

**Huron-Clinton Metropolitan Authority  
Brighton, Michigan**

Comprehensive Annual Financial Report  
Year Ended December 31, 2015



SUBMITTED TO THE  
HURON-CLINTON METROPOLITAN AUTHORITY  
BOARD OF COMMISSIONERS

John C. Hertel - Chairman - Governor Appointee  
Timothy J. McCarthy - Vice Chairman - Governor Appointee  
Robert W. Marans - Treasurer - Washtenaw County  
Jaye Quadrozzi - Secretary - Oakland County  
John E. LaBelle - Livingston County  
Bernard Parker - Wayne County  
Anthony V. Marrocco - Macomb County

Prepared by the Huron-Clinton Metropolitan Authority  
Controller's Department

Huron-Clinton Metropolitan Authority  
 Comprehensive Annual Financial Report  
 Year Ended December 31, 2015

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## **INTRODUCTORY SECTION**

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April 25, 2016

To the Board of Commissioners, Director, and Citizens of the Huron-Clinton Metropolitan Authority Park District:

State law requires that all local governmental units, including authorities such as the Huron-Clinton Metropolitan Authority, publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Huron-Clinton Metropolitan Authority for the fiscal year ended December 31, 2015. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. GASB 34 requires that management provide a narrative introduction, overview, and analysis to accompany the Basic Financial Statements in the form of a Management's Discussion & Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

The financial reporting entity of the Huron-Clinton Metropolitan Authority includes all funds of the Huron-Clinton Metropolitan Authority. The Authority is a special district form of government operating independently of all other governmental agencies. It provides a full range of recreational activities in the five-county region surrounding the city of Detroit.

## GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION, AND OUTLOOK

The Huron-Clinton Metropolitan Authority was sanctioned by Public Act 147 of Public Acts 1939. This Act provided for the incorporation of the Huron-Clinton Metropolitan Authority to permit the counties of Livingston, Macomb, Oakland, Washtenaw and Wayne to join in a metropolitan district for planning, promoting and/or acquiring, constructing, owning, developing, maintaining and operating, either within or without their limits, parks, connecting drives and/or limited access highways; to provide for the assessment, levy and collection of property taxes on both real and personal properties located within its boundaries. A referendum was held on November 5, 1940 and the citizens of the five-county district approved the creation of the Huron-Clinton Metropolitan Authority.

Delhi | Dexter-Huron | Hudson Mills | Huron Meadows | Indian Springs | Kensington  
Lake Erie | Lower Huron | Lake St. Clair | Oakwoods | Stony Creek | Willow | Wolcott Mill

---

### Board of Commissioners

John C. Hertel  
Governor Appointee

John E. La Belle  
Livingston County

Bernard Parker  
Wayne County

Robert W. Marans  
Washtenaw County

Anthony V. Marrocco  
Macomb County

Timothy J. McCarthy  
Governor Appointee

Jaye Quadrozzi  
Oakland County

The governing body of the Huron-Clinton Metropolitan Authority is a seven member Board of Commissioners. Two Commissioners serve as representatives at large and are appointed by the Governor of Michigan for four-year terms. The other five commissioners are appointed by their respective county Board of Commissioners and they serve a six-year staggered term. Public meetings of the Board of Commissioners are held on the second Thursday of each month. The Board of Commissioners is responsible for setting policy, adopting the budget, setting fees, approving contracts, land acquisition and expenditures, planning of new parks and facilities, and appointing the Director, Executive Secretary, and Controller.

The Director is responsible for carrying out the policies of the Board of Commissioners, for overseeing the day-to-day operations of the park system, hiring all full time employees, and approving all purchase commitments of the Authority. The Executive Secretary is the official custodian of all Authority records and keeps minutes of all Board of Commissioner meetings. He also certifies all disbursements prior to approval by the Board of Commissioners. The Controller is responsible for maintaining all financial accounting records, collecting all revenues due, investing all funds, issuing payment vouchers for goods, services and payrolls, maintaining property/casualty insurances and serves as the Pension Plan Trustee and Retiree Health Trust Plan Administrator.

The Authority's main endeavor is to provide a variety of quality recreational opportunities through the development of natural resources along the Huron and Clinton Rivers for the benefit of the 4.4 million citizens of the five-county park district located in southeastern Michigan. Since its inception, the Authority has created thirteen Metroparks covering nearly 25,000 acres within the 1,600 square mile watershed area of the Huron and Clinton Rivers. The Authority, named after the two longest rivers within its boundaries, is a dynamic and changing organization striving to provide its services while minimizing disruption to existing land use.

The characteristics of the Metroparks are different from recreation supplied by most other units of government or by the private sector. Generally, Metroparks are fairly large in size and offer a blend of natural resources such as lake, river, woods, or wildlife area with constructed facilities that provide for more intensive recreational pursuits such as swimming, golfing, bicycling, cross-country skiing or other outdoor recreation. These Metroparks are within an hour's drive for most of the residents of the region and are generally considered "day use" parks.

The Metroparks range in size from 53 acres at Delhi Metropark to over 4,400 acres at Stony Creek Metropark. The larger Metroparks are designed to accommodate crowds of 35,000 or more on peak use days. In 2015, the Metropark system provided recreation for 7.1 million park visitors.

The Authority's centralized Administrative Office coordinates the development and operation of all thirteen Metroparks. The following departments are housed at the Administrative Office: (1) Executive; (2) Controller; (3) Fund Development; (4) Engineering; (5) Planning; (6) Natural Resources; (7) Human Resources; (8) Communications/Marketing; (9) Purchasing; (10) Information Systems; and (11) Police.

The day-to-day administration, operation, and maintenance of each Metropark is coordinated through three district park superintendents. These district park superintendents oversee all on-site park activities, operations and maintenance of buildings, roads and grounds.

The Detroit bankruptcy which made national headlines has seemingly also spurred a flood of positive action helping to define Detroit as the come-back kid. Strong auto sales help keep the economy afloat (total units rose from 16.4 to 17.4 million units in 2015). The economic climate of our five-county region continued to improve in 2015. Housing starts increased, unemployment decreased and international trade missions helped to attract investment in the region creating investment of \$131.6 million and over 700 new jobs.

That being said there continues to be a large gap between the economic vitality of our healthier areas and our most depressed areas. The Detroit school system continues to fail. For the fourth time since 2009, the Detroit Public Schools were ranked last among big cities for fourth and eighth graders according to a school evaluation program mandated by Congress, the National Assessment of Educational Progress. That this occurs within the same region that has some of the best offerings for baccalaureate and post baccalaureate degrees in the country is indicative of the problem.

In recreation, the partnership between the City of Detroit and the Michigan Department of Natural Resources has sparked much needed improvements befitting this regional jewel. Also in Detroit, a report by the Loveland Technologies group on the condition of cities parks in December of 2015 stated that the large majority are in good or fair condition showing significant improvements over the last year.

## **MAJOR INITIATIVES**

The Authority's staff, following directions from the Board of Commissioners and the Director, has been involved in a variety of capital projects throughout the year. These projects reflect the Authority's ongoing commitment to providing quality public recreational facilities and services in a well-maintained and safe environment to the citizens of southeast Michigan. The major activities and accomplishments during 2015 included:

1. Reconstruction of the final phase of the main park road at Stony Creek Metropark was completed at a cost of \$720,000. This work is part of an ongoing process of road maintenance that is expected to last 20 years with appropriate interim maintenance consisting of crack sealing, surface treatments and overlays.
2. Kensington Metropark west main park road also saw reconstruction in 2015 at a cost of \$405,000. This work is also anticipated to be part of a 20 year road maintenance cycle as outlined above.
3. Removal and relocation for the dry boat storage lot at Stony Creek Metropark was substantially completed in 2015 at a cost of \$366,000. The 2015 work consisted of removal of fencing, gate, paving and lighting for the existing storage lot which occupied a prime scenic area of shoreline at Stony Creek Lake. Construction of the new lot with appropriate fencing in a more suitable location was completed. Restoration of the former site is expected to be completed in 2016.
4. The gravel parking lot at Wolcott Metropark Farm Center was regraded and paved during 2015 at a cost of \$349,000. This improvement addressed drainage and accessibility concerns.
5. Addition of an iron removal system at Indian Springs Metropark Environmental Discovery Center cost \$178,000. This project addressed ongoing maintenance issue for the heating, cooling and ventilation systems within the EDC as well as rust staining issues at the adjacent spray play area.
6. Also at Indian Springs Metropark the toll plaza benefitted from a roadway realignment and replacement of toll booth and entrance safety barricade at a cost of \$158,000.
7. The Walnut Grove Campground at Lower Huron Metropark required the addition of a sanitary waste dump station for campers to utilize. This project was completed at a cost of \$123,000.



