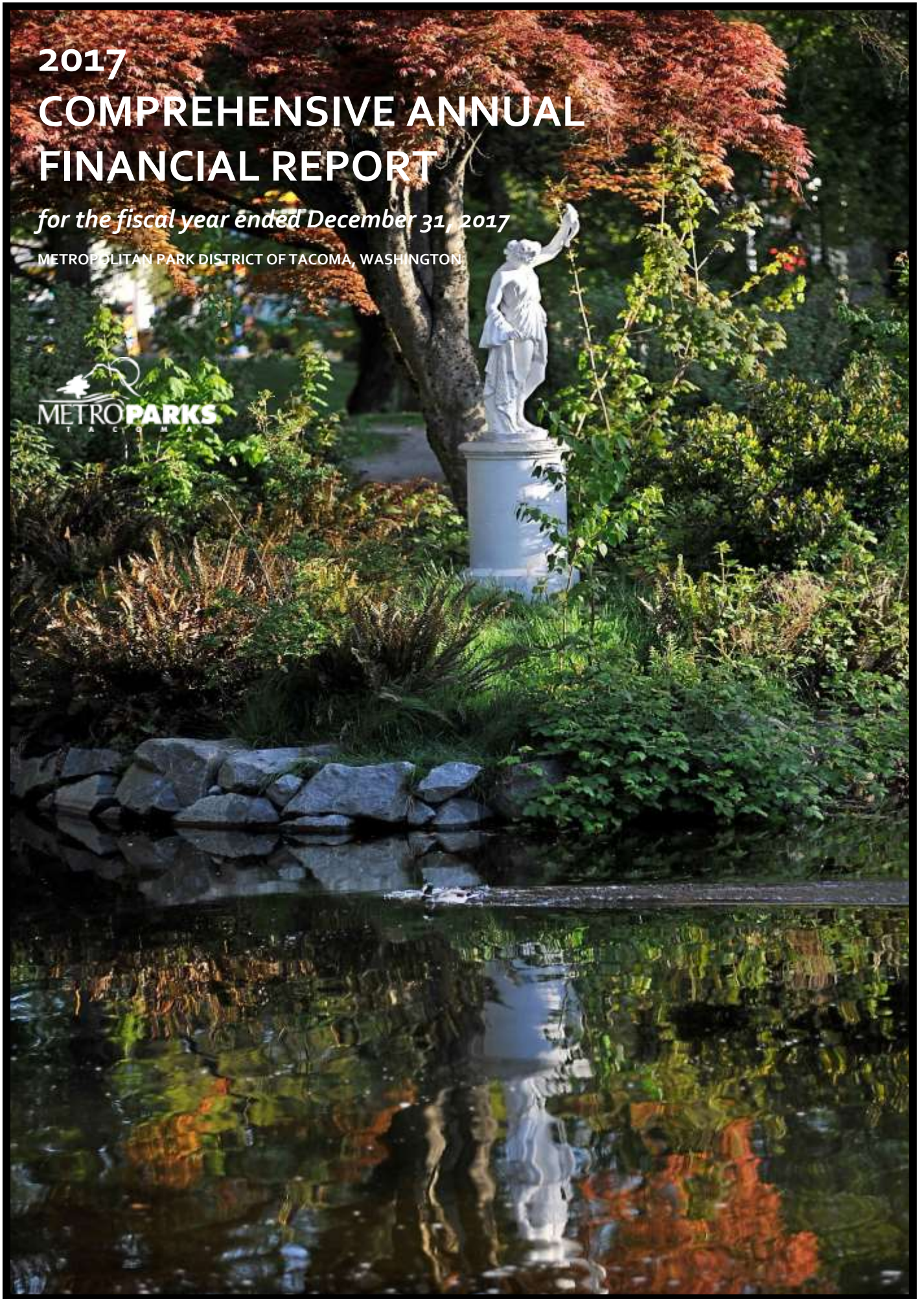


2017 COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the fiscal year ended December 31, 2017

METROPOLITAN PARK DISTRICT OF TACOMA, WASHINGTON





METROPOLITAN PARK DISTRICT OF TACOMA, WASHINGTON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2017**

**PREPARED BY:
DEPARTMENT OF GOVERNANCE AND DIRECTION
ERWIN VIDALLON, CHIEF FINANCIAL OFFICER**



METROPOLITAN PARK DISTRICT OF TACOMA, WASHINGTON
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2017

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	3
GFOA Certificate of Achievement	7
Elected Park District Officials	8
Administrative Directors and Legal Services	9
Organizational Chart	10

FINANCIAL SECTION

Independent Auditor’s Report	12
MANAGEMENT’S DISCUSSION AND ANALYSIS	15

BASIC FINANCIAL STATEMENTS:

Government-wide Financial Statements	
Statement of Net Position	24
Statement of Activities	25
Fund Financial Statements	
Balance Sheet – Governmental Funds	26
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	27
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.	28
Statement of Net Position – Proprietary Funds.	29
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	30
Statement of Cash Flows – Proprietary Funds	31
Notes to the Financial Statements	33

REQUIRED SUPPLEMENTARY INFORMATION:

Schedule of Proportionate Share of the Net Pension Liability	60
Schedule of Employer Contributions	61

COMBINING FUND STATEMENTS:

Nonmajor Governmental Funds	63
Combining Balance Sheet – Nonmajor Governmental Funds	64
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	65
Nonmajor Debt Service Funds.	67
Combining Balance Sheet – Nonmajor Debt Service Funds	69
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Debt Service Funds	70
Nonmajor Capital Projects Funds	71
Combining Balance Sheet – Nonmajor Capital Projects Funds.	72
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds	73

Continued →

Internal Service Funds	75
Combining Statement of Net Position – Internal Service Funds.	76
Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds.	77
Combining Statement of Cash Flows – Internal Service Funds.	78
STATISTICAL SECTION	
Net Position by Components – Last Ten Fiscal Years	80
Changes in Net Position – Last Ten Fiscal Years	81
Governmental Activities Tax Revenues by Source – Last Ten Fiscal Years	83
Fund Balance of Governmental Funds – Last Ten Fiscal Years	84
Changes in Fund Balance of Governmental Funds – Last Ten Fiscal Years. . .	85
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	86
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	87
Principal Non-Government Property Taxpayers – Current and Nine Years Ago .	88
Property Tax Levies and Collections – Last Ten Fiscal Years	89
Ratio of Outstanding Debt by Type – Last Ten Fiscal Years	90
Ratio of General Bonded Debt Outstanding – Last Ten Fiscal Years	90
Direct and Overlapping Governmental Activities Debt at December 31, 2016. . .	91
Legal Debt Margin Information – Last Ten Fiscal Years	92
Demographic and Economic Statistics – Last Ten Fiscal Years	93
Principal Area Employers In Pierce County – Current and Nine Years Ago . . .	94
Full-Time Metro Parks Employee by Function – Last Ten Fiscal Years	95
Operating Indicators by Function – Last Ten Fiscal Years	96
Capital Asset Statistics by Function – Last Ten Fiscal Years	97



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

December 31, 2017

INTRODUCTORY SECTION





August 27, 2018

Honorable Park Commissioners,
Shon Sylvia, 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, 2017. 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, 2017, 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, 2017, 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:
Shon Sylvia

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 operations and services.

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 49.72 land 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 9.5% 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 57,000 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 6.0% at the end of 2016, decreased to 5.4% by the end of 2017. This rate is higher than the national rate of 4.1%.

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. Subsequently in 2017, the Board approved an updated Strategic Master Plan that is more focused on the next six years, which also coincides with the District's 6-year financial plan for budgeting and revenue forecasting purposes. This update satisfies the requirements of the State Recreation and Conservation Office, which provides some of the grants for Metro Parks' construction projects.

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. The third segment was issued in December 2016 in the amount of \$76.3 million.

Relevant financial policies – Metro Parks has adopted a Comprehensive Financial Management Policy which effectively manages the cost of government and financial risks through sound business practices. The three main principles of this policy include: 1) revenues will be budgeted in a conservative manner, while expenditures are budgeted to include all normally foreseeable costs; 2) revenues should be forecasted to exclude one-time available resources and to consider current 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 2017-2018 budget was developed using an inclusive process with priorities established through our Strategic Plan update.

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 2017, 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 an \$11 billion to \$16 billion pooled fund investment portfolio. The average yield on these short-term investments was 0.96% 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 through stewardship and sustainability of our park lands and facilities through our conservation efforts; efficient and responsible use of public dollars; and excellence in educational programming and services delivery.

Metro Parks continues its efforts in working collaboratively with its public and private partnerships in order to minimize duplication and maximize programs and services. Some of our larger partnerships include the Tacoma School District, more specifically in support of a Science and Math Institute and a School of the Arts, and the City of Tacoma as it relates to 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, 2016. This was the 15th 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.

The preparation of this report could not have been accomplished without the efficient and dedicated service of the entire staff of the Finance and Administrative Services Department. 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,



Erwin Vidallon
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, 2016

Christopher P. Morill

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, Commissioner
Aaron Pointer, Clerk
Tim Reid, Commissioner
Andrea Smith, President

**EXPIRATION OF
TERM**

December 31, 2021
December 31, 2023
December 31, 2019
December 31, 2019
December 31, 2023

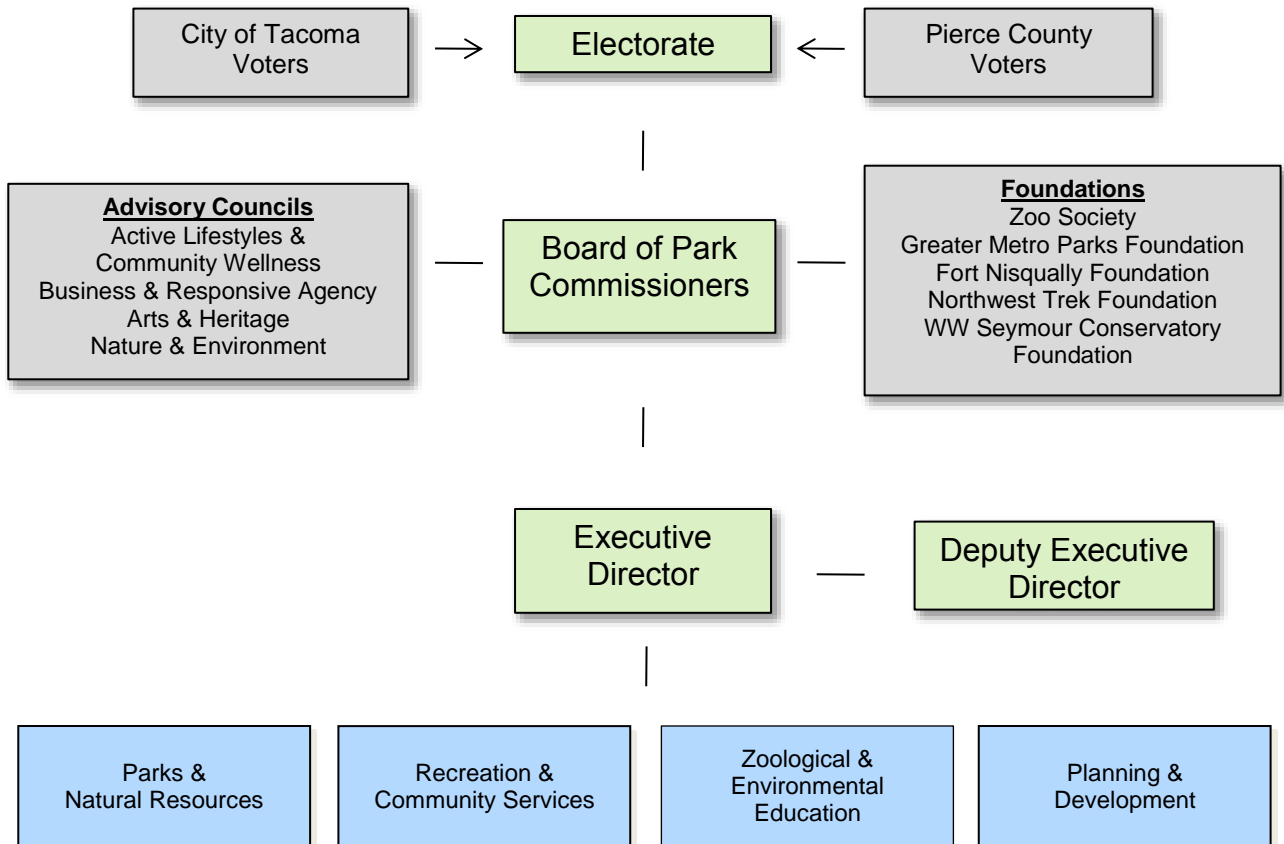
ADMINISTRATIVE DIRECTORS

Shon Sylvia	Executive Director
Alan Varsik	Director of Zoological & Environmental Education
Marina Becker	Director of Parks & Natural Resources
Debbie Terwilleger	Director of Planning & Development

LEGAL SERVICES

Roberts Johns & Hemphill PLLC	General Counsel, Contracts, Environmental Law
Summit Law Group	Personnel and Labor Relations
Pacifica Law Group 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, 2017

FINANCIAL SECTION



**Office of the Washington State Auditor
Pat McCarthy**

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

August 27, 2018

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, the aggregate discretely presented component units, 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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Greater Metro Parks Foundation or the Eastside Community Center QUALIC B, which collectively represent 100 percent, respectively, of the assets, net position and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Greater Metro Parks Foundation and Eastside Community Center QUALIC B, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Greater Metro Parks Foundation and Eastside Community Center QUALIC B were not audited in accordance with *Government Auditing Standards*.

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, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Metropolitan Park District of Tacoma, as of December 31, 2017, and the respective changes in financial position and 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 discussed in Note 5 to the financial statements, in 2017, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*, Statement No. 81, *Irrevocable Split-Interest Agreements* and Statement No.82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*. Our opinion is not modified with respect to this matter.

As discussed in Note 4 to the financial statements, during the year ended December 31, 2017, the District created a new component unit, Eastside Community Center QALICB, for the purposes of obtaining the New Market Tax Credit, and reported the Greater Metro Parks Foundation as a discretely presented component unit. 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 and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We and the other auditors 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

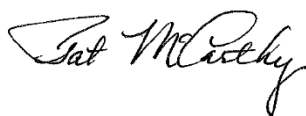
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining financial statements are presented for the purposes of additional analysis and are not a required part of the basic financial statements. 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Introductory and Statistical Sections are 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 August 27, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the District's Single Audit Report. 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,



Pat McCarthy

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, 2017. 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 2017 the assets and deferred outflows of resources of Metro Parks exceeded its liabilities and deferred inflows by \$124.9 million, an increase of \$6.3 million.
- District-wide revenues were \$93.7 million (up \$14.1 million) while expenses were \$61.9 million (down \$707 thousand). Revenue increases can be explained by a \$10.8 million increase in grants and contributions; a \$2.3 million increase in taxes to fund new general-obligation debt; a \$347 thousand increase in investment interest; and a \$500 thousand increase in charges for services due to an increase in program revenues throughout the district. The most significant intergovernmental grant was \$12.9 million from the United States Environmental Protection Agency for waterfront and trail development.
- At the close of 2017, Metro Parks' governmental funds reported a combined ending Fund Balance of \$20.9 million, a decrease of \$62.8 million from 2016. The significant decrease can be explained by \$85.3 million in capital outlay expenditures funded by prior year debt proceeds less \$19.4 million of intergovernmental capital grants received in 2017.
- At the close of 2017, Metro Parks' business-type activities reported a combined ending net position of \$35.0 million. This represents a very slight decrease of \$54 thousand from 2016, which indicates consistent revenue and expense trends.
- In accordance with Governmental Accounting Standards Board (GASB) Statement 63 certain deferred inflows and outflows are reported. The deferred charge on refunding was \$2.4 million at the end of 2017, reflecting a decrease due to amortization of prior balances. Total deferred outflows were \$5.1 million and include the amounts related to pensions, as described below.
- In accordance with GASB Statements 68 and 71 pension liabilities and related deferred inflows and outflows are reported on the statement of net position. Metro Parks' net pension liability as of December 31, 2017 totaled \$17.1 million. This amount includes a liability of \$17.1 million plus deferred inflows of \$2.7 million less deferred outflows of \$2.7 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-one 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 2016 GO Debt Service Fund, the 2016 UTGO Bond Projects Fund and the 2014 Bond Local Projects Fund which are considered major funds. Data from the remaining seventeen 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) is Metro Parks' major enterprise fund. The other enterprise funds, Boathouse Marina and Meadow Park Golf Course, are considered nonmajor funds; however they are reported alongside the major fund.

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 (\$149.4 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 (\$5.6 million) represents resources that are subject to external restrictions on how they may be used.

Governmental activities account for \$251.1 million (81.9%) of total assets and \$89.9 million (72.0%) of total net position. Business-type activities account for \$55.5 million (18.1%) of total assets and \$35.0 million (28.0%) of total net position.

Capital asset accounts increased \$52.2 million in 2017 mainly due to bond-funded capital projects. Current assets decreased by \$65.6 million, mainly due to capital outlay expenditures.