8. Two underground storage tanks were removed and replaced with above ground storage tanks during 2015. At Hudson Mills Metropark maintenance yard the removal revealed a small release. The contractor was able to excavate a relatively small amount of soil and obtain clean boundaries. This project had a total cost of \$173,000 (\$71,000 was spent in 2015). At Stony Creek an underground tank was excavated and removed from the maintenance yard with no release. This project had a cost of \$205,000.
9. At Lake St. Clair Metropark, the seawall between the north and south marina is failing. During 2015 \$69,000 was spent engineering and designing the replacement structure which will include the addition of accessible docks.
10. Also at Lake St. Clair Metropark planning and design work was begun on the west beachfront redevelopment. Expenditures in 2015 totaled \$40,000. The total cost of the project which includes replacement and relocation of the popular children's play area as well as tennis courts is expected to exceed \$1.8 million. Construction is anticipated to occur during 2016.
11. Staff also spent initial time on the initial design phases of several projects that are anticipated to be constructed in 2016:
  - a. Bathhouse Demolition/Comfort Station Construction at Maple Beach at Kensington Metropark
  - b. Boat Launch Restroom replacement and area development at Stony Creek Metropark.

In total, the Authority invested in park facilities to the extent of nearly \$3.2 million, as work was performed on 38 individual projects. These capitalized projects will help ensure that Metropark facility offerings to our public are in good working order and relevant to today's recreational interests. The vast majority of the 2015 capital improvement expenditures continue to relate to the 3-R's (repair, renovate and replace). Due to the age of the Metropark facilities, it is essential that these types of projects continue to be the primary focus.

## **FINANCIAL INFORMATION**

Management of the Authority is responsible for establishing and maintaining internal controls designed to ensure that the assets of the Authority are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

## **FEDERAL FINANCIAL ASSISTANCE**

The Authority did not receive any Federal financial assistance during 2015 that required the independent auditor to issue a Single Audit Report.

## **BUDGET**

The annual budget serves as the foundation for the Huron-Clinton Metropolitan Authority's financial planning and control. The Authority employs a Five-Year Plan for long-range financial planning, which provides general guidance for each year's annual budget. This Five-Year Plan is updated annually. The annual budget process is multi-faceted, involving all units of the Authority. The Authority's Planning, Engineering, and Natural Resources Departments, in conjunction with park operating units, develop capital improvement, equipment, major maintenance, and minor project listings that are reviewed and finalized by mid-September.

All park operating units are required to submit park operation budget requests to the Controller's office near the end of September. The Controller utilizes these requests, along with capital budget requests, as the starting point for developing a proposed General Fund budget. The Controller conducts budget review meetings and presents the proposed budget at a public hearing and then to the Board of Commissioners at the November Board meeting. The appropriated budget is a line item budget prepared by fund, category (i.e., capital improvements, park operations), department/park (i.e., Lake St. Clair, Kensington), sub-department/activity (i.e., golf course, regulatory), and object (i.e., full time wages, utilities). The Director is authorized to make budgetary transfers between line item appropriations. All General Fund budget amendments are approved by the Board of Commissioners on a quarterly basis. The Authority maintains an encumbrance accounting system and a work order (project accounting) system for capital construction type projects to assist in maintaining budgetary control.

### **LONG-TERM FINANCIAL PLANNING**

The Huron-Clinton Metropolitan Authority employs a Five-Year Community Recreation Plan as well as a rolling Five-Year Plan. The current Community Recreation Plan covers recreational development for the period from 2013 through 2017. Long term financial planning for the Metropark system is provided by the rolling Five-Year Plan which is updated and approved by the Board annually. The development of the Five-Year Plan is a planning process that is a joint effort involving the general public, park staff, administrative office staff, planning staff, natural resource staff, engineering staff, interpretive staff, police staff, and the Board of Commissioners. Due to the continued fiscal constraints and the large amount of aging infrastructure within the Metropark system, an emphasis continues to be placed on renovation/redevelopment/restoration type projects rather than new park developments.

The Board of Commissioners and staff have developed the current Five-Year Plan in order to position the Authority to work towards a model of fiscal sustainability. Recognizing the paradigm shift in tax revenue as well as the capital need of aging facilities, roads and other infrastructure, the current five year plan focuses on these issues:

- Continuation of high standards of maintenance and service levels for existing park operations.
- Increased funding for major maintenance projects at an average of \$ 2.32 million annually.
- Maintenance of a functional fleet of equipment plus equipping new facilities.
- Funding the redevelopment of major assets based on established criteria.
- Funding for the continuation of reconstructing/resurfacing of Authority roads, parking lots, and hike/bike trails.
- Maintaining contributions to the Authority's Retiree Health Care Trust Fund and Pension Trust Fund.

The current Five-Year Plan provides general guidance for the development of the Authority's annual budget each year. Adjustments are made to the Five-Year Plan as dictated by ongoing economic conditions.

### **DEBT**

The Authority has not issued any bonded debt. The Authority's Enabling Act restricts debt issues to revenue bonds. Throughout the history of the Metroparks, it has never been felt beneficial to issue revenue bonds as a means of financing recreational facilities.

## OTHER INFORMATION

### Independent Audit

State statute requires an annual audit by an independent certified public accountant. The accounting firm of Abraham and Gaffney was selected by the Board of Commissioners. The audit is conducted in accordance with generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The audit will meet the requirements set forth by State statute and will include tests of the accounting records of the Authority and other procedures necessary for Abraham and Gaffney to express an opinion on the financial statements.

The auditor's report on the financial statements, required supplementary information, and supplemental schedules are included in the FINANCIAL SECTION of this report.

### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Huron-Clinton Metropolitan Authority for its comprehensive annual financial report for the year ended December 31, 2014. This was the twelfth consecutive year that the Authority 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. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

### Acknowledgements

The preparation of this comprehensive annual financial report is a major undertaking and I want to acknowledge the extraordinary efforts of our Finance Department, and especially Chief Accountant Rebecca Baaki and Internal Auditor/Accountant Molly Goike. Their assistance was absolutely essential and appreciated in submitting this report.

The input and guidance from our independent auditors, Abraham and Gaffney, was also appreciated to direct us through the compilation of our comprehensive annual financial report.

Finally, without the support and leadership of the Board of Commissioners this report would not have been possible.

Respectfully submitted,

***Rebecca L. Franchock***

Rebecca L. Franchock, Controller



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Huron-Clinton Metropolitan Authority**  
**Michigan**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

Executive Director/CEO

Huron-Clinton Metropolitan Authority

2015

Principal Officials

**Unit - Title**

**Name of Official**

**Administrative Staff**

Director  
Controller  
Chief Accountant  
Chief of Natural Resources  
Chief of Police  
Director of Development  
Information Technology Manager  
Interpretive Services Manager  
Manager of Engineering  
Manager of Human Resources  
Manager of Planner  
Supervising Field Engineer  
Supervising Design Engineer

George Phifer  
Rebecca L. Franchock  
Rebecca J. Baaki  
Paul J. Muelle  
Mike Reese  
Molly Bell  
Shakib Obeidy  
Jennifer Hollenbeck  
Michael A. Brahm-Henkel  
Randy Rossman  
Nina Kelly  
Thomas R. Asiala  
Laura L. Martin

**EASTERN DISTRICT**

District Park Superintendent  
District Maintenance Supervisor  
District Interpretive Supervisor  
Park Operations Manager - Stony Creek, Wolcott Mill Metroparks  
Park Operations Manager - Lake St. Clair Metropark

Michael G. Lyons  
Mark V. Lietaert  
Julie C. Champion  
Gary G. Hopp  
Joseph Hall

**WESTERN DISTRICT**

District Park Superintendent  
District Maintenance Supervisor  
District Interpretive Supervisor  
Park Operations Manager - Kensington, Indian Springs Metroparks  
Park Operations Manager - Hudson Mills, Dexter-Huron, Delhi and  
Huron Meadows Metroparks

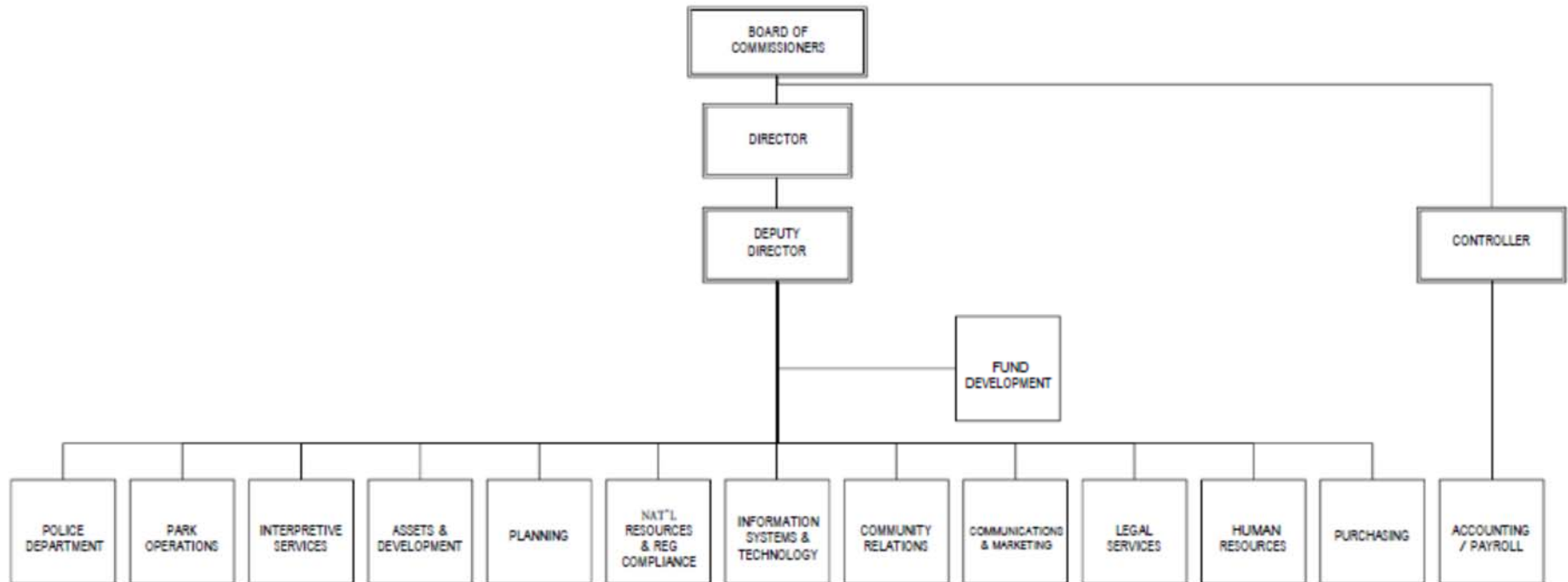
Kimberly A. Jarvis  
David B. Kirbach  
Victoria Sluder  
Eric J. Koppin  
  
Jerome M. Cyr

**SOUTHERN DISTRICT**

District Park Superintendent  
District Maintenance Supervisor  
District Interpretive Supervisor  
Park Operations Manager - Lower Huron, Willow, Oakwoods  
Metroparks  
Park Operations Manager - Lake Erie Metropark

James W. Pershing  
Joseph B. Jolly  
Kevin J. Arnold  
  
Jeffrey W. Schuman  
Jeffrey D. Linn

## HCMA FUNCTIONAL ORGANIZATION CHART



## **FINANCIAL SECTION**

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Principals

Dale J. Abraham, CPA  
Steven R. Kirinovic, CPA  
Aaron M. Stevens, CPA  
Eric J. Glashouwer, CPA  
Alan D. Panter, CPA  
William I. Tucker IV, CPA



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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Huron-Clinton Metropolitan Authority  
Brighton, Michigan

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Huron-Clinton Metropolitan Authority (the Authority), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

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

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Huron-Clinton Metropolitan Authority, as of December 31, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

As discussed in Note N to the financial statements, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, during the year. As a result, the financial statements now recognize the Authority's unfunded defined pension benefit obligation as a liability for the first time and more comprehensively and comparably measures the annual costs of pension benefits. The statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI). Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Huron-Clinton Metropolitan Authority's basic financial statements. The introductory section, combining fiduciary fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

*Abraham & Gaffney, P.C.*

ABRAHAM & GAFFNEY, P.C.  
Certified Public Accountants

April 25, 2016

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Huron-Clinton Metropolitan Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2015

As management of the Huron-Clinton Metropolitan Authority, we offer the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Huron-Clinton Metropolitan Authority for the year ended December 31, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, the financial statements, and the notes to the financial statements.

**Financial Highlights**

The assets of the Authority exceeded its liabilities and deferred inflows at the end of 2015 by \$222,740,352 (net position). Of this amount, \$28,935,288 (unrestricted net position) may be used to meet the Authority's ongoing obligations to provide park and recreation services to the citizens of the five-county Metropark system.

The Authority's total net position increased by \$2,340,344.

- At Kensington Metropark reconstruction of the main park road from the west entrance to the toll plaza area took place at a cost of \$405,000. Reconstruction work consists of crushing the existing asphalt paving material, shaping to meet proposed grades, replacing curbing and widening as necessary.
- Lower Huron Metropark benefited from the addition of an RV sanitary dump station to serve the Walnut Grove Family rustic campground. The addition of this amenity was required by the State of Michigan and cost the Metropark system \$123,000.
- At Stony Creek Metropark the final section of the main park road loop was reconstructed. The total expended in 2015 to complete this project was \$365,000.
- Also at Stony Creek Metropark the service yard underground storage tanks utilized for fuel storage were removed and replaced with above ground storage tanks. This is part of the ongoing initiative to remove all USTs throughout the Metroparks and replace them with ASTs. The cost of the project was \$205,000.
- Another project at Stony Creek Metropark involved the removal and relocation of the dry boat storage facility. This facility which serves boaters wishing to keep their trailered boats within easy access of Stony Creek Lake occupied a prime stretch of waterfront. This project removed existing fencing, lighting, and gravel and relocated the facility to a less visible area nearby. Relocation of this facility will allow for improvement and development of this beautiful shoreline area for park visitors. \$365,000 was spent on this project in 2015.
- Wolcott Metropark Farm Learning Center visitor parking lot was regraded and paved in 2015. This improvement will provide the FLC visitor with a paved surface to park eliminating drainage problems and improving accessibility to the popular location.
- Indian Springs Metropark entrance toll booth plaza was redeveloped providing a much safer and esthetically pleasing arrival point for park visitors. The cost for this improvement totaled \$158,000.
- Also at Indian Springs Metropark an iron removal system was installed at the Environmental Discovery System. This facility uses well water with a high iron content. This had caused maintenance and efficiency issues with multiple mechanical system throughout this facility as well as with the children's spray and play area nearby. The cost for this improvement in 2015 was \$178,000.
- On the revenue side, the Huron-Clinton Metroparks Foundation has begun to provide additional support for the Metroparks programs and facilities. Donations for 2015 exceeded \$300,000.
- 2.9 million Vehicles entered the Metroparks in 2015. An increase of one percent over the three year average.)
- Supplemental Major Maintenance oil and gas revenue decreased in 2015. The developers reduced extraction in response to the suppressed market prices. Less than \$60,000 in oil and gas revenue was generated, a decrease of 75% from the 2014 level of \$240,000.
- Operating revenue overall grew by just over 8 percent in 2015 primarily driven by excellent weather conditions in the third and fourth quarter as well as a sixteen percent increase in the 2016 annual permit rate which went on sale in the third quarter.

The Authority acquired a parcel of land with acreage at Lake St. Clair Metropark.

Huron-Clinton Metropolitan Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS

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The Authority continued to meet the actuarially determined Pension Plan contribution of \$3,474,587 for the Plan year ended December 31, 2015, the Authority contributed \$4,500,000.

The Authority established the Retiree Health Care Plan Trust in October 2005 for the exclusive purpose of prefunding retiree healthcare benefits for eligible retirees and spouses. The Authority exceeded the funding required by the Annual Required Contribution (ARC) by transferring \$1,201,017 from the General Fund to the Retiree Health Care Trust for the Plan year ended December 31, 2015. This created an asset of \$4,333,946.

Authority General Fund revenues at \$48.28 million exceeded the 2015 final budget targets by \$2.1 million (4.54 percent).

Authority General Fund operating expenditures at 45.58 million were under amended 2015 budget amounts by \$9.49 million (17.2 percent).

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances in a manner similar to private-sector business.