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and Other Assets	\$ 28,010,158	\$ 94,068,431	\$ 9,350,736	\$ 8,892,656	\$ 37,360,894	\$ 102,961,087
Capital Assets	223,105,410	168,979,598	46,157,578	48,059,526	269,262,988	217,039,124
Total Assets	\$ 251,115,568	\$ 263,048,029	\$ 55,508,314	\$ 56,952,182	\$ 306,623,882	\$ 320,000,211
Deferred Outflows of Resources	\$ 3,655,401	\$ 4,794,124	\$ 1,451,623	\$ 2,093,352	\$ 5,107,024	\$ 6,887,476
Long-term Liabilities Outstanding	\$ 157,975,355	\$ 174,994,862	\$ 19,185,194	\$ 22,403,422	\$ 177,160,549	\$ 197,398,284
Other Liabilities	5,296,131	9,084,948	1,623,482	1,477,804	6,919,613	10,562,752
Total Liabilities	\$ 163,271,486	\$ 184,079,810	\$ 20,808,676	\$ 23,881,226	\$ 184,080,162	\$ 207,961,036
Deferred Inflows of Resources	\$ 1,620,387	\$ 290,030	\$ 1,132,369	\$ 91,713	\$ 2,752,756	\$ 381,743
Net Position:						
Net Investment in Capital						
Assets	\$ 116,568,787	\$ 85,965,000	\$ 35,482,014	\$ 36,420,244	\$ 149,382,168	\$ 119,875,816
Restricted	5,559,827	4,846,743	602	2,932	5,560,429	4,849,675
Unrestricted	(32,249,518)	(7,339,430)	(463,724)	(1,350,581)	(30,044,609)	(6,180,583)
Total Net Position	\$ 89,879,096	\$ 83,472,313	\$ 35,018,892	\$ 35,072,595	\$ 124,897,988	\$ 118,544,908

GOVERNMENTAL ACTIVITIES: Overall total revenues exceeded expenses before transfers in governmental activities by \$32.1 million. Governmental activities were funded by program revenues of \$31.9 million (47.2%) and general revenues (primarily taxes) of \$35.7 million (52.8%). Parks and Natural Resources and Planning and Development more heavily supported by general revenues (72% and 100%, respectively) than General Government and Recreation and Community Services (-110% and 34.7%, respectively).

Transfers netting to \$292 thousand were made for debt service and capital purposes. These transfers decreased the net position in governmental activities and increased the net position in business-type activities.

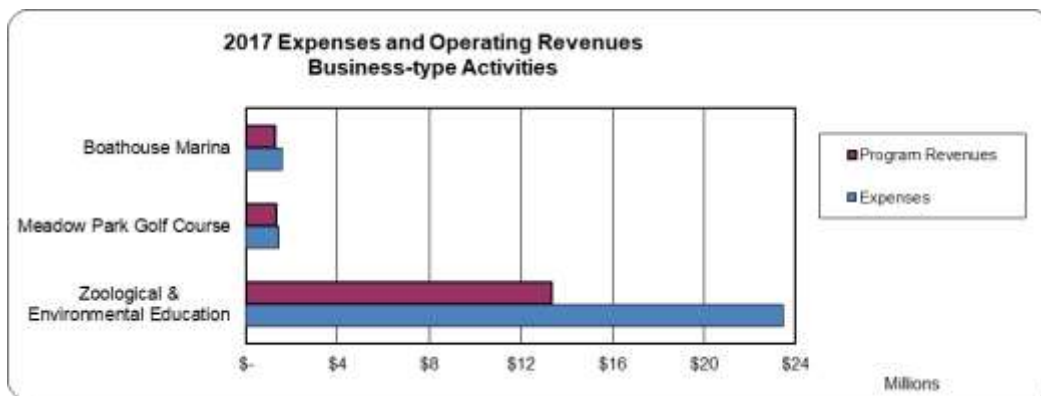
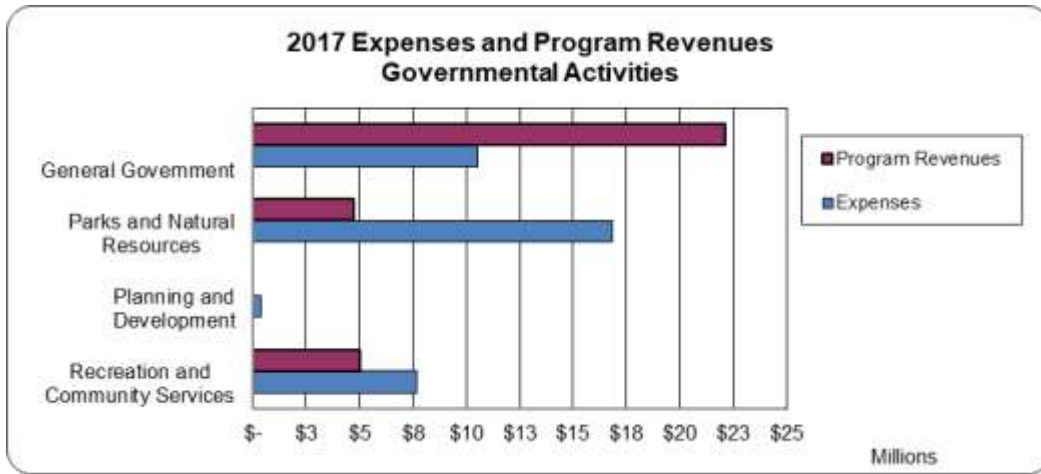
A special item totaling \$25.4 million was reported to reflect the transfer of a partially completed community center to a non-profit organization.

BUSINESS-TYPE ACTIVITIES: Net position before transfers in business-type activities increased by \$150 thousand from 2016. Most of this change was due to increased tax revenue in the Zoological and Environmental Education Fund, less decreases in operating expenses.

CONDENSED STATEMENT OF CHANGES IN NET POSITION

Summary of Activities	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
<i>Program Revenues</i>						
Charges for Services	\$ 6,776,081	\$ 6,128,384	\$ 15,283,045	\$ 15,383,847	\$ 22,059,126	\$ 21,512,231
Operating Grants & Contributions	3,643,275	3,369,325	688,089	944,633	4,331,364	4,313,958
Capital Grants & Contributions	21,437,736	10,631,503	-	-	21,437,736	10,631,503
<i>General Revenues</i>						
Total Taxes	34,785,538	33,099,606	9,806,905	9,181,089	44,592,443	42,280,695
Investment Earnings	471,356	123,324	-	-	471,356	123,324
Disposition of Capital Assets	-	-	-	18,065	-	18,065
Donated Capital Assets	-	-	-	-	-	-
Miscellaneous Revenue	427,848	452,388	346,654	281,551	774,502	733,939
Total Revenues	\$ 67,541,834	\$ 53,804,530	\$ 26,124,693	\$ 25,809,185	\$ 93,666,527	\$ 79,613,715
<i>Expenses</i>						
General Government	\$ 10,539,199	\$ 10,441,128	\$ -	\$ -	\$ 10,539,199	\$ 10,441,128
Parks and Natural Resources	16,833,335	17,439,758	-	-	16,833,335	17,439,758
Planning and Development	395,652	482,462	-	-	395,652	482,462
Recreation & Community Services	7,669,838	7,947,700	-	-	7,669,838	7,947,700
Marina Activities	-	-	1,593,923	1,325,757	1,593,923	1,325,757
Golf Course Activities	-	-	1,417,152	1,355,172	1,417,152	1,355,172
Zoological Activities	-	-	23,459,256	23,623,650	23,459,256	23,623,650
Total Expenses	\$ 35,438,024	\$ 36,311,048	\$ 26,470,331	\$ 26,304,579	\$ 61,908,355	\$ 62,615,627
<i>Increase (Decrease) in net position before transfers</i>	\$ 32,103,810	\$ 17,493,482	\$ (345,638)	\$ (495,394)	\$ 31,758,172	\$ 16,998,088
Special Item	\$ (25,429,024)	\$ -	\$ -	\$ -	\$ (25,429,024)	\$ -
Transfers In (Out)	\$ (291,935)	\$ (2,401,993)	\$ 291,935	\$ 2,401,993	\$ -	\$ -
<i>Increase (Decrease) in net position</i>	\$ 6,382,851	\$ 15,091,489	\$ (53,703)	\$ 1,906,599	\$ 6,329,148	\$ 16,998,088
Change in Net Position						
Beginning Net Position	\$ 83,496,245	\$ 68,380,824	\$ 35,072,595	\$ 33,165,996	\$ 118,568,840	\$ 101,546,820
Increase (Decrease) in net position	6,382,851	15,091,489	(53,703)	1,906,599	6,329,148	16,998,088
Ending Net Position	\$ 89,879,096	\$ 83,472,313	\$ 35,018,892	\$ 35,072,595	\$ 124,897,988	\$ 118,544,908

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



FINANCIAL ANALYSIS OF MAJOR 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 2017, the unassigned Fund Balance of the General Fund was \$6.9 million, an increase of \$1.4 million. 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 26% of total expenditures.

The other major governmental funds of Metro Parks are the 2016 GO Debt Service fund, the 2016 UTGO Bond Projects fund and the 2014 Bond Local Projects fund. The 2016 GO Debt Service fund and the 2014 Bond Local Projects funds were determined to be a major funds due to the amount of revenues reported. The 2016 UTGO Bond Projects was determined to be a major fund due to the assets, liabilities and expenditures reported.

Revenues and Other Financing Sources. The main revenue source for the General Fund is taxes, which accounts for \$17.3 million (61.7%) of revenues. Other significant revenue sources include intergovernmental revenues of \$3.1 million and charges for services revenue of \$6.7 million. Property taxes account for \$13.2 million (99.8%) of revenues in the 2016 GO Debt Service fund. The 2016 UTGO Bond Projects fund and 2014 Bond Local Projects fund received most funding from intergovernmental revenue in 2017 (\$970 thousand and \$18.4 million, respectively).

Expenditures and Other Financing Uses. General fund expenditures increased by \$558 thousand (2.1%) from \$26.1 million in 2016 to \$26.6 million in 2017. 2016 GO Debt Service fund expenditures represent principal and interest payments on long-term debt totaling \$12.4 million. 2016 UTGO Bond Projects fund and 2014 Bond Local Projects fund expenditures represent capital outlay of \$40.5 million and \$18.4 million, respectively.

FINANCIAL ANALYSIS OF THE MAJOR BUSINESS-TYPE FUND

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 only major enterprise fund. Charges for admissions totaling \$12.7 million represent 100% of operating revenue. Non-operating revenues total \$10.9 million and include sales taxes of \$8.5 million and property taxes of \$1.3 million. Operating expenses total \$23.3 million, of which \$2.1 million (9.0%) is depreciation expense. Interest expense of \$443 thousand represents much of total non-operating expenses.

GENERAL FUND BUDGETARY HIGHLIGHTS

Budget Comparisons. Metro Parks adopted a biennial budget covering the 2017 and 2018 calendar years. This budget adopted by the Board of Park Commissioners for the General Fund anticipated revenues and transfers of \$57.5 million. With appropriations set at \$57.9 million, fund balance would decrease by \$387 thousand. There were no budget amendments in 2017.

The variance of 2017 actual revenues and expenses with the adopted budget equaled an excess of \$1.8 million. In 2017 revenue totaled 49.3% of the two-year budget while expenditures totaled 46%.

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 \$269.3 million at December 31, 2017. 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 \$52.2 million in 2017. This increase represents spending of capital debt and capital grant proceeds.

- Governmental activity capital assets represent 82.9% 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 17.1% of Metro Parks' net capital assets. The majority of these assets 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 2017 Metro Parks had total long-term liabilities outstanding of \$177.2 million; \$158.0 million in governmental activities (89.2%) and \$19.2 million in business-type activities (10.8%). 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 \$142.6 million; \$132.4 million in governmental activities and \$10.2 million in business-type activities. All bonded debt is backed by the full faith and credit of Metro Parks. Bonded debt decreased due to principal payments made in 2017.
- Notes payable total \$15,198. This amount is made up of one loan for the purchase of equipment.
- Compensated absences represent 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 \$1.2 million.
- Net pension liability represents unfunded amounts related to the State pension plans which Metro Parks participates in. The total in governmental activities is \$10.1 million and the total in business type activities is \$7.0 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, 2017

**GOVERNMENT-WIDE FINANCIAL
STATEMENTS**

AND

FUND FINANCIAL STATEMENTS

METROPOLITAN PARK DISTRICT OF TACOMA
Statement of Net Position
December 31, 2017

	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash & Cash Equivalents	\$ 12,209,576	\$ 6,762,285	\$ 18,971,861	23,610,887
Investments	10,000,000	-	10,000,000	-
Receivables (net)	6,027,210	2,191,338	8,218,548	19,155
Internal Balances	(318,541)	318,541	-	-
Inventories	91,913	77,970	169,883	-
Temporarily Restricted Assets:				
Cash	-	-	-	4,539,024
Investments	-	-	-	685,336
Receivables	-	602	602	2,098,349
Capital Assets (net of accumulated depreciation):				
Land	36,038,620	4,442,712	40,481,332	-
Buildings	35,473,433	17,837,201	53,310,634	-
Infrastructure	33,759,072	20,086,324	53,845,396	-
Equipment	3,069,101	2,131,744	5,200,845	-
Collections	567,169	265,674	832,843	-
Construction in Progress	114,198,015	1,393,923	115,591,938	13,439,359
Total Assets	\$ 251,115,568	\$ 55,508,314	\$ 306,623,882	\$ 44,392,110
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charge on Refunding	\$ 2,063,973	\$ 322,046	\$ 2,386,019	-
Deferred Outflows Related to Pensions	1,591,428	1,129,577	2,721,005	-
Total Deferred Outflows of Resources	\$ 3,655,401	\$ 1,451,623	\$ 5,107,024	\$ -
LIABILITIES				
Accounts Payable and Accrued Expenses	\$ 4,885,667	\$ 1,532,183	\$ 6,417,850	3,681,788
Unearned Revenue	342,678	85,160	427,838	-
Other Current Liabilities	67,786	6,139	73,925	-
Noncurrent Liabilities:				
Due within One Year	15,743,687	1,929,705	17,673,392	-
Due in More Than One Year	132,126,406	10,294,502	142,420,908	28,355,000
Pension Liability	10,105,262	6,960,987	17,066,249	-
Total Liabilities	\$ 163,271,486	\$ 20,808,676	\$ 184,080,162	\$ 32,036,788
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Related to Pensions	\$ 1,620,387	\$ 1,132,369	2,752,756	-
Total Deferred Inflows of Resources	\$ 1,620,387	\$ 1,132,369	\$ 2,752,756	\$ -
NET POSITION				
Net Investment in Capital Assets	\$ 116,568,787	\$ 35,482,014	\$ 149,382,168	-
Restricted for:				
Debt Service	2,376,215	602	2,376,817	-
Capital Projects	3,102,428	-	3,102,428	-
Other	81,184	-	81,184	6,433,688
Unrestricted	(32,249,518)	(463,724)	(30,044,609)	5,921,634
Total Net Position	\$ 89,879,096	\$ 35,018,892	\$ 124,897,988	\$ 12,355,322

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, 2017

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue & Changes in Net Position			Component Units
	Expenses	Charges for Services	Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total	
GOVERNMENTAL ACTIVITIES:								
General Government	\$ 5,941,163	\$ 319,352	\$ 385,263	\$ 21,437,736	\$ 16,201,188	\$ -	\$ 16,201,188	\$ -
Parks and Natural Resources	16,833,335	2,044,877	2,658,574	-	(12,129,884)	-	(12,129,884)	-
Planning and Development	395,652	-	-	-	(395,652)	-	(395,652)	-
Recreation and Community Services	7,669,838	4,411,852	599,438	-	(2,658,548)	-	(2,658,548)	-
Interest on Long-term Debt	4,598,036	-	-	-	(4,598,036)	-	(4,598,036)	-
Total Governmental Activities	\$ 35,438,024	\$ 6,776,081	\$ 3,643,275	\$ 21,437,736	\$ (3,580,932)	\$ -	\$ (3,580,932)	\$ -
BUSINESS-TYPE ACTIVITIES:								
Boathouse Marina	\$ 1,593,923	\$ 1,272,283	\$ -	\$ -	\$ -	\$ (321,640)	\$ (321,640)	\$ -
Meadow Park Golf Course	1,417,152	1,325,430	-	-	-	(91,722)	(91,722)	-
Zoological & Environmental Education	23,459,256	12,685,332	688,089	-	-	(10,085,835)	(10,085,835)	-
Total Business-type Activities	\$ 26,470,331	\$ 15,283,045	\$ 688,089	\$ -	\$ -	\$ (10,499,197)	\$ (10,499,197)	\$ -
TOTAL PRIMARY GOVERNMENT	\$ 61,908,355	\$ 22,059,126	\$ 4,331,364	\$ 21,437,736	\$ (3,580,932)	\$ (10,499,197)	\$ (14,080,129)	\$ -
COMPONENT UNITS	\$ 502,838	\$ -	\$ -	\$ 8,754,970	\$ -	\$ -	\$ -	\$ 8,252,132
GENERAL REVENUES:								
Property Taxes					\$ 32,450,802	\$ 1,310,272	\$ 33,761,074	-
Sales Taxes					2,083,806	8,496,633	10,580,439	-
Leasehold Excise Taxes					250,930	-	250,930	-
Investment Earnings					471,356	-	471,356	75,761
Miscellaneous General Revenues					427,848	346,654	774,502	2,000
Transfers					(291,935)	291,935	-	-
Special Item					(25,429,024)	-	(25,429,024)	-
Total General Revenues, Transfers and Special Items					\$ 9,963,783	\$ 10,445,494	\$ 20,409,277	\$ 77,761
Change in Net Position					\$ 6,382,851	\$ (53,703)	\$ 6,329,148	\$ 8,329,893
Net Position - Beginning of Year					\$ 83,496,245	\$ 35,072,595	\$ 118,568,840	\$ 4,025,429
Net Position - End of Year					\$ 89,879,096	\$ 35,018,892	\$ 124,897,988	\$ 12,355,322