The *statement of net position* presents information on all of the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the assets and deferred outflows and the liabilities and deferred inflows reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *statement of activities* presents information showing how the Authority's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result only in cash flows in future years (i.e., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Authority that are principally supported by taxes and program revenues. The sole governmental activity of the Authority consists of providing regional park and recreation services in the five-county metropolitan Detroit area. The Authority is a single purpose governmental agency.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Authority can be divided into two categories: governmental funds and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Huron-Clinton Metropolitan Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS

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Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Authority maintains two 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 balances for the General and Capital Projects funds, each of which are considered to be major funds.

The Authority adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided herein to demonstrate compliance with this budget.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Authority's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Authority uses a fiduciary fund to account for (1) its single employer, defined benefit pension plan, which accumulates resources for pension benefit payments to qualified Authority employees, and (2) its Retiree Health Care Plan and Trust, which accumulates resources for health care benefit payments to qualified Authority retirees. These funds are based on the Plan's September 30 fiscal year ends.

The Defined Benefit Pension Plan is administrated by a third party. An actuarial valuation determines the funding required annually. The Authority adopted GASB Statement No. 68 during the year, which established a beginning net pension liability of \$17,163,112. The net pension liability as of December 31, 2015 was \$17,808,769. The Authority contributed \$4,500,000 for this period.

The Retiree Health Care Plan and Trust was established October 1, 2005 pursuant to Section 115 of the Internal Revenue Code of 1986 and under the authority of the Public Employee Health Care Fund Investment Act, Public Act 149 of 1999. It provides funding for eligible retiree and spousal health care, life and dental benefits. An actuarial valuation is required every two years and the last valuation was done as of December 31, 2014 which determined estimated actuarial accrued liability to be \$30,924,610. At the end of the Plan's ninth fiscal year, the actuarial value of Trust assets totaled \$24,605,958 (79.6 percent) and unfunded actuarial accrued liability totaled \$6,318,652.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This information is limited to schedules concerning the Authority's progress in funding its obligation to provide pension and other postemployment benefits to its employees.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Huron-Clinton Metropolitan Authority, assets exceeded liabilities and deferred inflows by \$222,740,352 at the close of the year.

Huron-Clinton Metropolitan Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS

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By far the largest portion of the Authority's net position (87 percent) reflects its investment in capital assets (i.e., land, buildings, infrastructure, roads, park improvements, vehicles, and equipment). The Authority uses these capital assets to provide park and recreation services to citizens; consequently, these assets are *not* available for future spending.

The Authority does not have any bonded debt.

This table has been restated from last year to reflect the net pension liability that is required to be recorded as a result of a change in accounting principles as described in Note N.

|                                  | Net Position            |                       |
|----------------------------------|-------------------------|-----------------------|
|                                  | Governmental Activities |                       |
|                                  | 2015                    | 2014                  |
| Current and other assets         | \$ 80,230,826           | \$ 75,628,018         |
| Capital assets, net              | <u>193,545,863</u>      | <u>195,936,628</u>    |
| Total assets                     | 273,776,689             | 271,564,646           |
| Deferred outflows of resources   | <u>3,527,915</u>        | <u>-</u>              |
| Long-term liabilities            | 20,760,968              | 20,124,947            |
| Other liabilities                | <u>3,640,111</u>        | <u>2,901,981</u>      |
| Total liabilities                | 24,401,079              | 23,026,928            |
| Deferred inflows of resources    | <u>30,163,173</u>       | <u>28,137,710</u>     |
| Net position                     |                         |                       |
| Net investment in capital assets | 193,545,863             | 195,936,628           |
| Restricted                       | 259,201                 | 185,995               |
| Unrestricted                     | <u>28,935,288</u>       | <u>24,277,385</u>     |
| Total net position               | <u>\$ 222,740,352</u>   | <u>\$ 220,400,008</u> |

A portion of the Authority's net position is restricted. Amounts have been restricted for future maintenance or construction of the Lake St. Clair Marina facility, per grant requirements. In addition, per contract requirements with an outside party, amounts have been restricted related to the Hudson Mills canoe livery. The unrestricted net position may be used to meet the Authority's ongoing obligations for park and recreation facilities and services to citizens and creditors.

At the end of the current year, the Authority is able to report a positive balance in net position. The same situation held true for the prior fiscal year.

The Authority's net position increased by \$2,340,344 during the current year.



Huron-Clinton Metropolitan Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2015

|                                | Change in Net Position<br>Governmental Activities |                    |
|--------------------------------|---|--------------------|
|                                | 2015  | 2014               |
| Program revenues               |   |                    |
| Park charges for services      | \$ 17,893,737                                     | \$ 16,316,176      |
| Operating grants               | 453,429   | 61,745             |
| Capital grants                 | -   | 153,869            |
| General revenues               |   |                    |
| Property taxes                 | 28,406,715  | 28,167,025         |
| Oil and gas royalties          | 57,890  | 239,740            |
| Donations                      | 101,638   | 147,407            |
| Interest                       | 363,548   | 289,002            |
| Gain on sale of capital assets | 192,480   | 43,551             |
| Miscellaneous                  | 987,949   | 97,013             |
| <br>Total revenues             | <br>48,457,386                                    | <br>45,515,528     |
| <br>Expenses                   |   |                    |
| Recreation and culture         | 46,117,042  | 41,891,795         |
| <br>Change in net position     | <br>2,340,344                                     | <br>3,623,733      |
| <br>Restated net position      |   |                    |
| Beginning of year              | 220,400,008                                       | 233,939,387        |
| <br>End of year                | <br>\$ 222,740,352                                | <br>\$ 237,563,120 |

(Note: The 2014 column in the table above is prior to the implementation of GASB Statement No. 68, which was effective for years beginning after June 15, 2014.)

**Governmental Activities**

Governmental activities increased the Authority's net position by \$2,340,344, as total 2015 operating revenues of \$48.46 million exceeded total expenditures of \$46.12 million.

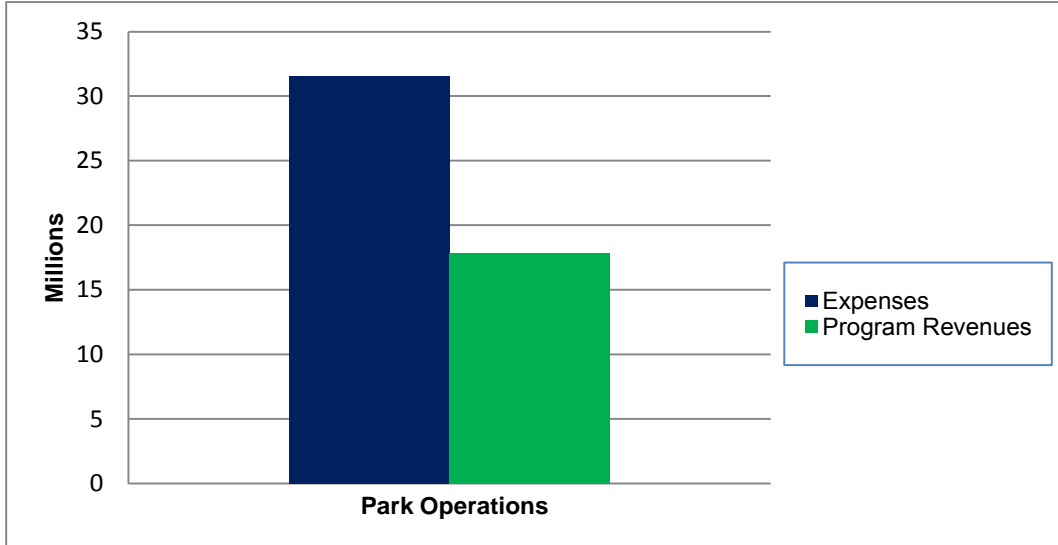
**Change in Net Position**

The change in net position for 2015 is approximately \$1.3 million less than the change in net position for 2014. Park charges for services increased 1.5 million due to fee increases. In addition, efforts by the Huron-Clinton Metroparks Foundation resulted in an increase in operating grant revenues. Lastly, property tax values continued to slowly increase with economic improvements.