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

METROPOLITAN PARK DISTRICT OF TACOMA
Balance Sheet
Governmental Funds
December 31, 2017

	General Fund	2016 GO Debt Service	2016 UTGO Bond Projects	2014 Bond Local Projects	Other Governmental Funds	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Cash & Cash Equivalents	\$ 7,476,857	\$ 790,867	\$ 982	\$ 202	\$ 2,064,041	\$ 10,332,949
Investments	-	-	10,000,000	-	-	10,000,000
Receivables (net)	1,032,764	214,601	970,000	3,544,154	265,691	6,027,210
Interfund Receivable	1,576,000	-	-	-	2,791,000	4,367,000
Inventories	91,913	-	-	-	-	91,913
Total Assets	\$ 10,177,534	\$ 1,005,468	\$ 10,970,982	\$ 3,544,356	\$ 5,120,732	\$ 30,819,072
Deferred Outflows of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Assets and Deferred Outflows of Resources	\$ 10,177,534	\$ 1,005,468	\$ 10,970,982	\$ 3,544,356	\$ 5,120,732	\$ 30,819,072
LIABILITIES						
Accounts Payable/Accrued Expenditures	\$ 2,158,405	\$ -	\$ 1,776,179	\$ 279,660	\$ 576,740	\$ 4,790,984
Interfund Payable	-	-	1,632,000	1,159,000	1,226,000	4,017,000
Unearned Revenue	339,169	-	-	-	3,509	342,678
Deposits Payable	61,729	-	-	-	-	61,729
Other Current Liabilities	6,057	-	-	-	-	6,057
Total Liabilities	\$ 2,565,360	\$ -	\$ 3,408,179	\$ 1,438,660	\$ 1,806,249	\$ 9,218,448
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	\$ 342,571	\$ 168,843	\$ -	\$ -	\$ 230,262	\$ 741,676
Total Deferred Inflows of Resources	\$ 342,571	\$ 168,843	\$ -	\$ -	\$ 230,262	\$ 741,676
FUND BALANCES						
<i>Nonspendable:</i>						
Inventory & Prepaids	\$ 91,913	\$ -	\$ -	\$ -	\$ -	\$ 91,913
<i>Restricted:</i>						
Debt Service	-	836,625	-	-	1,140,485	1,977,110
Capital Improvements	163,174	-	7,562,803	2,105,696	2,665,363	12,497,036
Other	81,184	-	-	-	-	81,184
<i>Assigned to:</i>						
Capital Projects Funds	-	-	-	-	500,362	500,362
<i>Unassigned</i>	6,933,332	-	-	-	(1,221,989)	5,711,343
Total Fund Balances	\$ 7,269,603	\$ 836,625	\$ 7,562,803	\$ 2,105,696	\$ 3,084,221	\$ 20,858,948
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 10,177,534	\$ 1,005,468	\$ 10,970,982	\$ 3,544,356	\$ 5,120,732	

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	\$ 36,038,620	
Buildings	53,268,908	
Infrastructure	61,217,278	
Machinery & Equipment	7,728,549	
Collections	567,169	
Construction in Progress	114,198,015	
Accumulated Depreciation	(50,983,380)	\$ 222,035,159

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

Bonds and Notes Payable	\$ (144,028,888)	
Net Pension Liability	\$ (10,134,221)	
Compensated Absences	(1,777,232)	\$ (155,940,341)

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.

\$ 741,676

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.

\$ 2,183,654

Net position of governmental activities

\$ 89,879,096

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, 2017

	General Fund	2016 GO Debt Service	2016 UTGO Bond Projects	2014 Bond Local Projects	Other Governmental Funds	Total
REVENUES						
<i>Taxes:</i>						
Property Taxes	\$ 14,965,967	\$ 13,228,845	\$ -	\$ -	\$ 4,279,393	\$ 32,474,205
Sales Taxes	2,083,806	-	-	-	-	2,083,806
Leasehold Excise Taxes	250,930	-	-	-	-	250,930
Intergovernmental	3,116,730	-	969,999	18,434,614	-	22,521,343
Charges for Services	6,733,976	-	-	-	42,105	6,776,081
Investment Earnings	1,301	27,333	400,347	-	41,744	470,725
Contributions	526,545	-	-	2,033,123	-	2,559,668
Other Miscellaneous Revenue	362,413	-	-	-	66,066	428,479
Total Revenues	\$ 28,041,668	\$ 13,256,178	\$ 1,370,346	\$ 20,467,737	\$ 4,429,308	\$ 67,565,237
EXPENDITURES						
<i>Current:</i>						
General Government	\$ 6,132,398	\$ -	\$ 9,040	\$ -	\$ 1,901	\$ 6,143,339
Parks and Natural Resources	12,198,093	-	-	-	-	12,198,093
Planning and Development	461,315	-	-	-	-	461,315
Recreation and Community Services	7,748,122	-	-	-	-	7,748,122
<i>Debt Service:</i>						
Principal	35,590	9,310,000	-	-	3,095,700	12,441,290
Interest	1,164	3,109,600	-	-	2,905,695	6,016,459
Other Bond Costs	-	474	-	-	1,729	2,203
<i>Capital Outlay:</i>						
General Government	-	-	40,447,066	18,445,093	2,526,165	61,418,324
Parks and Natural Resources	53,381	-	-	-	-	53,381
Total Expenditures	\$ 26,630,063	\$ 12,420,074	\$ 40,456,106	\$ 18,445,093	\$ 8,531,190	\$ 106,482,526
Excess (Deficiency) of Revenues over (under) Expenditures	\$ 1,411,605	\$ 836,104	\$ (39,085,760)	\$ 2,022,644	\$ (4,101,882)	\$ (38,917,289)
OTHER FINANCING SOURCES (USES)						
Transfers In	\$ 17	\$ -	\$ -	\$ -	\$ 17,159	\$ 17,176
Transfers Out	-	-	-	-	(16,891)	(16,891)
Total Other Financing Sources (Uses)	\$ 17	\$ -	\$ -	\$ -	\$ 268	\$ 285
Special Item	\$ -	\$ -	\$ (23,906,273)	\$ -	\$ -	\$ (23,906,273)
Net Change in Fund Balances	\$ 1,411,622	\$ 836,104	\$ (62,992,033)	\$ 2,022,644	\$ (4,101,614)	\$ (62,823,277)
Fund Balances - Beginning	\$ 5,857,981	\$ 521	\$ 70,554,836	\$ 83,052	\$ 7,185,835	\$ 83,682,225
Fund Balances - Ending	\$ 7,269,603	\$ 836,625	\$ 7,562,803	\$ 2,105,696	\$ 3,084,221	\$ 20,858,948

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	\$ 61,471,705	
Depreciation	(5,362,627)	
Net Effect of Capital Assets Sold, Transferred or Retired	(1,814,971)	\$ 54,294,107

The repayment of long term debt principal consumes the current financial resources of governmental funds but does not effect net position 12,441,290

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. \$ (23,403)

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. \$ 2,092,054

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. \$ 402,080

Change in net position of governmental activities \$ 6,382,851

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, 2017

	<u>Budgeted Biennial Amounts</u>			Variance with Amended Budget - Positive / (Negative)
	Original	As Amended at 12/31/17	Actual Actual Through 12/31/17	
REVENUES				
<i>Taxes:</i>				
Property	\$ 30,515,372	\$ 30,515,372	\$ 14,965,967	\$ (15,549,405)
Sales	4,009,824	4,009,824	2,083,806	(1,926,018)
Leasehold Excise	-	-	250,930	250,930
Intergovernmental	8,105,969	8,105,969	3,116,730	(4,989,239)
Charges for Services	13,076,926	13,076,926	6,733,976	(6,342,950)
Investment Earnings	-	-	1,301	1,301
Contributions	1,171,246	1,171,246	526,545	(644,701)
Other Miscellaneous Revenue	-	-	362,413	362,413
Total Revenues	\$ 56,879,337	\$ 56,879,337	\$ 28,041,668	\$ (28,837,669)
	<i>Percentage received through 12/31/17</i>		<i>49.3%</i>	
EXPENDITURES				
<i>Current:</i>				
General Government	\$ 13,026,628	\$ 13,026,628	\$ 6,132,398	\$ 6,894,230
Planning and Development	1,021,716	1,021,716	461,315	560,401
Parks and Natural Resources	26,332,561	26,332,561	12,198,093	14,134,468
Recreation and Community Services	17,249,821	17,249,821	7,748,122	9,501,699
<i>Debt Service:</i>				
Principal	73,631	73,631	35,590	38,041
Interest	-	-	1,164	(1,164)
<i>Capital Outlay:</i>				
Parks and Natural Resources	186,000	186,000	53,381	132,619
Total Expenditures	\$ 57,890,357	\$ 57,890,357	\$ 26,630,063	\$ 31,260,294
	<i>Percentage expended through 12/31/17</i>		<i>46.0%</i>	
Excess (Deficiency) of Revenues over (under) Expenditures	\$ (1,011,020)	\$ (1,011,020)	\$ 1,411,605	\$ 2,422,625
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 624,498	\$ 624,498	\$ 17	\$ (624,481)
Total Other Financing Sources (Uses)	\$ 624,498	\$ 624,498	\$ 17	\$ (624,481)
Net Change in Fund Balances	\$ (386,522)	\$ (386,522)	\$ 1,411,622	\$ 1,798,144
Fund Balances - Beginning	\$ 4,500,000	\$ 4,500,000	\$ 5,857,981	\$ 1,357,981
Fund Balances - Ending	\$ 4,113,478	\$ 4,113,478	\$ 7,269,603	\$ 3,156,125

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, 2017

	Business-type Activities				Governmental Activities - Internal Service
	Zoological & Environmental Education	Boathouse Marina	Meadow Park Golf Course	Total	
ASSETS					
Current Assets:					
Cash & Cash Equivalents	\$ 6,242,992	\$ 519,123	\$ 170	\$ 6,762,285	\$ 1,876,627
Receivables (net)	2,121,691	64,318	5,329	2,191,338	-
Inventories	2,470	46,467	29,033	77,970	-
Restricted Receivables - Bond Related	602	-	-	602	-
Total Current Assets	\$ 8,367,755	\$ 629,908	\$ 34,532	\$ 9,032,195	\$ 1,876,627
Noncurrent Assets:					
Capital Assets (net of accumulated depreciation):					
Land	2,829,542	200,000	1,413,170	4,442,712	-
Buildings	15,395,586	1,935,577	506,038	17,837,201	-
Infrastructure	16,344,137	2,430,167	1,312,020	20,086,324	-
Equipment	1,936,869	39,141	155,734	2,131,744	1,070,251
Collections	265,674	-	-	265,674	-
Construction in Progress	1,393,923	-	-	1,393,923	-
Total Noncurrent Assets	\$ 38,165,731	\$ 4,604,885	\$ 3,386,962	\$ 46,157,578	\$ 1,070,251
Total Assets	\$ 46,533,486	\$ 5,234,793	\$ 3,421,494	\$ 55,189,773	\$ 2,946,878
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charge on Refunding	322,046	-	-	322,046	-
Deferred Outflows Related to Pensions	1,028,769	40,702	60,106	1,129,577	-
Total Deferred Outflows of Resources	\$ 1,350,815	\$ 40,702	\$ 60,106	\$ 1,451,623	\$ -
LIABILITIES					
Current Liabilities:					
Accounts Payable and Accrued Expenses	\$ 1,407,101	\$ 63,587	\$ 67,634	\$ 1,538,322	\$ 94,683
Interfund Payables	-	-	350,000	350,000	-
Compensated Absences	786,999	20,249	32,982	840,230	-
Bonds, Notes, Loans Payable	1,089,475	-	-	1,089,475	-
Unearned Revenue	-	-	85,160	85,160	-
Total Current Liabilities	\$ 3,283,575	\$ 83,836	\$ 535,776	\$ 3,903,187	\$ 94,683
Noncurrent Liabilities:					
Compensated Absences	\$ 323,534	\$ 18,009	\$ 44,824	\$ 386,367	\$ -
Bonds, Notes, Loans Payable	9,908,135	-	-	9,908,135	-
Pension Liability	6,322,676	264,202	374,109	6,960,987	-
Total Noncurrent Liabilities	\$ 16,554,345	\$ 282,211	\$ 418,933	\$ 17,255,489	\$ -
Total Liabilities	\$ 19,837,920	\$ 366,047	\$ 954,709	\$ 21,158,676	\$ 94,683
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows Related to Pensions	1,021,743	49,977	60,649	1,132,369	-
Total Deferred Inflows of Resources	\$ 1,021,743	\$ 49,977	\$ 60,649	\$ 1,132,369	\$ -
NET POSITION					
Net Investment in Capital Assets	\$ 27,490,167	\$ 4,604,885	\$ 3,386,962	\$ 35,482,014	\$ 1,070,251
Restricted for:					
Debt Service	602	-	-	602	-
Unrestricted	(466,131)	254,586	(920,720)	(1,132,265)	1,781,944
Total Net Position	\$ 27,024,638	\$ 4,859,471	\$ 2,466,242	\$ 34,350,351	\$ 2,852,195
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:				\$ 668,541	
Net Position of Business-type Activities				<u>\$ 35,018,892</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, 2017

	Business-type Activities				Governmental Activities - Internal Service
	Zoological & Environmental Education	Boathouse Marina	Meadow Park Golf Course	Total	
OPERATING REVENUES					
Zoological & Environmental Education Operations	\$ 12,685,332	\$ -	\$ -	\$ 12,685,332	\$ -
Marina Operations	-	1,272,283	-	1,272,283	-
Golf Course Operations	-	-	1,325,430	1,325,430	-
Other Services	-	-	-	-	4,718,220
Total Operating Revenues	\$ 12,685,332	\$ 1,272,283	\$ 1,325,430	\$ 15,283,045	\$ 4,718,220
OPERATING EXPENSES					
Zoological & Environmental Education Operations	\$ 21,236,061	\$ -	\$ -	\$ 21,236,061	\$ -
Marina Operations	-	1,278,512	-	1,278,512	-
Golf Course Operations	-	-	1,312,102	1,312,102	-
Self Insurance and Claims	-	-	-	-	3,687,565
Depreciation	2,090,040	319,942	133,967	2,543,949	353,893
Total Operating Expenses	\$ 23,326,101	\$ 1,598,454	\$ 1,446,069	\$ 26,370,624	\$ 4,041,458
Operating Income (Loss)	\$ (10,640,769)	\$ (326,171)	\$ (120,639)	\$ (11,087,579)	\$ 676,762
NONOPERATING REVENUES (EXPENSES)					
Property Taxes	\$ 1,310,272	\$ -	\$ -	\$ 1,310,272	\$ -
Sales Taxes	8,496,633	-	-	8,496,633	-
Intergovernmental	76,200	-	-	76,200	-
Unrestricted Grants and Contributions	611,889	-	-	611,889	-
Interest Expense	(442,629)	-	-	(442,629)	(376)
Debt Issuance and Other Debt Related Costs	(398)	-	-	(398)	-
Gain (Loss) on Disposition of Assets	(25,464)	-	-	(25,464)	61
Amortization of Bond Premium/Loss on Refunding	94,417	-	-	94,417	-
Miscellaneous Revenues	333,686	-	12,968	346,654	-
Total Non-operating Revenues (Expenses)	\$ 10,454,606	\$ -	\$ 12,968	\$ 10,467,574	\$ (315)
Income (Loss) Before Transfers	\$ (186,163)	\$ (326,171)	\$ (107,671)	\$ (620,005)	\$ 676,447
Transfers and Capital Contributions					
Capital Contributions	\$ 292,220	\$ -	\$ -	\$ 292,220	\$ -
Transfers Out	(285)	-	-	(285)	-
Change in Net Position	\$ 105,772	\$ (326,171)	\$ (107,671)	\$ (328,070)	\$ 676,447
Net Position - Beginning of Year	\$ 26,918,866	\$ 5,185,642	\$ 2,573,913		\$ 2,175,748
Net Position - End of Year	\$ 27,024,638	\$ 4,859,471	\$ 2,466,242		\$ 2,852,195
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:				\$ 274,367	
Change in net position of business-type activities				\$ (53,703)	

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, 2017

	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	\$ 13,383,024	\$ 1,262,295	\$ 1,327,683	\$ 15,973,002	\$ 5,514,481
Cash Payments for Goods and Services	(8,062,672)	(651,441)	(581,791)	(9,295,904)	(3,862,888)
Cash Payments to Employees for Services	(13,587,767)	(615,862)	(730,909)	(14,934,538)	-
Net Cash Provided (Used) by Operating Activities	\$ (8,267,415)	\$ (5,008)	\$ 14,983	\$ (8,257,440)	\$ 1,651,593
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating Grants Received	\$ 76,200	-	-	\$ 76,200	-
Sales Tax Received	8,393,758	-	-	8,393,758	-
Donations Received	611,889	-	-	611,889	-
Transfers to Other Funds	(285)	-	-	(285)	(325,000)
Net Cash Provided by Noncapital Financing Activities	\$ 9,081,562	\$ -	\$ -	\$ 9,081,562	\$ (325,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Property Tax Received	\$ 1,312,602	-	-	\$ 1,312,602	-
Acquisition and Construction - Capital Assets	(366,386)	-	(15,360)	(381,746)	(185,598)
Proceeds on Disposition of Assets	6,500	-	-	6,500	61
Principal Paid on Long Term Debt	(869,301)	-	-	(869,301)	(17,083)
Interest Paid on Long Term Debt	(442,629)	-	-	(442,629)	(376)
Other Debt Costs	(398)	-	-	(398)	-
Net Cash Used for Capital and Related Financing Activities	\$ (359,612)	\$ -	\$ (15,360)	\$ (374,972)	\$ (202,996)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 454,535	\$ (5,008)	\$ (377)	\$ 449,150	\$ 1,123,597
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	\$ 5,788,457	\$ 524,131	\$ 547	\$ 6,313,135	\$ 753,030
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 6,242,992	\$ 519,123	\$ 170	\$ 6,762,285	\$ 1,876,627
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	\$ (10,640,769)	\$ (326,171)	\$ (120,639)	\$ (11,087,579)	\$ 676,762
Miscellaneous Revenues	333,686	-	12,969	346,655	-
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities					
Depreciation	\$ 2,090,040	\$ 319,942	\$ 133,967	\$ 2,543,949	\$ 353,893
Changes in Assets and Liabilities					
(Increase) Decrease in Accounts Receivable	452,079	(9,988)	(4,249)	437,842	796,261
(Increase) Decrease in Due From Other Governments	(88,073)	-	-	(88,073)	-
(Increase) Decrease in Inventory	4,029	(386)	(1,430)	2,213	-
Increase (Decrease) in Accounts Payable & Accrued Expenses	(339,730)	2,611	(14,340)	(351,459)	(175,323)
Increase (Decrease) in Due to Other Funds	-	-	14,000	14,000	-
Increase (Decrease) in Due to Other Governments	8,376	(204)	214	8,386	-
Increase (Decrease) in Compensated Absences	(87,053)	9,188	958	(76,907)	-
Increase (Decrease) in Unearned Revenue	-	-	(6,467)	(6,467)	-
Total Adjustments	\$ 2,039,668	\$ 321,163	\$ 122,653	\$ 2,483,484	\$ 974,831
Net Cash Provided (Used) by Operating Activities	\$ (8,267,415)	\$ (5,008)	\$ 14,983	\$ (8,257,440)	\$ 1,651,593
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES					
CAPITAL ASSETS CONTRIBUTED FROM					
Governmental Activities	\$ 292,220	-	-	\$ 292,220	-
TOTAL NON-CASH CONTRIBUTIONS	\$ 292,220	\$ -	\$ -	\$ 292,220	\$ -

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



METROPOLITAN PARK DISTRICT OF TACOMA

December 31, 2017

NOTES TO THE FINANCIAL STATEMENTS

NOTE

- 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
 - A. THE REPORTING ENTITY
 - B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
 - C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION
 - D. ASSETS, LIABILITIES, FUND BALANCE, NET POSITION
 - E. SPECIAL ITEMS

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

- 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY
 - A. BUDGETARY INFORMATION
 - B. LEGAL AND CONTRACTUAL COMPLIANCE

- 4 DETAILED NOTES ON ALL FUNDS
 - A. CASH AND INVESTMENTS
 - B. RECEIVABLES
 - C. CAPITAL ASSETS
 - D. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS
 - E. LONG-TERM DEBT
 - F. OPERATING LEASES
 - G. RESTRICTED ACCOUNTS
 - H. CONTINGENCIES AND LITIGATION
 - I. TAX ABATEMENTS
 - J. NET INVESTMENT IN CAPITAL ASSETS
 - K. COMPONENT UNITS
 - L. FINANCIAL GUARANTEE
 - M. RELATED PARTY TRANSACTIONS

- 5 OTHER INFORMATION
 - A. RISK MANAGEMENT
 - B. EMPLOYEE RETIREMENT SYSTEM
 - C. DEFERRED COMPENSATION
 - D. REPORTING CHANGES
 - E. SUBSEQUENT EVENTS

METROPOLITAN PARK DISTRICT OF TACOMA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

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 (the primary government for financial reporting purposes) consists of the funds over which Metro Parks exercises financial accountability, and the component units over which Metro Parks is not financially accountable but which are required to be reported due to the nature and significance of their relationships with Metro Parks. Additional information on the component units may be found in Note 4.K.

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 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 *2016 GO Bond Debt Service Fund* accounts for repayment of principal and interest on the \$70.0 million of voter-approved bonds issued in 2016.

The *2016 UTGO Bond Projects Fund* accounts for \$70.0 million of voter-approved bonds issued in 2016.

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 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 *Meadow Park Golf Course Fund* accounts for the Meadow Park Golf Course. These operations include golf rounds, rentals and retail sales.

Of the three enterprise funds, only the *Zoological and Environmental Education Fund* qualifies as a major fund quantitatively; however Metro Parks has elected to present the other two funds separately and along-side rather than combining them.

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). Metro Parks is a participant in the Washington State Local Government Investment Pool. Investments in the LGIP, a qualified external investment pool, are reported at the amortized cost which approximates fair value. The LGIP is an unrated external investment pool. The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by the GASBS 79 for external investments pools that elect to measure, for financial reporting purposes, investments at amortized cost. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

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, 2017 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 acquisition 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 \$25,932,896 at December 31, 2017. These projects are financed by general obligation bonds issued for the purpose of constructing and upgrading facilities including a new aquarium and major upgrades to waterfront parks.

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, 2017			
	Current Portion		Long-term Portion
Vacation	\$	1,486,079	\$ 456,477
Sick Leave		586,077	425,874
Compensatory Time		49,323	-
Total	\$	2,121,479	\$ 882,351
Governmental Funds	\$	1,281,249	\$ 495,983
Proprietary Funds		840,230	386,368
Total	\$	2,121,479	\$ 882,351

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. The general fund is used to liquidate governmental fund pension obligations.

E. SPECIAL ITEMS

Special items are transactions or events that are within the control of Metro Parks' management and that are either unusual in nature or infrequent in occurrence. In 2017, Metro Parks contributed a partially-completed construction project and cash sufficient to complete construction to the Eastside Community Center QALICB, a Washington State not-for-profit corporation. \$23.9 million is reported in the *2016 UTGO Bond Projects Fund* on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds. This amount reflects 2017 construction expenditures incurred by Metro Parks prior to transfer of the project, plus cash contributions provided upon closing of the agreement. \$25.4 million is reported on the Entity-Wide Statement of Net Activities. This amount includes the \$23.9 million described above, plus an additional \$1.5 million which represents the beginning construction-in-progress balance carried forward from 2016, related to the Eastside Community Center capital project.

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 \$2.1 million reported, \$1.4 million represents amortization of bond premiums and deferred charges on refunding, \$633 thousand represents an increase in liability for pension obligations, and \$38 thousand represents an increase in liability for compensated absences, none of which are 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. Similarly, life-to-date project budgets are used 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 not amended during 2017.

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. Related party transactions significantly impacting Metro Parks' financial statements are described in note 4.K.

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 \$28,971,861. 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, 2017, the Pierce County Treasurer was holding \$4,360,000 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 \$10,000,000 in certificates of deposit on behalf of Metro Parks. The two separate certificates of deposit have varying maturity dates of less than two-years from issue.

FAIR VALUE. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. GASB 72 establishes a hierarchy of inputs to valuation techniques used to measure fair value. This hierarchy has three levels:

Level 1 - Pricing inputs are observable inputs such as quoted prices, available in active markets, for identical assets on the measurement date.

Level 2 - Pricing inputs are either directly or indirectly observable inputs available in active markets as of the measurement date.

Level 3 - Pricing inputs are unobservable inputs used in cases where financial instruments are considered illiquid, with no significant market activity and little or no pricing information on the date of measurement.

All investment balances as of December 31, 2017 are based on level 1 inputs.

OTHER. Metro Parks has an additional \$80,520 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	2016 GO Debt Service Fund	2016 Bond Projects	2014 Bond Local Fund	Nonmajor Governmental Funds	Zoological & Environmental Education	Nonmajor Proprietary Funds	Total
Accounts	\$ 324,806	\$ -	\$ -	\$ -	\$ -	\$ 346,060	\$ 159,162	\$ 830,028
Taxes	771,354	214,601	-	-	265,691	1,553,152	-	2,804,798
Intergovernmental	87,082	-	970,000	3,544,154	-	223,081	-	4,824,317
Gross Receivables	\$ 1,183,242	\$ 214,601	\$ 970,000	\$ 3,544,154	\$ 265,691	\$ 2,122,293	\$ 159,162	\$ 8,459,143
Less: Allowance for Uncollectible	(150,478)	-	-	-	-	-	(89,515)	(239,993)
Total	\$ 1,032,764	\$ 214,601	\$ 970,000	\$ 3,544,154	\$ 265,691	\$ 2,122,293	\$ 69,647	\$ 8,219,150

C – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

<i>Governmental Activities</i>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 35,742,799	\$ 295,821	\$ -	\$ 36,038,620
Collections	567,169	-	-	567,169
Construction in progress	55,409,731	60,046,674	1,258,391	114,198,015
Total capital assets not being depreciated	\$ 91,719,699	\$ 60,342,495	\$ 1,258,391	\$ 150,803,804
Capital assets being depreciated:				
Buildings	\$ 53,169,499	\$ 98,184	\$ -	\$ 53,267,683
Infrastructure	60,787,457	429,568	-	61,217,025
Machinery, equipment, and vehicles	10,422,004	230,474	-	10,652,478
Total capital assets being depreciated	\$ 124,378,960	\$ 758,226	\$ -	\$ 125,137,186
Less accumulated depreciation for:				
Buildings	\$ (16,019,479)	\$ (1,774,771)	\$ -	\$ (17,794,250)
Infrastructure	(24,408,594)	(3,049,359)	-	(27,457,953)
Machinery, equipment, and vehicles	(6,690,988)	(892,389)	-	(7,583,377)
Total accumulated depreciation	\$ (47,119,061)	\$ (5,716,519)	\$ -	\$ (52,835,580)
Total capital assets being depreciated, net	\$ 77,259,899	\$ (4,958,293)	\$ -	\$ 72,301,606
Governmental activities capital assets, net	\$ 168,979,598	\$ 55,384,202	\$ 1,258,391	\$ 223,105,410

<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	209,284	-	265,674
Construction in progress	1,707,621	124,279	437,977	1,393,923
Total capital assets not being depreciated	\$ 6,206,723	\$ 333,563	\$ 437,977	\$ 6,102,309
Capital assets being depreciated:				
Buildings	\$ 37,475,445	\$ 509,839	\$ 58,262	\$ 37,927,022
Infrastructure	36,541,962	6,521	67,690	36,480,793
Machinery, equipment, and vehicles	9,431,018	261,748	1,766,806	7,925,960
Total capital assets being depreciated	\$ 83,448,425	\$ 778,108	\$ 1,892,758	\$ 82,333,775
Less accumulated depreciation for:				
Buildings	\$ (19,090,401)	\$ (1,029,221)	\$ (29,801)	\$ (20,089,821)
Infrastructure	(15,379,173)	(1,083,256)	(67,960)	(16,394,469)
Machinery, equipment, and vehicles	(7,126,048)	(431,472)	(1,763,304)	(5,794,216)
Total accumulated depreciation	\$ (41,595,622)	\$ (2,543,949)	\$ (1,861,065)	\$ (42,278,506)
Total capital assets being depreciated, net	\$ 41,852,803	\$ (1,765,841)	\$ 31,693	\$ 40,055,269
Business-type activities capital assets, net	\$ 48,059,526	\$ (1,432,278)	\$ 469,670	\$ 46,157,578

Depreciation expense was charged to programs as follows:

<i>Governmental activities:</i>	
General Government	\$ 420,821
Parks and Natural Resources	4,964,330
Recreation and Community Services	246,888
Zoological and Environmental Education	84,480
Total depreciation expense - governmental activities	\$ 5,716,519
<i>Business-type activities:</i>	
Boathouse Marina	\$ 319,942
Meadow Park Golf Course	133,967
Zoological and Environmental Education	2,090,040
Total depreciation expense - business-type activities	\$ 2,543,949

D – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances at December 31, 2017 is as follows:

Interfund receivables/payables:

Receivable Fund	Payable Fund					Total Receivable
	Meadow Park Golf Course	2016 UTGO Bond Projects	2014 Bond Local Projects	Non Major Governmental	Internal Service Funds	
General Fund	\$ 350,000	-	-	1,226,000	-	\$ 1,576,000
Non Major Governmental	-	1,632,000	1,159,000	-	-	2,791,000
Boathouse Marina	-	-	-	-	25,392	25,392
Zoological & Environmental Education	-	-	-	-	412,829	412,829
Meadow Park Golf Course	-	-	-	-	230,320	230,320
Total Payable	\$ 350,000	\$ 1,632,000	\$ 1,159,000	\$ 1,226,000	\$ 668,541	\$ 5,035,541

The General Fund and Non-Major Governmental Funds 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		
	General Fund	Nonmajor Governmental	Total Transfers In
Nonmajor Governmental	-	16,891	16,891
Zoological & Environmental Education	17	268	285
Total Transfers In	\$ 17	\$ 17,159	\$ 17,176

The purpose of the transfers was to pay for debt service costs.

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:

<u>Governmental activities</u>	Interest Rate	Original Amount	Outstanding
2008 Construction Bonds	3.50%-5.25%	19,210,000	1,070,000
2010 Construction Bonds	5.57%-6.35%	25,025,000	25,025,000
2012 Refunding Bonds	0.5%-4.00%	3,698,150	2,841,600
2014 Construction Bonds	2.00%-5.00%	33,400,000	12,790,000
2014 Refunding Bonds	3.00%-5.00%	18,040,000	16,740,000
2015 Refunding Bonds	2.00%-5.00%	8,087,800	6,989,100
2016 Construction Bonds	2.00%-5.00%	76,290,000	66,980,000
Total Governmental activities		\$ 183,750,950	\$ 132,435,700
<u>Business-type activities</u>			
2012 Refunding Bonds	0.5%-4.00%	6,296,850	4,838,400
2015 Refunding Bonds	2.00%-5.00%	6,192,200	5,350,900
Total Business-type activities		\$ 12,489,050	\$ 10,189,300
Total General Obligation Bonds		\$ 196,240,000	\$ 142,625,000

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 a portion of the interest on those bonds.

Year ending December 31	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2018	\$ 12,776,000	\$ 6,211,519	\$ 929,000	\$ 419,109	\$ 20,335,628
2019	4,603,300	5,707,837	986,700	386,991	11,684,828
2020	4,989,650	5,506,321	1,045,350	357,033	11,898,354
2021	5,182,650	5,302,002	1,242,350	313,127	12,040,129
2022	5,480,900	5,066,940	1,344,100	257,339	12,149,279
2023-2027	41,138,200	20,641,916	4,641,800	401,827	66,823,743
2028-2032	43,535,000	9,090,728	-	-	52,625,728
2033-2037	14,730,000	1,640,875	-	-	16,370,875
	\$ 132,435,700	\$ 59,168,138	\$ 10,189,300	\$ 2,135,426	\$ 203,928,564

2. Notes Payable

In 2012, the General Fund borrowed \$198,930 to fund fitness equipment. The loan is payable over six years at 3.49% interest. \$15,198 was outstanding at December 31, 2017. The last principal payment, plus \$133 in interest, will be made in 2018.

3. Refunded Debt

In 2016 Metro Parks issued \$6,290,000 of general obligation refunding bonds for the purpose of generating resources for future debt service payments on \$6,800,000 of refunded debt. The proceeds were placed in an irrevocable trust. The refunding bonds partially refunded the 2008 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 for the next 10 years by \$967,875 and resulted in an economic gain of \$846,521. The escrow account balance at December 31, 2017 was \$7,096,131.

4. Bond Rating

On October 28, 2016, Moody's Investors Service affirmed its Global Scale Rating of "Aa2" on all of Metro Parks' outstanding Unlimited Tax General Obligation Bonds.