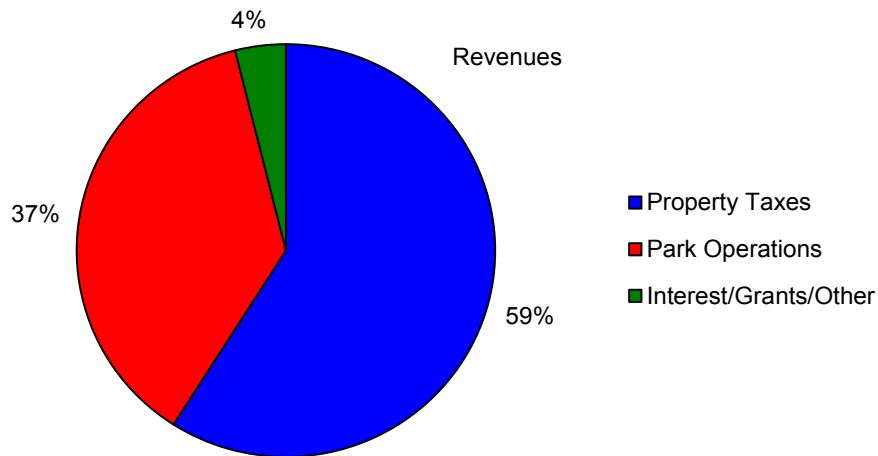
These revenue increases were offset with decreased capital grant funding from the prior year as significant projects at both the Kensington Nature Center and Hudson Mills were completed during 2014. Additionally, as a result of changes to capitalization policies the Authority had significant disposals of capital assets and related losses were recorded.

Huron-Clinton Metropolitan Authority  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 December 31, 2015

**2015 Expenses and Program Revenues - Governmental Activities**



**Revenues by Source - Governmental Activities**



**Financial Analysis of the Government's Funds**

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

Huron-Clinton Metropolitan Authority

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December 31, 2015

As of the end of the current year, the Authority's governmental funds reported a combined ending fund balance of \$44,038,392, an increase of \$2,876,765 compared to 2014. Approximately 42 percent of this total amount (\$18.3 million) constitutes "unassigned" fund balance. Approximately 2 percent of this total amount (\$1.02 million) is considered nonspendable. Approximately 0.6 percent of the total amount (\$0.3 million) is considered restricted. Approximately 23 percent of this total amount (\$10.07 million) is considered assigned. The remainder of fund balance (\$14.3 million) is "committed" to indicate that it is not available for new spending because it has already been committed for: (1) capital improvement projects-\$738 million, (2) a contingency fund for uninsured insurance claims-\$0.5 million, and (3) future land purchases-\$5.4 million.

The general fund is the primary operating fund of the Authority. At the end of the current year, unassigned fund balance of the general fund was \$18,348,559 while total fund balance was \$39,574,836. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to expenditures. The Authority's goal is to maintain the unassigned fund balance at a minimum of 5% of general fund expenditures, and at year end the unassigned fund balance was 40.3% of general fund operating expenditures of \$45.58 million. The Board of Commissioners has approved a systematic buildup of fund balance with the knowledge of our declining tax revenue.

The fund balance of the Authority's general fund increased by \$2,894,651.

The following paragraphs present a summary of general fund revenues, which totaled \$48,477,108 for 2015, an overall increase of \$3,314,209 from 2014. Revenues by source were as follows:

| Revenues                             | 2015<br>Amount       | Percent of<br>Total | 2014<br>Amount       | Amount of<br>Increase<br>(Decrease) | Percent of<br>Increase<br>(Decrease) |
|--------------------------------------|----------------------|---------------------|----------------------|-------------------------------------|--------------------------------------|
| Property taxes                       | \$ 28,503,130        | 58.8%               | \$ 28,125,677        | \$ 377,453                          | 1.3%                                 |
| Park charges for services            | 17,893,737           | 36.9%               | 16,316,176           | 1,577,561                           | 9.7%                                 |
| Interest                             | 344,745              | 0.7%                | 277,461              | 67,284                              | 24.2%                                |
| Grants                               | 217,896              | 0.4%                | 215,614              | 2,282                               | 1.1%                                 |
| Donations                            | 337,171              | 0.7%                | 87,407               | 249,764                             | 285.7%                               |
| Proceeds from sale of capital assets | 192,480              | 0.4%                | 43,551               | 148,929                             | 342.0%                               |
| Miscellaneous                        | 987,949              | 2.0%                | 97,013               | 890,936                             | 918.4%                               |
| <b>Totals</b>                        | <b>\$ 48,477,108</b> | <b>100.0%</b>       | <b>\$ 45,162,899</b> | <b>\$ 3,314,209</b>                 | <b>7.3%</b>                          |

The Authority's millage rate remained .2146 mills in 2015. Taxable values were nearly consistent with the prior year and there was a \$0.4 million (1.3 percent) increase in 2015 property tax collections. This is consistent with the amount collected in 2014. We expect "taxable values" to continue to moderate and begin to gradually rise as the real estate market stabilizes.

The \$17,893,737 of 2015 park operating revenues were above the 2015 budget goal of \$16,869,538 by \$1,024,199 (6.1 percent). The \$17,893,737 generated in 2015 represented a \$1,577,561 (9.7 percent) increase from 2014 revenues. The Authority's two leading sources of revenue are tolling and golf. From 2014 levels, tolling experienced a \$480,532 increase and golf increased \$1,208,168.

Interest income derived from investments in Certificates of Deposits and U.S. Agency issues increased to \$344,745 in 2015. This was a \$67,284 (24.2 percent) increase from 2014 interest income.

The Authority recognized \$217,896 in grant revenue in 2015. This amount increased \$2,282 from 2014 which reflected grant revenue from: (1) \$34,000 for upgrades to the Lake St. Clair HEART laboratory, (2) \$140,000 to acquire lands related to Great Lakes marsh and waterways protection, and (3) \$34,500 to complete a nearly 3 mile paved trail at Hudson Mills Metropark that follows the west bank of the Huron River providing a vital link to the Village of Dexter.

Huron-Clinton Metropolitan Authority

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Miscellaneous revenues increased \$890,936 from 2014. The Authority received a significant refund from their primary health insurance provider as a result of rate increase analysis. These amounts were committed per formal action by the Commission to be used to help offset future rate increases and provide a stable health insurance trend for both employer and employee costs. In addition, certain insurance claims refunds were received during the year.

General fund expenditures were \$45,582,457 for 2015, an increase of \$1,205,207 from 2014's expenditures. A detailed breakdown of expenditures by major category is as follows:

| Expenditures          | 2015<br>Amount       | Percent of<br>Total | 2014<br>Amount       | Amount of<br>Increase<br>(Decrease) | Percent of<br>Increase<br>(Decrease) |
|-----------------------|----------------------|---------------------|----------------------|-------------------------------------|--------------------------------------|
| Capital improvements  | \$ 3,212,855         | 7.0%                | \$ 4,879,504         | \$ (1,666,649)                      | -34.2%                               |
| Equipment             | 1,370,378            | 3.0%                | 1,225,463            | 144,915                             | 11.8%                                |
| Land acquisition      | 177,591              | 0.4%                | 269,846              | (92,255)                            | -34.2%                               |
| Major maintenance     | 1,786,274            | 3.9%                | 1,243,362            | 542,912                             | 43.7%                                |
| Administrative office | 7,516,737            | 16.5%               | 7,640,052            | (123,315)                           | -1.6%                                |
| Park operations       | 31,518,622           | 69.1%               | 29,119,023           | 2,399,599                           | 8.2%                                 |
| Totals                | <u>\$ 45,582,457</u> | <u>100.0%</u>       | <u>\$ 44,377,250</u> | <u>\$ 1,205,207</u>                 | <u>2.7%</u>                          |

Capital improvement outlays cover both the design and construction costs associated with capital improvement projects that exceed the Authority's \$10,000 capitalization limit and develop or add to a capital asset. Engineering, Planning and other staff time that is directly related to the design or construction of these projects is included in the cost of the capital improvement. Throughout 2015, the Authority spent nearly \$3.22 million on capital improvement projects within the Metropark system. This was a 1.66 million dollar decrease compared with the amount spent in 2014. The vast majority of 2015 projects continue to relate to the 3-R's type projects (repair, renovate and replace) in accordance with the Board of Commissioner approved revised Five-Year Plan. These projects enhanced the Authority's recreational facilities offered the public in terms of park roads, hike/bike trails, parking lots, buildings, utilities, landscaping, golf courses, and other improvements. Many of the more significant 2015 capital improvement projects have been previously highlighted under the MAJOR INITIATIVES section of this report.

Equipment having an individual value in excess of \$5,000 is capitalized. During 2015, a total of \$1,370,378 was spent equipping the Metropark system, up from the 2014 amount of \$1,225,463. Auto and truck acquisitions totaled approximately \$523,000. Heavy equipment (mowers, tractors, golf cars, etc.) purchases accounted for approximately \$535,000. \$145,000 of purchases related to office and administrative equipment (printer/copiers, computer and related items, etc.).

The final area of capital expenditures relates to land acquisition in which \$177,591 was spent in 2015. This included the purchase of a parcel of land at Lake St. Clair Metropark which was partially grant funded by the National Oceanic and Atmospheric Administration.