On October 31, 2016, 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, 2017 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Governmental Activities</i>					
General Obligation Bonds	\$ 144,841,400	\$ -	\$ 12,405,700	\$ 132,435,700	\$ 12,776,000
Plus premiums deferred	15,482,434	-	1,840,471	13,641,963	1,671,240
Notes Payable	67,870	-	52,672	15,198	15,198
Compensated Absences	1,815,202	1,119,655	1,157,625	1,777,232	1,281,249
Net Pension Liability	12,787,956	-	2,682,694	10,105,262	-
Governmental Activities - Long-term Liabilities	\$ 174,994,862	\$ 1,119,655	\$ 18,139,162	\$ 157,975,355	\$ 15,743,687
<i>Business-type Activities</i>					
General Obligation Bonds	\$ 11,058,600	\$ -	\$ 869,300	\$ 10,189,300	\$ 929,000
Plus premiums deferred	981,826	-	173,517	808,309	160,476
Compensated Absences	1,303,503	741,692	818,597	1,226,598	840,230
Net Pension Liability	9,059,491	-	2,098,505	6,960,986	-
Business-type Activities - Long-term Liabilities	\$ 22,403,420	\$ 741,692	\$ 3,959,919	\$ 19,185,193	\$ 1,929,706

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 \$602 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.

In 2016, Metro Parks and the EPA entered into a cooperative agreement whereby Metro Parks and the EPA agreed to jointly fund the remaining remedial work on the breakwater peninsula. Since then, almost all of the work has been completed. However, the cooperative agreement does 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 associated with the yacht basin.

I – TAX ABATEMENTS

Tax abatements granted by the City of Tacoma related to the multi-family property tax exemption program result in lost or shifted property tax revenue received by Metro Parks. In 2017, Metro Parks lost property tax revenue of \$233,092. Additionally, \$297,190 of property tax levies were shifted from exempt properties to other tax payers.

J – NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets reported on the statement of net position does not cross foot to the total column. This is due to capital assets which were funded by general government debt and subsequently transferred to enterprise funds. The balance as of December 31, 2017 was \$2,668,633. This amount was added back to the net investment in capital assets reported in the governmental activities column and deducted from the same line in the total column. This adjustment is offset by adjustments of the same amount to unrestricted net position.

K – COMPONENT UNITS

Greater Metro Parks Foundation

The Greater Metro Parks Foundation (GMPF) is a Washington non-profit corporation, a public charity organized exclusively for charitable purposes to benefit and support Metro Parks. The foundation provides goods and services above the tax-based funding of Metro Parks. GMPF is located in Tacoma, governed by a Board of Directors, and possesses all of the requisite corporate powers to carry out the purposes for which it was formed. Metro Parks is not financially accountable for GMPF. GMPF is considered a non-major component unit and is presented discretely in accordance with GASB No. 39.

Eastside Community Center QALICB

The Eastside Community Center QALICB (the QALICB) was formed as a Washington nonprofit corporation on April 17, 2017 (date of inception), exclusively for the charitable purposes within Section 509(a)(2) of the Internal Revenue Code of 1986. The specific purpose of the QALICB is to support and benefit the development of the Tacoma Eastside Community Center located at 1801 E. 56th Street Tacoma, Washington by nonprofit tax-exempt organizations. As part of the ongoing purpose of the QALICB, the Corporation received mortgage financing under the New Market Tax Credit program, established by the Community Renewal Tax Relief Act of 2000, to provide partial funding for the facility. The QALICB is considered a non-major component unit and is discretely presented in accordance with GASB No. 39.

Condensed Statement of Net Position
Greater Metro Parks Foundation and Eastside Community Center QALICB
December 31, 2017

	Discretely Presented Component Units		
	Greater Metro Parks Foundation	Eastside Community Center QALICB	Total
ASSETS			
Cash	\$ 604,236	\$ 23,006,651	\$ 23,610,887
Receivables	19,155	-	19,155
Temporarily Restricted Assets:			
Cash Held for Distributions	1,003,628	-	1,003,628
Cash Held for Endowments	2,341,799	-	2,341,799
Cash Reserves	-	1,193,597	1,193,597
Investments	685,336	-	685,336
Long-term receivables	2,098,349	-	2,098,349
Capital Assets (net of accumulated depreciation)	-	13,439,359	13,439,359
Total Assets	\$ 6,752,503	\$ 37,639,607	\$ 44,392,110
LIABILITIES			
Accounts Payable and Accrued Expenses	\$ 138,940	\$ 3,542,848	\$ 3,681,788
Noncurrent Liabilities:			
Due in More Than One Year	-	28,355,000	28,355,000
Total Liabilities	\$ 138,940	\$ 31,897,848	\$ 32,036,788
NET POSITION			
Restricted	6,433,688	-	6,433,688
Unrestricted	179,875	5,741,759	5,921,634
Total Net Position	\$ 6,613,563	\$ 5,741,759	\$ 12,355,322

Condensed Statement of Activities
Greater Metro Parks Foundation and Eastside Community Center QALICB
For the Year Ended December 31, 2017

	Discretely Presented Component Units		
	Greater Metro Parks Foundation	Eastside Community Center QALICB	Total
PROGRAM REVENUES			
Contributions	\$ 2,968,502	\$ 5,786,468	\$ 8,754,970
Total Program Revenues	<u>\$ 2,968,502</u>	<u>\$ 5,786,468</u>	<u>\$ 8,754,970</u>
GENERAL REVENUES			
Investment Interest	\$ 75,193	\$ 568	\$ 75,761
Miscellaneous	2,000	-	2,000
Total General Revenues	<u>\$ 77,193</u>	<u>\$ 568</u>	<u>\$ 77,761</u>
Total Revenues	<u>\$ 3,045,695</u>	<u>\$ 5,787,036</u>	<u>\$ 8,832,731</u>
EXPENSES			
Management and general	\$ 457,561	\$ 45,277	\$ 502,838
Total Expenses	<u>\$ 457,561</u>	<u>\$ 45,277</u>	<u>\$ 502,838</u>
Change in Net Position	<u>\$ 2,588,134</u>	<u>\$ 5,741,759</u>	<u>\$ 8,329,893</u>
Net Position - Beginning of Year	\$ 4,025,429	\$ -	\$ 4,025,429
Net Position - End of Year	<u><u>\$ 6,613,563</u></u>	<u><u>\$ 5,741,759</u></u>	<u><u>\$ 12,355,322</u></u>

L – FINANCIAL GUARANTEE

Pursuant to Metro Parks' Board Resolution #R56-17, Metro Parks is a guarantor on a loan agreement, dated July 27, 2017, between the Eastside Community Center QALICB, a Washington State not-for-profit corporation, as borrower and Northern CDE 1, LLC, an Illinois limited liability company, RBC Community Development Sub 17, LLC, a Delaware limited liability company, and LIIF Sub-CDE XLIII, LLC, a Delaware limited liability company, as lenders, in the amount of \$28,355,000. Interest only payments are due on December 1, beginning in 2017 and ending in 2024 at a rate of 1%. Beginning December 1, 2025, principal and interest payments commence and continue to the maturity date of December 1, 2051. All loan principal is outstanding as of December 31, 2017. It is not likely that Metro Parks will be called upon to make any payments as the debt is secured by real property.

M – RELATED PARTY TRANSACTIONS

Metro Parks receives contributions from three 501(c)3 non-profit entities, The Zoo Society, Fort Nisqually Foundation, and Seymour Conservatory Foundation, for the purpose of preserving the PDZA, Fort Nisqually, and Seymour Conservatory, respectively. Metro Parks is under no obligation to subsidize, nor does it exercise any other prerequisite for inclusion as component units. Contributions were received for 2017 of \$101,884.

Construction of the Eastside Community Center is partially funded by new market tax credits (NMTC) and is jointly supported by Metro Parks and the two component units, Greater Metro Parks Foundation (GMPF) and Eastside Community Center QALICB (ESCC QALICB). Metro Parks contributed \$21.7 million to GMPF, of which \$19.2 million was disbursed for the NMTC leverage loan and \$2.5 million to the ESCC QALICB.

The NMTC is a federal program designed to stimulate investments in qualified low-income communities in exchange for 39% tax credits collected over a 7-year tax credit period. A put/call option is used for the investor to exit the structure after the tax-credit period.

Metro Parks holds the call option to purchase investor's interest in TNT-Eastside NMTC Fund, LLC, at a minimal fee of \$1,000, and therefore it is expected to be exercised. GMPF receives interest payments every December and returns those payments to Metro Parks. Interest of \$73,113 was received in 2018.

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 161 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, with 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 in the self-insured layer, and \$21 million in limits above the self-insured layer is provided by re-insurance. Total limits are \$25 million per occurrence subject to aggregates and sublimits. 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 is self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that to \$300 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

In-house services include risk management consultation, loss control field services, and claims and litigation administration. WCIA contracts for certain claims investigations, consultants for personnel and land use issues, insurance brokerage, actuarial, 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, reinsurance, and other 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	\$ 25,000,000
Flood Pool	\$ 100,000,000	Crime & Fidelity	\$ 2,500,000
Earthquake Pool	\$ 150,000,000	Public Officials and Employment Practice Liability	\$ 25,000,000
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 2017:

Aggregate Pension Amounts - All Plans	
Pension liabilities	\$ (17,066,249)
Pension assets	\$ -
Deferred outflows of resources	\$ 2,721,010
Deferred inflows of resources	\$ (2,752,754)
Pension expense/expenditures	\$ 1,658,228

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 members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.

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 2017 were as follows:

PERS Plan 1		
Actual Contribution Rates	Employer	Employee*
January - June 2017:		
PERS Plan 1	6.23%	6.00%
PERS Plan 1 UAAL	4.77%	
Administrative Fee	0.18%	
Total	11.18%	6.00%
July - December 2017:		
PERS Plan 1	7.49%	6.00%
PERS Plan 1 UAAL	5.03%	
Administrative Fee	0.18%	
Total	12.70%	6.00%

The district's actual and required contributions to the plan were \$1,189,665 for the year ended December 31, 2017.

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 2017 were as follows:

PERS Plan 2/3		
Actual Contribution Rates	Employer 2/3	Employee 2*
January – June 2017:		
PERS Plan 2/3	6.23%	6.12%
PERS Plan 1 UAAL	4.77%	
Administrative Fee	0.18%	
Employee PERS Plan 3		varies
Total	11.18%	6.12%
July – December 2017:		
PERS Plan 2/3	7.49%	7.38%
PERS Plan 1 UAAL	5.03%	
Administrative Fee	0,18%	
Employee PERS Plan 3		Varies
Total	12.70%	7.38%

The district's actual and required contributions to the PERS 2/3 plans were \$1,596,865 for the year ended December 31, 2017.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2017 with a valuation date of June 30, 2016. 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* and the *2015 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2016 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2017. Plan liabilities were rolled forward from June 30, 2016, to June 30, 2017, 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.

- For all plans, how terminated and vested member benefits are valued was corrected.
- How the basic minimum COLA in PERS Plan 1 is valued for legal order payees was improved.
- For all plans, the average expected remaining services lives calculation was revised.

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. 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 employers, whose rates include a component for the PERS 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. In selecting this assumption, the Office of the State Actuary (OSA) reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered capital market assumptions and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns over various time horizons.

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, 2017, 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%	4.90%
Real Estate	15%	5.80%
Global Equity	37%	6.30%
Private Equity	23%	9.30%
	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	\$10,957,465	\$8,994,865	\$7,294,833
PERS 2/3	\$21,745,154	\$8,071,384	(\$3,132,242)

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, 2017, Metro Parks reported a total pension liability of \$17,066,249 for its proportionate share of the net pension liabilities as follows:

	Liability
PERS 1	\$8,994,865
PERS 2/3	\$8,071,384

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

	Proportionate Share 6/30/16	Proportionate Share 6/30/17	Change in Proportion
PERS 1	.191484%	.189562%	-.001922%
PERS 2/3	.229673%	.232302%	.002629%

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, 2017, and the actuarial valuation date on which the total pension liability is based was as of June 30, 2016, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2017, Metro Parks recognized pension expense as follows:

	Pension Expense
PERS 1	\$446,471
PERS 2/3	\$1,211,757

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2017, 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		\$335,663
Contributions subsequent to the measurement date	\$624,145	
TOTAL	\$624,145	\$335,663

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$817,822	\$265,454
Net difference between projected and actual investment earnings on pension plan investments		\$2,151,637
Changes of assumptions	\$85,733	
Changes in proportion and differences between contributions and proportionate share of contributions	\$301,940	
Contributions subsequent to the measurement date	\$891,370	
TOTAL	\$2,096,865	\$2,417,091

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, 2018. 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 December 31:	PERS 1
2018	(226,887)
2019	71,632
2020	(16,632)
2021	(163,776)
TOTAL	(\$335,663)

Year ended December 31:	PERS 2/3
2018	(743,225)
2019	334,047
2020	(154,960)
2021	(850,035)
2022	88,077
Thereafter	114,500
TOTAL	(\$1,211,596)

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.

D – REPORTING CHANGES

With this report, Metro Parks has implemented GASB Statement No. 80, Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14; GASB Statement No. 81 – Irrevocable Split-Interest Agreements; and GASB Statement No. 82 – Pension Issues – an amendment of GASB Statements No. 67, 68, and 73.

E – SUBSEQUENT EVENTS

On May 16, 2018, Metro Parks issued \$41.2 million of Unlimited Tax General Obligation Bonds with coupon rates ranging from 3 percent to 5 percent and a final maturity of December 1, 2037.

METROPOLITAN PARK DISTRICT OF TACOMA

December 31, 2017

REQUIRED SUPPLEMENTARY INFORMATION

CONTENTS

- 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 (*measurement date*)
Last 10 Fiscal Years*

Public Employees' Retirement System Plan 1	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Employer's proportion of the net pension liability</u>	0.189562%	0.191484%	0.186641%
<u>Employer's proportionate share of the net pension liability</u>	\$ 8,994,865	\$ 10,283,593	\$ 9,763,060
<u>Employer's covered employee payroll</u>	\$ 23,289,308	\$ 22,129,451	\$ 20,502,263
<u>Employer's proportionate share of the net pension liability as a percentage of covered employee payroll</u>	38.62%	46.47%	47.62%
<u>Plan fiduciary net position as a percentage of the total pension liability</u>	61.24%	57.03%	59.10%
Public Employees' Retirement System Plans 2 & 3	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Employer's proportion of the net pension liability</u>	0.232302%	0.229673%	0.221186%
<u>Employer's proportionate share of the net pension liability</u>	\$ 8,071,384	\$ 11,563,854	\$ 7,903,102
<u>Employer's covered employee payroll</u>	\$ 22,802,764	\$ 21,523,022	\$ 19,693,530
<u>Employer's proportionate share of the net pension liability as a percentage of covered employee payroll</u>	35.40%	53.73%	40.13%
<u>Plan fiduciary net position as a percentage of the total pension liability</u>	90.97%	85.82%	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
Last 10 Fiscal Years*

Public Employees' Retirement System Plan 1	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Statutorily or contractually required contributions</u>	\$ 1,189,665	\$ 1,127,614	\$ 979,045
<u>Contributions in relation to the statutorily or contractually required contributions</u>	<u>\$ (1,189,665)</u>	<u>\$ (1,127,614)</u>	<u>\$ (979,045)</u>
<u>Contribution deficiency (excess)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Covered employer payroll</u>	\$ 23,659,352	\$ 22,963,237	\$ 21,354,278
<u>Contributions as a percentage of covered employee payroll</u>	5.03%	4.91%	4.58%

Public Employees' Retirement System Plans 2 & 3	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Statutorily or contractually required contributions</u>	\$ 1,596,865	\$ 1,397,124	\$ 1,164,013
<u>Contributions in relation to the statutorily or contractually required contributions</u>	<u>\$ (1,596,865)</u>	<u>\$ (1,397,124)</u>	<u>\$ (1,164,013)</u>
<u>Contribution deficiency (excess)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Covered employer payroll</u>	\$ 23,224,839	\$ 22,434,917	\$ 20,620,288
<u>Contributions as a percentage of covered employee payroll</u>	6.88%	6.23%	5.64%

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, 2017

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, 2017

	Debt Service Funds	Capital Projects Funds	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
<i>Current Assets:</i>			
Cash & Cash Equivalents	\$ 1,109,067	\$ 954,974	\$ 2,064,041
Receivables (net)	265,691	-	265,691
Due From Other Funds	-	2,791,000	2,791,000
Total Assets	\$ 1,374,758	\$ 3,745,974	\$ 5,120,732
Deferred Outflows of Resources	\$ -	\$ -	\$ -
Total Assets and Deferred Outflows of Resources	\$ 1,374,758	\$ 3,745,974	\$ 5,120,732
LIABILITIES			
<i>Current Liabilities:</i>			
Accounts Payable & Accrued Expenditures	\$ -	\$ 576,740	\$ 576,740
Due to Other Funds	1,226,000	-	1,226,000
Unearned Revenues	-	3,509	3,509
Total Liabilities	\$ 1,226,000	\$ 580,249	\$ 1,806,249
DEFERRED INFLOWS OF RESOURCES			
Unavailable Resources - Property Taxes	\$ 230,262	\$ -	\$ 230,262
Total Deferred Inflows of Resources	\$ 230,262	\$ -	\$ 230,262
FUND BALANCES			
<i>Restricted for:</i>			
Debt Service	\$ 1,140,485	\$ -	\$ 1,140,485
Capital Projects	-	2,665,363	2,665,363
<i>Assigned to:</i>			
Capital Projects	-	500,362	500,362
<i>Unassigned</i>	\$ (1,221,989)	-	(1,221,989)
Total Fund Balances	\$ (81,504)	\$ 3,165,725	\$ 3,084,221
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,374,758	\$ 3,745,974	\$ 5,120,732

METROPOLITAN PARK DISTRICT OF TACOMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2017

	Debt Service Funds	Capital Projects Funds	Total
REVENUES			
Property Taxes	\$ 4,279,393	\$ -	\$ 4,279,393
Charges for Services	-	42,105	42,105
Investment Earnings	20,610	21,765	42,375
Other Miscellaneous Revenues	-	65,435	65,435
Total Revenues	\$ 4,300,003	\$ 129,305	\$ 4,429,308
EXPENDITURES			
<i>Current:</i>			
General Government	\$ -	\$ 1,901	\$ 1,901
<i>Debt Service:</i>			
Principal	3,095,700	-	3,095,700
Interest	2,905,695	-	2,905,695
Other Bond Costs	1,729	-	1,729
<i>Capital Outlay:</i>			
General Government	-	2,526,165	2,526,165
Total Expenditures	\$ 6,003,124	\$ 2,528,066	\$ 8,531,190
Deficiency of Revenues under Expenditures	\$ (1,703,121)	\$ (2,398,761)	\$ (4,101,882)
OTHER FINANCING SOURCES (USES)			
Transfers In	\$ 17,159	\$ -	\$ 17,159
Transfers Out	(16,891)	-	(16,891)
Total Other Financing Sources (Uses)	\$ 268	\$ -	\$ 268
Net Change in Fund Balances	\$ (1,702,853)	\$ (2,398,761)	\$ (4,101,614)
Fund Balances - Beginning	\$ 1,621,349	\$ 5,564,486	\$ 7,185,835
Fund Balances - Ending	\$ (81,504)	\$ 3,165,725	\$ 3,084,221



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

December 31, 2017

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.

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 General Obligation Bond Debt Service Fund

This fund is used to make principal and interest payments on the 2014 Unlimited Tax General Obligation Bonds. These bonds are the first issue from the \$198 million approved by voters in April 2013.

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, 2017

	2005 UTGO	2006 UTGO	2008 UTGO	2010 UTGO	2012	2014 UTGO	2014	2015		Total
	Bonds	Bonds	Bonds	Bonds	Refunding Bonds	Bonds	Refunding Bonds	Refunding Bonds	Retired Bonds	
ASSETS										
<i>Current Assets:</i>										
Cash & Cash Equivalents	\$ -	\$ 87,151	\$ 120,603	\$ 105,442	\$ 95,109	\$ 575,744	\$ 398	\$ 124,620	\$ -	\$ 1,109,067
Receivables (net)	7,781	8,042	33,708	26,924	26,137	108,699	21,413	32,934	53	265,691
Total Assets	\$ 7,781	\$ 95,193	\$ 154,311	\$ 132,366	\$ 121,246	\$ 684,443	\$ 21,811	\$ 157,554	\$ 53	\$ 1,374,758
LIABILITIES										
<i>Current Liabilities:</i>										
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,226,000	\$ -	\$ -	\$ 1,226,000
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,226,000	\$ -	\$ -	\$ 1,226,000
DEFERRED INFLOWS OF RESOURCES										
Unavailable Resources - Property Taxes	\$ 6,913	\$ 7,432	\$ 28,583	\$ 22,459	\$ 21,701	\$ 98,190	\$ 17,800	\$ 27,131	\$ 53	\$ 230,262
Total Deferred Inflows of Resources	\$ 6,913	\$ 7,432	\$ 28,583	\$ 22,459	\$ 21,701	\$ 98,190	\$ 17,800	\$ 27,131	\$ 53	\$ 230,262
FUND BALANCES										
<i>Restricted for:</i>										
Debt Service	\$ 868	\$ 87,761	\$ 125,728	\$ 109,907	\$ 99,545	\$ 586,253	\$ -	\$ 130,423	\$ -	\$ 1,140,485
<i>Unassigned</i>	-	-	-	-	-	-	(1,221,989)	-	-	(1,221,989)
Total Fund Balances	\$ 868	\$ 87,761	\$ 125,728	\$ 109,907	\$ 99,545	\$ 586,253	\$ (1,221,989)	\$ 130,423	\$ -	\$ (81,504)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 7,781	\$ 95,193	\$ 154,311	\$ 132,366	\$ 121,246	\$ 684,443	\$ 21,811	\$ 157,554	\$ 53	\$ 1,374,758

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, 2017

	2005 UTGO	2006 UTGO	2008 UTGO	2010 UTGO	2012	2014 UTGO	2014	2015	
	Bonds	Bonds	Bonds	Bonds	Refunding	Bonds	Refunding	Refunding	Total
REVENUES									
Property Taxes	\$ 15,578	\$ 10,324	\$ 1,062,873	\$ 1,026,999	\$ 396,906	\$ 118,986	\$ 828,790	\$ 818,937	\$ 4,279,393
Investment Earnings	-	633	3,634	4,508	2,615	6,305	631	2,284	20,610
Total Revenues	\$ 15,578	\$ 10,957	\$ 1,066,507	\$ 1,031,507	\$ 399,521	\$ 125,291	\$ 829,421	\$ 821,221	\$ 4,300,003
EXPENDITURES									
<i>Debt Service:</i>									
Principal	\$ -	\$ -	\$ 1,000,000	\$ -	\$ 277,500	\$ -	\$ 1,300,000	\$ 518,200	\$ 3,095,700
Interest	-	-	100,650	1,031,561	106,343	499,175	821,250	346,716	2,905,695
Other Bond Costs	-	-	300	500	158	300	300	171	1,729
Total Expenditures	\$ -	\$ -	\$ 1,100,950	\$ 1,032,061	\$ 384,001	\$ 499,475	\$ 2,121,550	\$ 865,087	\$ 6,003,124
Excess (Deficiency) of Revenues over (under) Expenditures	\$ 15,578	\$ 10,957	\$ (34,443)	\$ (554)	\$ 15,520	\$ (374,184)	\$ (1,292,129)	\$ (43,866)	\$ (1,703,121)
OTHER FINANCING SOURCES									
Transfers In	\$ -	\$ -	\$ -	\$ 268	\$ -	\$ -	\$ -	\$ 16,891	\$ 17,159
Transfers Out	(16,891)	-	-	-	-	-	-	-	(16,891)
Total Other Financing Sources	\$ (16,891)	\$ -	\$ -	\$ 268	\$ -	\$ -	\$ -	\$ 16,891	\$ 268
Net Change in Fund Balances	\$ (1,313)	\$ 10,957	\$ (34,443)	\$ (286)	\$ 15,520	\$ (374,184)	\$ (1,292,129)	\$ (26,975)	\$ (1,702,853)
Fund Balances - Beginning	\$ 2,181	\$ 76,804	\$ 160,171	\$ 110,193	\$ 84,025	\$ 960,437	\$ 70,140	\$ 157,398	\$ 1,621,349
Fund Balances - Ending	\$ 868	\$ 87,761	\$ 125,728	\$ 109,907	\$ 99,545	\$ 586,253	\$ (1,221,989)	\$ 130,423	\$ (81,504)

METROPOLITAN PARK DISTRICT OF TACOMA COMPREHENSIVE ANNUAL FINANCIAL REPORT

December 31, 2017

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.

2014 Bond Projects

This fund is used to account for capital projects funded by the 2014 GO Bond issue.

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, 2017

	1986 Bond Projects	Mitigation Fee Projects	Asarco Projects	Capital Planning & Projects	2010 Bond Projects	Bond Local Projects	2014 Bond Projects	Energy Projects	Total
ASSETS									
<i>Current Assets:</i>									
Cash & Cash Equivalents	\$ 5,810	\$ 218,583	\$ 388,561	\$ 112,634	\$ 7,317	\$ 43,758	\$ 27,573	\$ 150,738	\$ 954,974
Due From Other Funds	-	-	-	-	1,819,000	972,000	-	-	2,791,000
Total Assets	\$ 5,810	\$ 218,583	\$ 388,561	\$ 112,634	\$ 1,826,317	\$ 1,015,758	\$ 27,573	\$ 150,738	\$ 3,745,974
LIABILITIES									
<i>Current Liabilities:</i>									
Accounts Payable & Accrued Expenditures	\$ -	\$ -	\$ 225,226	\$ -	\$ -	\$ 178,691	\$ 22,085	\$ 150,738	\$ 576,740
Unearned Revenues	-	-	-	-	-	3,509	-	-	3,509
Total Liabilities	\$ -	\$ -	\$ 225,226	\$ -	\$ -	\$ 182,200	\$ 22,085	\$ 150,738	\$ 580,249
FUND BALANCES									
<i>Restricted for:</i>									
Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ 1,826,317	\$ 833,558	\$ 5,488	\$ -	\$ 2,665,363
<i>Assigned to:</i>									
Capital Projects	5,810	218,583	163,335	112,634	-	-	-	-	500,362
Total Fund Balances	\$ 5,810	\$ 218,583	\$ 163,335	\$ 112,634	\$ 1,826,317	\$ 833,558	\$ 5,488	\$ -	\$ 3,165,725
Total Liabilities and Fund Balances	\$ 5,810	\$ 218,583	\$ 388,561	\$ 112,634	\$ 1,826,317	\$ 1,015,758	\$ 27,573	\$ 150,738	\$ 3,745,974

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, 2017

	1986 Bond Projects	Mitigation Fee Projects	Asarco Projects	Capital Planning & Projects	2010 Bond Projects	Bond Local Projects	2014 Bond Projects	Energy Projects	Total
REVENUES									
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,105	\$ -	\$ -	\$ 42,105
Investment Earnings	43	256	5,463	-	14,460	-	1,543	-	21,765
Other Miscellaneous Revenues	-	-	-	-	65,435	-	-	-	65,435
Total Revenues	\$ 43	\$ 256	\$ 5,463	\$ -	\$ 79,895	\$ 42,105	\$ 1,543	\$ -	\$ 129,305
EXPENDITURES									
<i>Current:</i>									
General Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,901	\$ -	\$ 1,901
<i>Capital Outlay:</i>									
General Government	-	-	714,876	-	73,940	1,734,156	3,193	-	2,526,165
Total Expenditures	\$ -	\$ -	\$ 714,876	\$ -	\$ 73,940	\$ 1,734,156	\$ 5,094	\$ -	\$ 2,528,066
Excess (Deficiency) of Revenues over (under) Expenditures	\$ 43	\$ 256	\$ (709,413)	\$ -	\$ 5,955	\$ (1,692,051)	\$ (3,551)	\$ -	\$ (2,398,761)
OTHER FINANCING SOURCES (USES)									
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Change in Fund Balances	\$ 43	\$ 256	\$ (709,413)	\$ -	\$ 5,955	\$ (1,692,051)	\$ (3,551)	\$ -	\$ (2,398,761)
Fund Balances - Beginning	\$ 5,767	\$ 218,327	\$ 872,748	\$ 112,634	\$ 1,820,362	\$ 2,525,609	\$ 9,039	\$ -	\$ 5,564,486
Fund Balances - Ending	\$ 5,810	\$ 218,583	\$ 163,335	\$ 112,634	\$ 1,826,317	\$ 833,558	\$ 5,488	\$ -	\$ 3,165,725



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

December 31, 2017

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, 2017

	Equipment Rental	Medical Self Insurance	Property and Liability Claims	Total
ASSETS				
<i>Current Assets:</i>				
Cash & Cash Equivalents	\$ 759,785	\$ 892,550	\$ 224,292	\$ 1,876,627
Total Current Assets	\$ 759,785	\$ 892,550	\$ 224,292	\$ 1,876,627
<i>Noncurrent Assets:</i>				
Capital Assets (net of accumulated depreciation):				
Equipment	1,070,251	-	-	1,070,251
Total Noncurrent Assets	\$ 1,070,251	\$ -	\$ -	\$ 1,070,251
Total Assets	\$ 1,830,036	\$ 892,550	\$ 224,292	\$ 2,946,878
Total Deferred Outflows of Resources	\$ -	\$ -	\$ -	\$ -
LIABILITIES				
<i>Current Liabilities:</i>				
Accounts Payable and Accrued Expenses	\$ -	\$ 94,683	\$ -	\$ 94,683
Total Current Liabilities	\$ -	\$ 94,683	\$ -	\$ 94,683
Total Liabilities	\$ -	\$ 94,683	\$ -	\$ 94,683
Total Deferred Inflows of Resources	\$ -	\$ -	\$ -	\$ -
NET POSITION				
Net Investment in Capital Assets	\$ 1,070,251	\$ -	\$ -	\$ 1,070,251
Unrestricted	759,785	797,867	224,292	1,781,944
Total Net Position	\$ 1,830,036	\$ 797,867	\$ 224,292	\$ 2,852,195

METROPOLITAN PARK DISTRICT OF TACOMA
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2017

	Equipment Rental	Medical Self Insurance	Property and Liability Claims	Total
OPERATING REVENUES				
Other Services	\$ 471,520	\$ 4,182,103	\$ 64,597	\$ 4,718,220
Total Operating Revenues	\$ 471,520	\$ 4,182,103	\$ 64,597	\$ 4,718,220
OPERATING EXPENSES				
Self Insurance and Claims	\$ -	\$ 3,587,005	\$ 100,560	\$ 3,687,565
Depreciation	353,893	-	-	353,893
Total Operating Expenses	\$ 353,893	\$ 3,587,005	\$ 100,560	\$ 4,041,458
Operating Income (Loss)	\$ 117,627	\$ 595,098	\$ (35,963)	\$ 676,762
NONOPERATING REVENUES (EXPENSES)				
Interest Expense	(376)	-	-	(376)
Gain on Disposition of Assets	61	-	-	61
Total Non-operating Revenues (Expenses)	\$ (315)	\$ -	\$ -	\$ (315)
Income (Loss) Before Transfers	\$ 117,312	\$ 595,098	\$ (35,963)	\$ 676,447
Change in Net Position	\$ 117,312	\$ 595,098	\$ (35,963)	\$ 676,447
Net Position - Beginning of Year	\$ 1,712,724	\$ 202,769	\$ 260,255	\$ 2,175,748
Net Position - End of Year	\$ 1,830,036	\$ 797,867	\$ 224,292	\$ 2,852,195

METROPOLITAN PARK DISTRICT OF TACOMA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2017

	Equipment Rental	Medical Self Insurance	Property and Liability Claims	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 471,520	\$ 4,978,364	\$ 64,597	\$ 5,514,481
Cash Payments for Goods and Services	-	(3,761,578)	(101,310)	(3,862,888)
Net Cash Provided (Used) by Operating Activities	\$ 471,520	\$ 1,216,786	\$ (36,713)	\$ 1,651,593
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers Paid to Other Funds	-	(325,000)	-	(325,000)
Net Cash Provided by Noncapital Financing Activities	\$ -	\$ (325,000)	\$ -	\$ (325,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction - Capital Assets	(185,598)	-	-	(185,598)
Proceeds on Disposition of Assets	61	-	-	61
Principal Paid on Long Term Debt	(17,083)	-	-	(17,083)
Interest Paid on Long Term Debt	(376)	-	-	(376)
Net Cash Used for Capital and Related Financing Activities	\$ (202,996)	\$ -	\$ -	\$ (202,996)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 268,524	\$ 891,786	\$ (36,713)	\$ 1,123,597
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	\$ 491,261	\$ 764	\$ 261,005	\$ 753,030
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 759,785	\$ 892,550	\$ 224,292	\$ 1,876,627
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 117,627	\$ 595,098	\$ (35,963)	\$ 676,762
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Depreciation	\$ 353,893	-	-	\$ 353,893
Changes in Assets and Liabilities				
(Increase) Decrease in Accounts Receivable	-	796,261	-	796,261
Increase (Decrease) in Accounts Payable & Accrued Expenses	-	(174,573)	(750)	(175,323)
Total Adjustments	\$ 353,893	\$ 621,688	\$ (750)	\$ 974,831
Net Cash Provided (Used) by Operating Activities	\$ 471,520	\$ 1,216,786	\$ (36,713)	\$ 1,651,593

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

December 31, 2017

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>	80
Revenue Capacity <i>These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.</i>	86
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>	90
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>	93
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>	95