The Authority classifies all non-recurring repair/maintenance-type projects that exceed \$10,000 as Major Maintenance expenses. These projects do not substantially improve or alter an existing facility and, therefore, are not capitalized. During 2015, Metropark facilities were renovated with 55 separate projects at a cost of \$1,786,274.

Huron-Clinton Metropolitan Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2015

Administration Office expenses reflect the cost of running the Authority's centralized Administrative Office, which ran \$7,516,737 in 2015, down 1.6 percent from 2014. This covers the cost of 53 full time equivalent employees, 151 retirement group benefit participants, materials, supplies and outside consultants utilized in managing the entire Metropark system. The decreases in expenditures is due primarily to a change in the fringe benefit allocation relating to retiree health care costs. Amounts were previously recorded entirely to the administrative office but were more appropriately allocated to all applicable departments of the Authority during the 2015 fiscal year.

The direct operating costs associated with operating and maintaining the 13 Metroparks to serve 7.1 million visitors consumed \$31.5 million of Authority funds. Comparing this \$31.5 million of park operating costs to 2014 expenditures of \$29.1 million shows that overall park operating costs increased by \$2.4 million (8.2 percent). Personnel related costs, which comprise 74 percent of park operating expenses, increased from \$21,469,000 to \$23,435,000 - up \$1,966,000 (9.2 percent). As discussed earlier, a change in fringe benefit charges related to retiree health care costs is a primary cause of this increase. The other 26 percent of park operating expenditures relate to material/supply/outside contractual services, which incurred \$8,084,000 of expenses, up \$434,000 (6 percent). Some areas of operations that incurred increases include; utilities, communications, small tools, and equipment as capitalization thresholds were raised, and professional and outside services.

The capital projects fund is utilized by the Authority to record supplemental major maintenance projects that are non-recurring expenditures to repair/replace existing Metropark infrastructure that is deemed critical to park operations. Funds for these projects are provided from oil/gas revenue. During 2015, \$57,890 of royalty payments were received, with generated investment income totaling \$18,803. At the end of the current year, total fund balance committed in the capital projects fund was \$4,463,556.

The fund balance of the Authority's capital projects fund decreased by \$17,886.

The following paragraph presents a summary of capital projects fund revenues, which totaled \$76,693 for 2015, an overall decrease of \$251,281 from 2014. Revenues by source were as follows:

| Revenues              | 2015<br>Amount   | Percent of<br>Total | 2014<br>Amount    | Amount of<br>Increase<br>(Decrease) | Percent of<br>Increase<br>(Decrease) |
|-----------------------|------------------|---------------------|-------------------|-------------------------------------|--------------------------------------|
| Oil and gas royalties | \$ 57,890        | 75.5%               | \$ 239,740        | \$ (181,850)                        | 104.2%                               |
| Interest              | 18,803           | 24.5%               | 11,541            | 7,262                               | -4.2%                                |
| Totals                | <u>\$ 76,693</u> | <u>100.0%</u>       | <u>\$ 251,281</u> | <u>\$ (174,588)</u>                 | <u>100.0%</u>                        |

The revenues from oil and gas royalty payments at Kensington Metropark decreased by \$181,850 from 2014 levels as production was decreased. Interest income derived from investments in money market funds and U.S. Agency issues increased, rising from \$11,541 to \$18,803 in 2015 as interest rates begin to creep up steadily.

Huron-Clinton Metropolitan Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2015

Capital Project fund expenditures were \$94,579 for 2015, a decrease from 2014 expenditures of \$480,036. Breakdown of expenditures by major category is as follows:

| Expenditures         | 2015<br>Amount   | Percent of<br>Total | 2014<br>Amount    | Amount of<br>Increase<br>(Decrease) | Percent of<br>Increase<br>(Decrease) |
|----------------------|------------------|---------------------|-------------------|-------------------------------------|--------------------------------------|
| Major maintenance    | \$ -             | 0.0%                | \$ 192,155        | \$ (192,155)                        | 40.0%                                |
| Capital improvements | 94,579           | 100.0%              | 382,460           | (287,881)                           | 60.0%                                |
| <b>Totals</b>        | <b>\$ 94,579</b> | <b>100.0%</b>       | <b>\$ 574,615</b> | <b>\$ (480,036)</b>                 | <b>100.0%</b>                        |

2015 expenditures relate to a sewer system project at Stony Creek that was significantly completed during 2014.

**General Fund Budgetary Highlights**

Over the course of the year, the Authority's Board of Commissioners amended the budget to account for changes made necessary due to unanticipated events or situations requiring increased expenditures for operations or capital activities

The original General Fund budget anticipated a \$7,545,400 use of fund balance, while the final amended budget increased this to \$8,706,924. The actual change in fund balance for the 2015 fiscal year was an increase of \$2,702,171.

During the year, general fund revenues were over final budgetary estimates in total by \$2,103,049, primarily due to higher than expected park charges for services, increased donation revenues, an unexpected rebate from health insurance provider related to a rate analysis, and interest collected. Park operating revenues exceeded the budgeted target of \$16,869,538 by \$1,024,199.

Park operation and administrative expenditures were less than anticipated by approximately \$913,000. Major maintenance expenditures were significantly less than projected, coming in approximately \$2.2 million under final budget projections. This is due to some projects being delayed or deemed not necessary at this time. Capital expenditures were under budget by approximately \$5,362,601, resulting mainly from capital improvement projects that were in progress or carried over and re-budgeted at year end.

**Capital Assets and Debt Administration**

**Capital assets.** The Authority's investment in capital assets for its governmental-type activities as of December 31, 2015 amounted to \$193,545,863 (net of accumulated depreciation). This investment in capital assets includes land, land improvements (golf courses, etc.), buildings, roads, bridges, sewer/water systems, park facilities, and equipment. The total decrease in the Authority's investment in capital assets (net of depreciation) for the year was a minimal decrease of \$2,390,765 (1.2 percent). During the 2015 fiscal year, the Authority's Board of Commissioners approved changes to the capitalization policy, increasing the capitalization threshold for equipment from a cost of \$1,000 to \$5,000. As a result assets that did not meet this threshold were written off, resulting in a net decrease in capital assets of approximately \$1.1 million.

Major capital asset events during the current year included the following:

|   |                |         |
|---|----------------|---------|
| • Iron Removal System                     | Indian Springs | 178,000 |
| • Sewer Connection                        | Stony Creek    | 94,000  |
| • Underground to Aboveground Storage Tank | Stony Creek    | 205,100 |
| • West Main Park Road Reconstruction      | Kensington     | 405,000 |
| • Main Park Road Reconstruction           | Stony Creek    | 720,600 |
| • Farm Parking Lot Development            | Wolcott        | 348,500 |

Huron-Clinton Metropolitan Authority  
MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2015

|                               | Capital Assets<br>(Net of Depreciation)<br>Governmental Activities |                    |
|-------------------------------|--|--------------------|
|                               | 2015   | 2014               |
| Land                          | \$ 46,942,913  | \$ 46,765,322      |
| Land improvements             | 34,758,542   | 34,422,023         |
| Construction in progress      | 586,649  | 4,144,728          |
| Buildings                     | 35,991,976   | 35,634,231         |
| Equipment                     | 6,445,748  | 7,459,588          |
| Other improvements            | 36,557,403   | 37,816,572         |
| Infrastructure                | 32,262,632   | 29,694,164         |
| <br>Total capital assets, net | <br>\$ 193,545,863   | <br>\$ 195,936,628 |

Additional information on the Authority's capital assets can be found in Note E in the Notes to Financial Statements.

**Long-term debt.** The Authority has recognized \$3,859,344 in accrued compensated absences.

The Authority has no bonded debt or capital leases.

Additional information on the Authority's long-term debt can be found in Note F in the Notes to the Financial Statements.

**Economic Factors and Next Year's Budget and Rates**

The following factors guided the preparation of the Authority's 2016 Budget:

- Property tax revenues were based on a rolled back millage rate of .2146 mills. The 2016 Budget was based on "net" tax levy revenues of \$29 million after factoring out estimated captured tax revenues from tax abatement programs. This represents a 3.1 percent increase from the 2015 original budget.
- Permit and other fee increases as well as grant revenues expected to finance three specific projects.
- Increases in the part time wage scale, several new administrative positions, as well as 2016 updates to the 2015-2019 Five-Year Capital Project Plan.

**Requests for Information**

This financial report is designed to provide a general overview of the Huron-Clinton Metropolitan Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Controller, Huron-Clinton Metropolitan Authority, 13000 High Ridge Drive, Brighton, Michigan, 48114-9058.