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
Net Investment in Capital										
Assets										
Restricted	\$ 12,177,871	\$ 41,006,846	\$ 55,621,089	\$ 48,591,527	\$ 54,756,113	\$ 58,606,229	\$ 57,081,396	\$ 68,918,955	\$ 85,965,000	\$ 116,568,787
Unrestricted	33,172,940	1,678,858	1,691,368	6,904,405	1,455,537	1,314,781	2,783,994	2,011,964	4,846,743	5,559,827
Total Governmental Activities Net Position	<u>2,755,837</u>	<u>10,115,952</u>	<u>9,726,345</u>	<u>12,007,757</u>	<u>9,844,949</u>	<u>5,750,415</u>	<u>4,677,881</u>	<u>(2,565,389)</u>	<u>(7,339,430)</u>	<u>(32,249,518)</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>	<u>\$ 83,472,313</u>	<u>\$ 89,879,096</u>
Business-type Activities										
Net Investment in Capital										
Assets										
Restricted	\$ 33,939,945	\$ 32,857,531	\$ 33,186,851	\$ 34,029,488	\$ 33,490,018	\$ 34,135,220	\$ 33,444,678	\$ 35,051,379	\$ 36,420,244	\$ 35,482,014
Unrestricted	301,360	277,973	169,578	163,031	100,513	65,144	17,387	2,933	2,932	602
Total Business-type Activities Net Position	<u>518,102</u>	<u>1,119,677</u>	<u>1,907,734</u>	<u>2,029,881</u>	<u>2,826,309</u>	<u>3,011,606</u>	<u>4,341,100</u>	<u>(1,888,316)</u>	<u>(1,350,581)</u>	<u>(463,724)</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>	<u>\$ 35,072,595</u>	<u>\$ 35,018,892</u>
Primary Government										
Net Investment in Capital										
Assets										
Restricted	\$ 46,117,816	\$ 73,864,377	\$ 88,807,940	\$ 82,621,015	\$ 88,246,131	\$ 92,741,449	\$ 90,526,074	\$ 103,970,334	\$ 119,875,816	\$ 149,382,168
Unrestricted	33,474,300	1,956,831	1,860,946	7,067,436	1,556,050	1,379,925	2,801,381	4,437,819	4,849,675	5,560,429
Total Primary Government Net Position	<u>3,273,939</u>	<u>11,235,629</u>	<u>11,634,079</u>	<u>14,037,638</u>	<u>12,671,258</u>	<u>8,762,021</u>	<u>9,018,981</u>	<u>(6,876,627)</u>	<u>(6,180,583)</u>	<u>(30,044,609)</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>	<u>\$ 118,544,908</u>	<u>\$ 124,897,988</u>

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities										
General Government ⁵	\$ 6,096,703	\$ 5,465,224	\$ 7,256,819	\$ 6,316,487	\$ 6,374,576	\$ 5,909,462	\$ 6,106,585	\$ 4,819,252	\$ 6,906,290	\$ 5,941,163
Parks & Natural Resources	10,423,009	10,491,681	11,524,173	11,406,944	12,757,044	12,813,820	14,450,541	15,197,486	16,665,570	16,833,335
Planning & Development ²	-	-	-	-	-	-	-	692,779	482,670	395,852
Recreation & Community Services	7,373,613	6,752,775	6,888,332	7,522,817	8,099,222	8,084,741	7,716,073	7,438,860	7,947,700	7,669,838
Tacoma Nature Center ¹	-	384,752	426,495	535,319	591,908	492,838	617,755	757,572	774,188	-
Interest on long-term debt	1,756,446	2,489,004	2,604,012	3,350,788	3,428,482	3,423,079	3,550,327	3,955,041	3,534,838	4,598,036
Total Governmental Activities Expenses	\$ 25,649,771	\$ 25,583,436	\$ 28,699,831	\$ 29,132,355	\$ 31,251,232	\$ 30,723,940	\$ 32,441,281	\$ 32,860,990	\$ 36,311,048	\$ 35,438,024
Business-type Activities										
Boathouse Marina	\$ 819,585	\$ 1,066,958	\$ 1,071,110	\$ 1,129,261	\$ 1,279,345	\$ 1,345,600	\$ 1,453,072	\$ 1,388,504	\$ 1,325,757	\$ 1,593,923
Meadow Park Golf Course	1,963,322	1,541,938	1,450,918	1,331,358	1,343,499	1,476,311	1,513,389	1,423,154	1,355,172	1,417,152
Zoological Environmental & Education ¹	17,434,126	16,207,602	16,280,635	17,586,149	19,068,716	18,896,523	19,478,827	20,676,544	23,623,650	23,459,256
Center at Norpoint / Boathouse Restaurant ²	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities Expenses	\$ 20,217,033	\$ 18,816,498	\$ 18,802,663	\$ 20,046,768	\$ 21,691,560	\$ 21,718,434	\$ 22,445,288	\$ 23,488,202	\$ 26,304,579	\$ 26,470,331
Total Primary Government Expenses	\$ 45,866,804	\$ 44,399,934	\$ 47,502,494	\$ 49,179,123	\$ 52,942,792	\$ 52,442,374	\$ 54,886,569	\$ 56,349,192	\$ 62,615,627	\$ 61,908,355
Program Revenues										
Governmental Activities										
Charges for Services										
General Government ⁵	\$ 16,843	\$ 521	\$ 319	\$ 223	\$ 225	\$ 52,758	\$ 46,440	\$ 47,236	\$ 288,537	\$ 319,352
Parks & Natural Resources	186,510	136,932	117,923	116,678	110,695	568,417	537,428	1,331,515	1,350,912	2,044,877
Planning & Development ⁵	-	-	-	-	-	-	-	-	-	-
Recreation & Community Services	3,827,642	3,367,858	3,365,488	3,320,462	3,612,860	3,867,493	4,100,045	3,796,217	4,193,837	4,411,852
Tacoma Nature Center ¹	-	111,795	182,542	174,816	194,457	189,727	226,690	230,687	295,098	-
Operating Grants & Contributions										
General Government	89,800	2,961	79,683	21,197	2,254	10,284	479,743	-	249,359	385,263
Parks & Natural Resources	2,756,970	2,773,035	2,737,824	2,586,021	2,578,965	2,477,271	2,590,726	2,435,624	2,483,218	2,658,574
Recreation & Community Services	1,482,253	1,387,431	1,292,014	1,238,731	1,228,846	882,582	894,712	838,962	627,780	599,438
Tacoma Nature Center ¹	-	9,079	10,022	11,621	13,474	14,568	20,054	119,196	8,968	-
Capital Grants & Contributions										
General Government	1,210,250	712,291	3,703,563	2,333,397	1,141,547	2,165,732	1,482,899	6,386,326	10,631,503	21,437,736
Parks & Natural Resources	-	-	-	-	-	-	-	-	-	-
Recreation & Community Services	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Revenues	\$ 9,570,268	\$ 8,501,903	\$ 11,489,378	\$ 9,803,146	\$ 8,883,323	\$ 10,228,832	\$ 10,378,737	\$ 15,185,763	\$ 20,129,212	\$ 31,857,092
Business-type Activities										
Charges for Services										
Boathouse Marina	\$ 797,468	\$ 1,043,676	\$ 854,900	\$ 955,032	\$ 1,010,362	\$ 1,072,932	\$ 1,161,522	\$ 1,020,270	\$ 1,021,382	\$ 1,272,283
Meadow Park Golf Course	1,849,872	1,499,109	1,383,922	1,241,135	1,208,393	1,271,232	1,242,650	1,320,229	1,269,198	1,325,430
Zoological Environmental & Education	7,152,271	7,499,676	8,445,285	8,906,675	9,181,371	10,748,845	10,902,886	12,251,687	13,093,267	12,685,332
Operating Grants & Contributions										
Marina	-	-	-	-	3,354	-	752	17,336	1,069	-
Meadow Park Golf Course	2,403	151,142	2,498	2,272	15,506	681	14	12,871	768	-
Zoological Environmental & Education	2,073,010	2,231,207	1,849,320	2,277,337	1,505,751	1,290,125	1,049,405	1,244,812	942,796	688,089
Center at Norpoint / Boathouse Restaurant ²	-	-	-	-	-	-	-	-	-	-
Capital Grants & Contributions										
Marina	38,536	-	-	-	-	-	-	-	-	-
Meadow Park Golf Course	234,059	-	-	-	-	-	-	-	-	-
Zoological Environmental & Education	1,506,110	-	-	-	-	-	-	-	-	-
Center at Norpoint ²	-	-	-	-	-	-	-	-	-	-
Boathouse Restaurant ²	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities Revenues	\$ 13,653,729	\$ 12,424,810	\$ 12,536,925	\$ 13,382,451	\$ 12,924,737	\$ 14,383,815	\$ 14,357,229	\$ 15,967,205	\$ 16,328,480	\$ 15,971,134
Total Primary Government Revenues	\$ 23,223,997	\$ 20,926,713	\$ 24,026,303	\$ 23,185,597	\$ 21,808,060	\$ 24,612,647	\$ 24,735,966	\$ 31,052,968	\$ 36,457,692	\$ 47,828,226

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (Expense)/Revenue										
Governmental activities	\$ (16,079,503)	\$ (17,081,533)	\$ (17,210,453)	\$ (19,329,209)	\$ (22,367,909)	\$ (20,495,108)	\$ (22,062,544)	\$ (17,675,227)	\$ (16,181,836)	\$ (3,580,932)
Business-type activities	(6,563,304)	(6,391,688)	(6,266,738)	(6,664,317)	(8,766,823)	(7,334,619)	(8,088,059)	(7,620,997)	(9,976,099)	(10,499,197)
Total Primary Government Net Revenue (Expense)	\$ (22,642,807)	\$ (23,473,221)	\$ (23,477,191)	\$ (25,993,526)	\$ (31,134,732)	\$ (27,829,727)	\$ (30,150,603)	\$ (25,296,224)	\$ (26,157,935)	\$ (14,080,129)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes	\$ 14,812,392	\$ 14,217,385	\$ 14,566,914	\$ 19,081,917	\$ 17,788,054	\$ 16,519,167	\$ 16,586,654	\$ 30,695,329	\$ 30,895,396	\$ 32,450,802
Sales Taxes	1,558,911	1,371,173	1,429,447	1,397,468	1,438,473	1,600,661	1,685,434	1,814,625	1,943,227	2,083,806
Other Taxes	187,419	166,460	282,927	260,713	225,144	196,877	227,731	242,534	260,983	250,930
Investment Earnings	791,868	202,626	96,240	112,181	51,675	30,426	18,674	96,743	123,324	471,356
Disposition of Capital Assets	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	62,377	6,069,556	264,908	33,590	12,573	54,066	186,618	356,767	452,388	427,848
Extrordinary Items ⁴	-	-	14,267,173	-	-	-	-	-	-	-
Transfers	709,934	1,510,174	336,347	(886,212)	107,592	464,601	307,726	(1,189,553)	(2,401,993)	(291,935)
Special Item ⁶	-	-	-	-	-	-	-	-	-	(25,429,024)
Total Governmental Activities Revenues	\$ 16,875,108	\$ 22,231,846	\$ 31,459,327	\$ 21,339,262	\$ 21,072,094	\$ 20,114,325	\$ 20,941,059	\$ 32,016,445	\$ 31,273,325	\$ 9,963,783
Business-type Activities										
Property Taxes	\$ 918,531	\$ 1,769,298	\$ 1,763,684	\$ 1,949,830	\$ 1,973,033	\$ 1,990,877	\$ 1,970,827	\$ 1,827,063	\$ 1,237,229	\$ 1,310,272
Sales Taxes	6,228,277	5,532,475	5,764,588	5,671,593	5,674,677	6,430,979	6,791,253	7,353,136	7,883,860	8,496,633
Investment Earnings	26,587	-	-	3,057	2,212	2,906	1,192	-	-	-
Donated Capital Assets	-	-	-	-	-	70,000	-	69,290	2,509,428	-
Disposition of Capital Assets	(600,382)	3,344	3,384	11,344	1,669	-	-	7,675	18,065	-
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	281,551	346,654
Transfers	(709,934)	(1,510,174)	(336,347)	886,212	(107,592)	(464,601)	(307,726)	1,189,553	(107,435)	291,935
Total Business-type Activities Revenues	\$ 5,916,750	\$ 5,887,456	\$ 7,259,469	\$ 8,563,209	\$ 7,996,263	\$ 8,126,035	\$ 8,679,254	\$ 10,676,125	\$ 11,882,698	\$ 10,445,494
Total Primary Government Revenues	\$ 22,791,858	\$ 28,119,302	\$ 38,718,796	\$ 29,902,471	\$ 29,068,357	\$ 28,240,360	\$ 29,620,313	\$ 42,692,570	\$ 43,156,023	\$ 20,409,277
Change in Net Position										
Governmental activities	\$ 795,605	\$ 5,150,313	\$ 14,248,874	\$ 2,010,053	\$ (1,295,815)	\$ (380,783)	\$ (1,121,485)	\$ 14,341,218	\$ 15,091,489	\$ 6,382,851
Business-type activities	(646,554)	(504,232)	992,731	1,898,892	(770,560)	791,416	591,195	3,055,128	1,906,599	(53,703)
Total Primary Government	\$ 149,051	\$ 4,646,081	\$ 15,241,605	\$ 3,908,945	\$ (2,066,375)	\$ 410,633	\$ (530,290)	\$ 17,396,346	\$ 16,998,088	\$ 6,329,148

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. Effective 2017 it is reported in Parks & Natural Resources.

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.

⁶ In 2017, Metro parks made a capital contribution to the Eastside Community Center QALICB component unit.

**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
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
2016	30,895,396	1,943,227	260,983	33,099,606
2017	32,450,802	2,083,806	250,930	34,785,538

**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								
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	-	-	45,044	-	184,307	-	5,114,870	5,344,221
2016	-	-	67,981	213,169	0	-	5,552,899	5,834,049
2017	-	-	91,913	244,358	-	-	6,933,332	7,269,603

	All Other Governmental Funds							
	Reserved	Unreserved ²	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
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
2016	-	-	-	76,614,668	-	1,209,476	-	77,824,144
2017	-	-	-	14,310,972	-	500,362	(1,221,989)	13,589,345

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes										
Property taxes	\$ 14,812,392	\$14,217,385	\$14,566,914	\$19,081,917	\$17,788,054	\$16,519,167	\$16,586,654	\$30,577,431	\$30,830,170	\$32,474,205
Sales taxes	1,558,911	1,371,173	1,429,447	1,397,468	1,438,473	1,600,661	1,685,433	1,814,625	1,943,227	2,083,806
Leasehold excise taxes	187,419	166,460	282,927	260,713	225,144	196,877	227,731	242,534	260,983	250,930
Intergovernmental	5,256,002	4,620,782	6,218,484	5,834,196	4,768,702	3,190,420	3,666,150	8,546,382	13,281,571	22,521,343
Charges for services	4,045,143	3,512,257	3,666,416	3,612,331	3,918,237	4,678,394	4,910,603	5,405,655	6,128,384	6,776,081
Investment earnings	791,868	202,626	96,240	112,181	51,675	30,426	18,674	96,743	123,324	470,725
Contributions	283,271	264,015	1,604,623	356,772	196,383	2,360,017	1,801,985	1,233,726	719,257	2,559,668
Insurance premiums & recoveries	33,881	172,153	251,937	1,339,605	1,409,459	1,248,538	1,928,221	-	-	-
Other miscellaneous revenue	24,297	5,892,340	12,704	33,590	12,573	32,621	186,618	356,767	452,388	428,479
Total Revenues	\$ 26,993,184	\$30,419,191	\$28,129,692	\$32,028,773	\$29,808,700	\$29,857,121	\$31,012,069	\$48,273,863	\$53,739,304	\$67,565,237
Expenditures										
General Government ¹	\$ 6,046,194	\$12,289,131	\$7,114,412	\$6,208,882	\$6,309,461	\$5,790,648	\$6,055,028	\$5,101,759	\$6,756,956	\$6,143,339
Parks & Natural Resources	9,383,624	8,853,422	9,333,454	8,852,411	9,553,539	9,102,985	9,820,172	10,542,609	11,363,847	12,198,093
Planning & Development ¹	-	-	-	-	-	-	-	608,017	479,150	461,315
Recreation & Community Services	7,118,539	6,516,696	6,668,342	7,236,844	7,785,670	7,768,446	7,605,597	7,176,536	7,730,967	7,748,122
Tacoma Nature Center ²	-	344,399	387,203	464,652	500,051	437,910	529,487	691,817	685,426	-
Capital outlays	16,381,700	705,148	9,399,176	21,853,084	18,526,595	9,327,152	4,131,017	16,246,788	41,616,330	61,471,705
Debt service										
Principal	3,097,663	1,833,275	2,018,750	968,750	1,488,448	1,542,956	1,609,015	14,686,484	12,909,736	12,441,290
Interest	1,732,312	2,461,248	2,573,339	3,320,149	3,382,948	3,386,969	3,325,700	3,888,571	3,641,210	6,016,459
Other costs	761	913	905	1,198	2,013	1,775	201,940	656,854	397,343	2,203.00
Total Expenditures	\$ 43,760,793	\$33,004,232	\$37,495,581	\$48,905,970	\$47,548,725	\$37,358,841	\$33,277,956	\$59,599,435	\$85,580,965	\$106,482,526
Excess of Revenues over (under) Expenditures	\$ (16,767,609)	(\$2,585,041)	(\$9,365,889)	(\$16,877,197)	(\$17,740,025)	(\$7,501,720)	(\$2,265,887)	(\$11,325,572)	(\$31,841,661)	(\$38,917,289)
Other Financing Sources (Uses)										
Transfers in	\$ 1,491,766	\$979,356	\$1,251,135	\$859,620	\$1,516,670	\$940,864	\$662,589	\$4,589,437	\$463,234	\$17,176
Transfers out	(781,833)	(205,830)	(919,576)	(10,050)	(686,168)	(476,263)	(354,863)	(5,778,990)	(355,799)	(16,891)
Debt proceeds and capital leases	19,612,477	-	25,310,931	5,149,152	575,576	-	35,204,914	4,173	79,327,485	-
Disposition of capital assets	-	33,421	-	-	3,750	-	-	-	185,958	-
Total Other Financing Sources (Uses)	\$ 20,322,410	\$806,947	\$25,642,490	\$5,998,722	\$1,409,828	\$464,601	\$35,512,640	(\$1,185,380)	\$79,620,878	\$285
Special Item										(\$23,906,273)
Net Change in Fund Balances	\$ 3,554,801	(\$1,778,094)	\$16,276,601	(\$10,878,475)	(\$16,330,197)	(\$7,037,119)	\$33,246,763	(\$12,510,952)	\$47,779,217	(\$62,823,277)
Debt Service as a Percentage of Noncapital Expenditures	17.6%	13.3%	16.3%	15.9%	16.8%	17.6%	16.9%	42.8%	37.6%	41.0%

¹ Prior to 2015, Planning & Development was reported within General Government.
² Beginning in 2017, Tacoma Nature Center is reported as part of Parks & Natural Resources

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
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%
2016	18,142,310,836	1,265,054,385	19,407,365,221	0.892	21,757,135,898	89.20%
2017	19,989,056,649	1,218,549,309	21,207,605,958	0.915	23,177,711,430	91.50%

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Metropolitan Park District of Tacoma										
Operating Millage ²	0.4601	0.4565	0.4870	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7073
Debt Service Millage	0.2709	0.2637	0.2797	0.6672	0.3574	1.1530	0.3874	1.0400	0.9301	0.9017
Total Metro Parks' Millage	0.7310	0.7203	0.7666	1.4172	1.1074	1.9030	1.1374	1.7900	1.6801	1.6090
Pierce County										
Operating Millage	1.0447	1.0424	1.1181	1.2415	1.3721	1.5263	1.5046	1.4278	1.3785	1.2848
Conservation Futures Millage	0.0391	0.0390	0.0418	0.0465	0.3051	0.0571	0.0563	0.0534	0.0516	0.0481
Total County Millage	1.0838	1.0815	1.1599	1.2880	1.6772	1.5834	1.5609	1.4812	1.4301	1.3329
Port of Tacoma										
Operating Millage	0.1851	0.1829	0.1840	0.1819	0.1814	0.1833	0.1833	0.1837	0.1827	0.1841
Total Port Millage	0.1851	0.1829	0.1840	0.1819	0.1814	0.1833	0.1833	0.1837	0.1827	0.1841
City of Tacoma										
Operating Millage	2.2350	2.2164	2.3646	2.6293	2.9667	3.2622	3.2310	3.0531	3.1485	2.9598
Debt Service Millage	0.1408	0.1353	0.1372	0.1152	0.1491	0.1761	0.1698	0.1578	0.1478	0.1318
EMS Millage	0.4639	0.4689	0.4884	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
Total City of Tacoma Millage	2.3758	2.8207	2.9902	3.2445	3.6158	3.9383	3.9008	3.7109	3.7963	3.5916
Tacoma School District #10 ³										
Operating Millage	3.0702	3.1474	3.4364	4.0771	4.4873	4.8848	4.7531	4.6087	4.3155	3.9637
Capital Project Fund Millage	-	-	-	0.7924	0.9621	1.2262	0.9201	0.5383	0.5032	0.4611
Debt Service Millage	1.6964	1.6545	1.2178	1.5107	1.5914	1.8153	2.0882	2.5448	2.5950	2.5248
Total Tacoma School District #10 Millage	4.7666	4.8019	4.6542	6.3801	7.0408	7.9263	7.7614	7.6918	7.4137	6.9496
Other Districts (applicable to property outside of the City of Tacoma's limits) ⁴										
County Road Millage	1.4005	1.4107	1.5369	1.7213	1.8820	1.5263	2.1072	1.9887	1.9102	1.7759
Rural Library	0.4423	0.4437	0.4707	0.5000	0.5000	0.0571	0.5000	0.5000	0.5000	0.4671
Fire Protection District - Operating Millage	0.5232	0.5181	0.5580	0.6257	0.7155	0.8294	0.7905	0.7456	0.7111	1.0000
Fire Protection District - Debt Serv. Millage	0.1035	0.1010	0.1287	-	-	-	-	-	-	-
EMS	0.2870	0.2842	0.3061	0.3432	0.3925	0.5000	0.4338	0.4088	0.3901	0.3513
Total Other Districts	2.7565	2.7577	3.0004	3.1902	3.4900	2.9128	3.8315	3.6431	3.5114	3.5943
Total Direct and Overlapping Rates Inside the City of Tacoma	9.1423	9.6072	9.7550	12.5117	13.6226	15.5343	14.5439	14.8576	14.5029	13.6672
Total Direct and Overlapping Rates Outside the City of Tacoma	9.5230	9.5442	9.7652	12.4574	13.4968	14.5088	14.4746	14.7898	14.2180	13.6699

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

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, 2017			Year Ending December 31, 2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Tacoma Mall Partnership	\$ 265,238,149	1	1.25%	\$ 189,173,477	1	0.89%
US Oil & Refining Co.	233,477,900	2	1.10%	98,725,394	2	0.46%
Rocktenn CP LLC(formerly Simpson Kraft)	182,706,811	3	0.86%	54,276,300	7	0.26%
Puget Sound Energy/Gas	94,287,551	4	0.44%	67,360,781	4	0.32%
Targa Sound Terminal	88,914,100	5	0.42%			
CSC of Tacoma LLC	70,106,100	6	0.33%	53,897,100	8	0.25%
Westridges Apartments Prop. Owner LLC	65,248,400	7	0.31%	66,987,163	5	0.31%
AT&T Mobility LLC	61,927,090	8	0.29%			
Fairways TIC I, II, III, LLC	52,431,800	9	0.25%	71,237,733	3	0.33%
University Street Properties I LLC	51,363,076	10	0.24%			
Simpson Lumber Co, LLC				61,993,300	6	0.29%
NGP Centennial Tacoma LLC				45,635,100	9	0.21%
909 A Street LLC				44,854,700	10	0.21%
Total Top 10 Property Tax Payers	\$ 1,165,700,977		5.50%	\$ 754,141,048		3.55%
Total Metro Parks Assessed Value	\$ 21,207,605,958			\$ 21,270,688,321		

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	
2007 & prior ¹				\$ 584			\$ 523
2008	15,498,139	14,977,946	96.64%	519,994	15,497,941	100.00%	199
2009	15,854,986	15,315,995	96.60%	538,454	15,854,449	100.00%	537
2010	16,175,555	15,627,826	96.61%	545,127	16,172,953	99.98%	2,602
2011	21,098,483	20,438,363	96.87%	656,149	21,094,512	99.98%	3,971
2012	19,875,075	19,301,236	97.11%	570,678	19,871,915	99.98%	3,160
2013	18,730,891	18,250,664	97.44%	475,980	18,726,644	99.98%	4,247
2014	19,214,197	18,792,329	97.80%	415,139	19,207,468	99.96%	6,730
2015	32,595,591	32,068,943	98.38%	434,821	32,503,764	99.72%	91,827
2016	32,467,594	31,907,525	98.27%	349,392	32,256,917	99.35%	210,677
2017	33,939,939	33,392,031	98.39%		33,392,031	98.39%	547,908
Total Uncollected At Year End 2017							<u>\$ 872,561</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 Obligation Bonds	Notes Payable	General Obligation Bonds	Notes Payable			
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	1.24%	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	1.18%	531
2016	160,323,834	67,870	12,040,426	-	172,432,130	1.79%	837
2017	146,077,663	15,198	10,997,609	-	157,090,470	²	755

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 Estimated Actual Taxable Value of Property	Per Capita
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	106,170,419	0.523%	525
2016	172,364,260	1,624,802	170,739,458	0.785%	828
2017	157,075,272	755,122	156,320,150	0.674%	751

Metropolitan Park District of Tacoma
Direct and Overlapping Governmental Activities Debt
As of December 31, 2017

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	142,625,000				\$ 142,625,000
City of Tacoma ¹		198,637,000	100.00%	198,637,000	198,637,000
Tacoma School District #10 ²		523,175,000 *	94.58%	494,805,583	494,805,583
Pierce County ²		124,025,000 *	23.44%	29,066,423	29,066,423
Port of Tacoma ³		153,989,000	23.44%	36,088,767	36,088,767
Fife School District #417 ²		11,702,768 *	12.37%	1,447,069	1,447,069
University Place School District #83 ²		55,428,381 *	3.13%	1,733,194	1,733,194
Clover Park School District #400 ²		130,485,000 *	2.04%	2,655,930	2,655,930
Franklin Pierce School District #402 ²		140,435,000 *	0.63%	890,361	890,361
Totals	142,625,000	1,337,877,149		765,324,326	\$ 907,949,326

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Maximum Debt Limit ¹	\$ 531,767	\$ 552,814	\$ 529,407	\$ 486,202	\$ 450,403	\$ 408,329	\$ 423,384	\$ 456,352	\$ 485,184	\$ 530,190
Total Net Debt Applicable to Limit	(73,245)	(70,620)	(93,311)	(96,071)	(94,125)	(91,464)	(125,141)	(106,479)	(169,710)	(156,335)
Maximum Legal Debt Margin	\$ 458,522	\$ 482,194	\$ 436,096	\$ 390,131	\$ 356,278	\$ 316,865	\$ 298,243	\$ 349,873	\$ 315,474	\$ 373,855
Legal Debt Margin Calculation										
Total Assessed Value	\$21,270,688	\$22,112,550	\$21,176,281	\$19,448,091	\$18,016,100	\$16,333,170	\$16,935,340	\$18,254,065	\$19,407,365	\$21,207,606
Debt Limit Without a Vote of the People ²	53,177	55,281	52,941	48,620	45,040	40,833	42,338	45,635	48,518	53,019
Debt Limit With a Vote of the People ³	531,767	552,814	529,407	486,202	450,403	408,329	423,384	456,352	485,184	530,190
Outstanding Indebtedness:										
Without Voter Approval	\$ (797)	\$ (748)	\$ (1,400)	\$ (6,296)	\$ (6,289)	\$ (6,340)	\$ (4,824)	\$ (308)	\$ (68)	\$ (15)
Approved by Voters	(73,890)	(71,020)	(92,866)	(90,595)	(88,515)	(86,000)	(121,319)	(107,078)	(171,267)	(157,075)
Combined	\$ (74,687)	\$ (71,768)	\$ (94,266)	\$ (96,891)	\$ (94,804)	\$ (92,340)	\$ (126,143)	\$ (107,387)	\$ (171,335)	\$ (157,090)
Plus Bond Fund Balance Attributable to Debt Without Voter Approval										
Voter Approved Debt	1,442	1,148	955	820	679	876	1,002	908	1,625	755
Combined	\$ 1,442	\$ 1,148	\$ 955	\$ 820	\$ 679	\$ 876	\$ 1,002	\$ 908	\$ 1,625	\$ 755
Legal Debt Margin										
Without a Vote	\$ 52,380	\$ 54,533	\$ 51,541	\$ 42,324	\$ 38,751	\$ 34,493	\$ 37,515	\$ 45,327	\$ 48,451	\$ 53,004
With a Vote	458,522	482,194	436,096	390,131	356,278	316,865	298,243	349,873	315,474	373,855
Combined	\$ 458,522	\$ 482,194	\$ 436,096	\$ 390,131	\$ 356,278	\$ 316,865	\$ 298,243	\$ 349,873	\$ 315,474	\$ 373,855

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
2008	202,700	30,583,283	38,940	35.31	29,500	6.1%
2009	203,400	29,801,301	37,416	35.38	28,872	9.8%
2010	204,200	30,256,545	38,038	35.52	28,757	10.4%
2011	198,900	31,619,327	39,367	36.09	28,978	10.0%
2012	199,600	32,941,576	40,585	36.27	29,054	9.2%
2013	200,400	33,923,202	41,440	36.49	29,314	8.4%
2014	200,900	36,076,766	43,456	36.75	29,474	7.3%
2015	202,300	37,957,559	45,044	37.08	29,313	6.4%
2016	206,100	40,228,355	46,706	37.08	29,091	6.0%
2017	208,100			37.45	29,104	5.8%

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 2015 and is subject to revision. Data in this schedule has been revised to include such revisions through March 2017.

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	2017			2008		
		Employees	Rank	Percentage of Total Area Employment	Employees	Rank	Percentage of Total Area Employment
U. S. Army Fort Lewis	Military				42,231	1	11.27%
U.S. Air Force McChord	Military				10,301	3	2.75%
Madigan Army Medical Center	Military				4,023	7	1.07%
Joint Base Lewis McChord	Military	60,100	1	14.95%	56,555		
Local Public School Districts	Education	14,237	2	3.54%	13,736	2	3.67%
Multicare Health System	Healthcare Services	7,439	3	1.85%	6,204	5	1.66%
Washington State Employees	Government/Public Office	6,838	4	1.70%	7,889	4	2.11%
Franciscan Health System	Healthcare Services	6,528	5	1.62%	4,406	6	1.18%
Washington State Higher Ed.	Colleges	4,211	6	1.05%	2,912	9	0.78%
Pierce County Government	Government/Public Office	3,058	7	0.76%	3,299	8	0.88%
City of Tacoma	Government/Public Office	2,251	8	0.56%			
State Farm Insurance Companies	Insurance Services	2,150	9	0.53%			
Emerald Queen Casino	Gaming	2,082	10	0.52%			
Washington State National Guard	Military				2,476	10	0.66%
Total Percentage of Employees Employed by Major Employers							
				29.14%	26.02%		
Total Pierce County Employment As Of December 31 ²		402,003			374,670		

Notes

¹ Source: Economic Development Board for Tacoma-Pierce County

8130

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.

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

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GOVERNMENTAL FUNDS										
General Government ²	39	34	36	37	31	33	38	28	31	34
Parks & Natural Resources	72	65	59	64	60	61	68	72	75	79
Planning & Development ²	-	-	-	-	-	-	-	17	13	12
Recreation & Community Services	40	31	31	40	37	34	37	33	36	35
Tacoma Nature Center ^{1,3}	-	3	4	4	3	3	3	4	4	-
SUB TOTAL	151	133	130	145	131	131	146	154	159	160
PROPRIETARY FUNDS										
Boathouse Marina	3	2	2	2	3	3	3	3	3	4
Meadow Park Golf Course	7	6	6	5	5	5	5	5	4	4
Zoological & Environmental Education	108	95	94	95	92	98	111	118	127	133
SUB TOTAL	118	103	102	102	100	106	119	126	134	141
TOTAL	269	236	232	247	231	237	265	280	293	301

Notes

- ¹ The Tacoma Nature Center was moved to the General Fund effective January 1, 2009.
- ² Prior to 2015, Planning and Development was reported within General Government.
- ³ From 2009 to 2016, Tacoma Nature Center was reported separately, merged into Parks beginning January 1, 2017.

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

CULTURAL & RECREATIONAL	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Program Attendance										
Active Lifestyle programs ^{1,3} Classes, activities, and events related to sports, aquatics, fitness and wellness, and adventures.	472,555	398,178	417,958	404,442	454,229	450,305	584,438	326,125	312,981	374,932
Cultural, Arts, & Enrichment programs ^{1,3} Classes, activities, and events related to visual and performing arts, and family and personal development.	39,982	341,889	338,880	334,764	307,306	222,917	315,519	40,253	138,222	175,213
Facility Rentals - number of bookings ³	2,032	1,984	2,192	1,898	1,807	2,232	2,410	4,781	5,210	5,857
Fort Nisqually - admissions and events	19,961	23,772	28,763	39,714	45,269	41,014	44,425	43,585	37,343	35,473
Zoological Sites - admission information										
Paid general admissions										
Northwest Trek Wildlife Park	141,393	136,665	138,242	125,768	131,546	128,185	125,929	151,855	163,615	140,447
Point Defiance Zoo & Aquarium	299,257	271,612	302,512	288,786	290,275	315,128	312,847	337,703	315,267	310,644
Paid admissions - Zoolights										
Point Defiance Zoo & Aquarium	41,104	86,877	63,683	128,299	88,225	122,224	93,852	97,997	104,886	93,277
Total admissions - paid and unpaid ²										
Northwest Trek Wildlife Park	194,042	189,712	191,172	175,821	182,487	179,839	179,092	214,696	250,893	212,590
Point Defiance Zoo & Aquarium	619,467	624,595	680,891	695,813	661,748	711,077	690,148	732,208	696,656	692,929
Golf Course - rounds of golf										
Meadow Park (27 hole)	63,353	63,776	55,396	52,608	49,277	50,868	53,031	57,033	54,077	51,765

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
CULTURAL & RECREATIONAL										
Number of Parks: Owned or Operated	73	73	73	73	73	73	73	73	73	73
Parks Acreage: Owned or Maintained	2,596	2,596	2,943	2,943	2,673	2,673	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	6	6	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.