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## **BASIC FINANCIAL STATEMENTS**

Huron-Clinton Metropolitan Authority

STATEMENT OF NET POSITION

December 31, 2015

|   | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| <b>ASSETS</b>   |                                    |
| Current assets  |                                    |
| Cash and cash equivalents                             | \$ 11,339,805                      |
| Investments   | 34,609,382                         |
| Receivables, net                                      | 28,929,060                         |
| Inventories   | 208,572                            |
| Prepays   | <u>810,061</u>                     |
| Total current assets                                  | 75,896,880                         |
| Noncurrent assets                                     |                                    |
| Net other postemployment benefits asset               | 4,333,946                          |
| Capital assets not being depreciated                  | 82,288,104                         |
| Capital assets being depreciated, net                 | <u>111,257,759</u>                 |
| Total noncurrent assets                               | <u>197,879,809</u>                 |
| TOTAL ASSETS  | 273,776,689                        |
| DEFERRED OUTFLOWS OF RESOURCES                        |                                    |
| Deferred outflows of resources related to pensions    | 3,527,915                          |
| LIABILITIES   |                                    |
| Current liabilities                                   |                                    |
| Accounts payable and accrued payroll benefits payable | 2,609,394                          |
| Other liabilities                                     | 30,326                             |
| Unearned revenue                                      | 93,246                             |
| Current portion of compensated absences               | <u>907,145</u>                     |
| Total current liabilities                             | 3,640,111                          |
| Noncurrent liabilities                                |                                    |
| Noncurrent portion of compensated absences            | 2,952,199                          |
| Net pension liability                                 | <u>17,808,769</u>                  |
| Total noncurrent liabilities                          | <u>20,760,968</u>                  |
| TOTAL LIABILITIES                                     | 24,401,079                         |
| DEFERRED INFLOWS OF RESOURCES                         |                                    |
| Deferred inflows of resources related to pensions     | 1,141,312                          |
| Property taxes levied for a subsequent period         | <u>29,021,861</u>                  |
| TOTAL DEFERRED INFLOWS OF RESOURCES                   | <u>30,163,173</u>                  |
| NET POSITION  |                                    |
| Net investment in capital assets                      | 193,545,863                        |
| Restricted for Lake St. Clair Marina                  | 251,499                            |
| Restricted for Hudson Mills Canoe Livery              | 7,702                              |
| Unrestricted  | <u>28,935,288</u>                  |
| TOTAL NET POSITION                                    | <u>\$ 222,740,352</u>              |

See accompanying notes to financial statements.

Huron-Clinton Metropolitan Authority

STATEMENT OF ACTIVITIES

Year Ended December 31, 2015

| Functions/Programs                       | Expenses             | Program Revenues        |  | Net (Expense)                              |
|--|----------------------|-------------------------|--|--|
|  |                      | Charges<br>for Services | Operating<br>Grants and<br>Contributions | Revenues and<br>Changes in<br>Net Position |
|  |                      |                         |  | Governmental<br>Activities                 |
| Governmental activities                  |                      |                         |  |  |
| Recreation and culture                   | <u>\$ 46,117,042</u> | <u>\$ 17,893,737</u>    | <u>\$ 453,429</u>                        | \$ (27,769,876)                            |
| General revenues                         |                      |                         |  |  |
| Property taxes                           |                      |                         |  | 28,406,715                                 |
| Oil and gas royalties                    |                      |                         |  | 57,890                                     |
| Investment earnings                      |                      |                         |  | 363,548                                    |
| Donations                                |                      |                         |  | 101,638                                    |
| Gain on sale of capital assets           |                      |                         |  | 192,480                                    |
| Miscellaneous                            |                      |                         |  | 987,949                                    |
| Total general revenues                   |                      |                         |  | <u>30,110,220</u>                          |
| Change in net position                   |                      |                         |  | 2,340,344                                  |
| Restated net position, beginning of year |                      |                         |  | <u>220,400,008</u>                         |
| Net position, end of year                |                      |                         |  | <u>\$ 222,740,352</u>                      |

See accompanying notes to financial statements.

Huron-Clinton Metropolitan Authority

Governmental Funds

BALANCE SHEET

December 31, 2015

|  | General<br>Fund      | Capital<br>Projects | Total                |
|--|----------------------|---------------------|----------------------|
| <b>ASSETS</b>  |                      |                     |                      |
| Cash and cash equivalents  | \$ 7,881,351         | \$ 3,458,454        | \$ 11,339,805        |
| Investments  | 33,606,268           | 1,003,114           | 34,609,382           |
| Receivables  |                      |                     |                      |
| Property taxes, net  | 28,750,678           | -                   | 28,750,678           |
| Accounts receivable  | 177,806              | 576                 | 178,382              |
| Due from other funds   | -                    | 1,412               | 1,412                |
| Inventories  | 208,572              | -                   | 208,572              |
| Prepays  | 810,061              | -                   | 810,061              |
|  | <u>\$ 71,434,736</u> | <u>\$ 4,463,556</u> | <u>\$ 75,898,292</u> |
| <b>TOTAL ASSETS</b>  |                      |                     |                      |
| <b>LIABILITIES</b>   |                      |                     |                      |
| Accounts payable   | \$ 2,196,471         | \$ -                | \$ 2,196,471         |
| Accrued payroll and benefits payable   | 412,923              | -                   | 412,923              |
| Other liabilities  | 30,326               | -                   | 30,326               |
| Due to other funds   | 1,412                | -                   | 1,412                |
| Unearned revenue   | 93,246               | -                   | 93,246               |
|  | <u>2,734,378</u>     | <u>-0-</u>          | <u>2,734,378</u>     |
| <b>TOTAL LIABILITIES</b>   |                      |                     |                      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |                      |                     |                      |
| Unavailable revenue  | 103,661              | -                   | 103,661              |
| Property taxes levied for a subsequent period                                      | 29,021,861           | -                   | 29,021,861           |
|  | <u>29,125,522</u>    | <u>-0-</u>          | <u>29,125,522</u>    |
| <b>TOTAL DEFERRED INFLOWS<br/>OF RESOURCES</b>                                     |                      |                     |                      |
| <b>FUND BALANCES</b>   |                      |                     |                      |
| Nonspendable   | 1,018,633            | -                   | 1,018,633            |
| Restricted   | 259,201              | -                   | 259,201              |
| Committed  | 9,873,636            | 4,463,556           | 14,337,192           |
| Assigned   | 10,074,807           | -                   | 10,074,807           |
| Unassigned   | 18,348,559           | -                   | 18,348,559           |
|  | <u>39,574,836</u>    | <u>4,463,556</u>    | <u>44,038,392</u>    |
| <b>TOTAL FUND BALANCES</b>   |                      |                     |                      |
| <b>TOTAL LIABILITIES, DEFERRED<br/>INFLOWS OF RESOURCES,<br/>AND FUND BALANCES</b> |                      |                     |                      |
|  | <u>\$ 71,434,736</u> | <u>\$ 4,463,556</u> | <u>\$ 75,898,292</u> |

See accompanying notes to financial statements.

Huron-Clinton Metropolitan Authority

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION

December 31, 2015

**Total fund balances - governmental funds** \$ 44,038,392

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

|                               |                     |             |
|-------------------------------|---------------------|-------------|
| The cost of capital assets is | \$ 281,163,056      |             |
| Accumulated depreciation is   | <u>(87,617,193)</u> |             |
| Capital assets, net           |                     | 193,545,863 |

|   |         |
|---|---------|
| Long-term receivables are not available to pay for current period expenditures and are therefore deferred inflows of resources in the governmental funds. | 103,661 |
|---|---------|

Governmental funds report actual pension expenditures for the fiscal year, whereas governmental activities will recognize the net pension liability as of the measurement date. In addition, resources related to the changes of assumptions, differences between expected and actual experience, and differences between projected and actual pension plan investment earnings will be deferred over time in the government-wide financial statements. These amounts consist of:

|   |             |
|---|-------------|
| Deferred outflows of resources to pensions        | 3,527,915   |
| Deferred inflows of resources related to pensions | (1,141,312) |

Long-term assets are not receivable in the current period and therefore are not reported in the governmental funds balance sheet.

Long-term assets at year-end consist of:

|  |           |
|--|-----------|
| Net other post-employment benefits asset | 4,333,946 |
|--|-----------|

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.

Long-term liabilities at year-end consist of:

|                       |                    |
|-----------------------|--------------------|
| Net pension liability | (17,808,769)       |
| Compensated absences  | <u>(3,859,344)</u> |

**Net position of governmental activities** \$ 222,740,352

Huron-Clinton Metropolitan Authority

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Year Ended December 31, 2015

|   | General<br>Fund      | Capital<br>Projects | Total                |
|---|----------------------|---------------------|----------------------|
| <b>REVENUES</b>   |                      |                     |                      |
| Property taxes  | \$ 28,503,130        | \$ -                | \$ 28,503,130        |
| Oil and gas royalties                                   | -                    | 57,890              | 57,890               |
| Park charges for services                               | 17,893,737           | -                   | 17,893,737           |
| Operating grants  | 217,896              | -                   | 217,896              |
| Donations   | 337,171              | -                   | 337,171              |
| Interest  | 344,745              | 18,803              | 363,548              |
| Other   | 987,949              | -                   | 987,949              |
| <b>TOTAL REVENUES</b>                                   | <b>48,284,628</b>    | <b>76,693</b>       | <b>48,361,321</b>    |
| <b>EXPENDITURES</b>                                     |                      |                     |                      |
| Current   |                      |                     |                      |
| Operating   |                      |                     |                      |
| Park operations   | 31,518,622           | -                   | 31,518,622           |
| Major maintenance                                       | 1,786,274            | -                   | 1,786,274            |
| Administrative offices                                  | 7,516,737            | -                   | 7,516,737            |
| <b>Total operating</b>                                  | <b>40,821,633</b>    | <b>-0-</b>          | <b>40,821,633</b>    |
| Capital outlay  |                      |                     |                      |
| Capital improvements                                    | 3,212,855            | 94,579              | 3,307,434            |
| Equipment   | 1,370,378            | -                   | 1,370,378            |
| Land acquisitions                                       | 177,591              | -                   | 177,591              |
| <b>Total capital outlay</b>                             | <b>4,760,824</b>     | <b>94,579</b>       | <b>4,855,403</b>     |
| <b>TOTAL EXPENDITURES</b>                               | <b>45,582,457</b>    | <b>94,579</b>       | <b>45,677,036</b>    |
| <b>EXCESS OF REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | <b>2,702,171</b>     | <b>(17,886)</b>     | <b>2,684,285</b>     |
| <b>OTHER FINANCING SOURCES</b>                          |                      |                     |                      |
| Proceeds from sale of capital assets                    | 192,480              | -                   | 192,480              |
| <b>NET CHANGE IN FUND BALANCES</b>                      | <b>2,894,651</b>     | <b>(17,886)</b>     | <b>2,876,765</b>     |
| Fund balances, beginning of year                        | 36,680,185           | 4,481,442           | 41,161,627           |
| Fund balances, end of year                              | <u>\$ 39,574,836</u> | <u>\$ 4,463,556</u> | <u>\$ 44,038,392</u> |

See accompanying notes to financial statements.

Huron-Clinton Metropolitan Authority

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

Year Ended December 31, 2015

**Net change in fund balances - total governmental funds** **\$ 2,876,765**

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

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

|                                    |                    |
|------------------------------------|--------------------|
| Capital outlay                     | \$ 4,855,149       |
| Loss on disposal of capital assets | (1,184,769)        |
| Depreciation expense               | <u>(6,061,145)</u> |

|  |             |
|--|-------------|
| Excess of depreciation expense and related items over capital outlay | (2,390,765) |
|--|-------------|

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.

|                                   |          |
|-----------------------------------|----------|
| Net change in unavailable revenue | (96,415) |
|-----------------------------------|----------|

Some items reported in the statement of activities do not result in the use of or provide current financial resources and therefore are reported differently than in the governmental funds. These activities consist of:

|   |                |
|---|----------------|
| (Increase) in net pension liability                 | (645,657)      |
| (Increase) in compensated absences                  | (32,138)       |
| (Increase) in deferred inflows related to pensions  | (1,141,312)    |
| Increase in deferred outflows related to pensions   | 3,527,915      |
| Increase in net other post-employment benefit asset | <u>241,951</u> |

1,950,759

**Change in net position of governmental activities**

**\$ 2,340,344**

Huron-Clinton Metropolitan Authority

Fiduciary Funds

STATEMENT OF NET POSITION

December 31, 2015

|   |                      |
|---|----------------------|
| ASSETS  |                      |
| Investments at fair value                     |                      |
| Mutual funds                                  | <u>\$ 75,221,434</u> |
| NET POSITION                                  |                      |
| Restricted for pension benefits               | \$ 51,241,923        |
| Restricted for other post-employment benefits | <u>23,979,511</u>    |
| TOTAL NET POSITION                            | <u>\$ 75,221,434</u> |



Huron-Clinton Metropolitan Authority

Fiduciary Funds

STATEMENT OF CHANGES IN NET POSITION

Year Ended December 31, 2015

|   |                             |
|---|-----------------------------|
| ADDITIONS                                   |                             |
| Investment income                           |                             |
| Interest and dividends                      | \$ 1,635,956                |
| Net (decrease) in fair value of investments | <u>(2,626,845)</u>          |
| Net investment income                       | (990,889)                   |
| Contributions                               |                             |
| Employer                                    | 5,701,017                   |
| Employee                                    | <u>105,168</u>              |
| Total contributions                         | <u>5,806,185</u>            |
| TOTAL ADDITIONS                             | 4,815,296                   |
| DEDUCTIONS                                  |                             |
| Benefit payments                            | 5,269,361                   |
| Administrative expense                      | <u>289,686</u>              |
| TOTAL DEDUCTIONS                            | <u>5,559,047</u>            |
| CHANGE IN NET POSITION                      | (743,751)                   |
| Net position, beginning of year             | <u>75,965,185</u>           |
| Net position, end of year                   | <u><u>\$ 75,221,434</u></u> |

See accompanying notes to financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

Huron-Clinton Metropolitan Authority

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Huron-Clinton Metropolitan Authority (the Authority) was created in 1939 as a special district form of government to provide recreational facilities and services to residents of Livingston, Macomb, Oakland, Washtenaw, and Wayne Counties. The Authority is governed by a Board of Commissioners, which consists of a Commissioner appointed by the Board of Commissioners from each of the five participating counties, and two Commissioners appointed by the Governor of Michigan. Principal funding for the Authority is derived from a property tax levy assessed in each of the five participating counties.

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governments. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority's more significant accounting policies are described below.

1. Reporting Entity

The Authority has determined that no entities should be consolidated into its basic financial statements as component units. The criteria for including a component unit include entries for which the government is considered to be financially accountable. Therefore, the reporting entity consists only of the primary government.

2. Basis of Presentation

GOVERNMENT-WIDE 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 non-fiduciary activities of the primary government. For the most part, the effect of the interfund activity has been removed from these statements.

The statement of activities presents the direct functional expenses of the primary government and the program revenues that support them. Direct expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues are associated with specific functions and include charges to park customers and grants and contributions that are restricted to meeting the operational or capital requirements of that function. Revenues that are not required to be presented as program revenues are general revenues. This includes all taxes, contributions, and oil and gas royalties and shows how governmental functions are either self-financing or supported by general revenues.

FUND FINANCIAL STATEMENTS

The fund financial statements present the Authority's individual major funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Authority reports the following major governmental funds:

- a. The General Fund is the Authority's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- b. The Capital Projects Fund is used to record supplemental major maintenance projects of the Authority, which are nonrecurring expenditures to repair or replace existing park facilities. As designated by the Authority, oil and gas revenues received are earmarked to fund these projects.

In addition, the Authority reports pension and other post-employment benefit trust funds, which account for the Authority's single employer, defined benefit pension plan and other post-employment benefits plan. These plans accumulate resources for pension benefit and other post-employment benefit payments to qualified Authority employees. The funds are based on the Plans' December 31 fiscal year ends.

Huron-Clinton Metropolitan Authority  
NOTES TO FINANCIAL STATEMENTS

December 31, 2015

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

3. Measurement Focus

The government-wide and fiduciary fund financial statements are presented using the economic resources measurement focus, similar to that used by business enterprises or not-for-profit organizations. Because another measurement focus is used in the governmental fund financial statements, reconciliations to the government-wide financial statements are provided that explain the differences in detail.

All governmental funds are presented using the current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

4. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become susceptible to accrual (when they become both "measurable" and "available to finance expenditures of the current period"). The length of time used for "available" for purposes of revenue recognition in the governmental fund financial statements is sixty (60) days. Revenues that are considered measurable but not available are recorded as receivable and unavailable revenue. Significant revenues susceptible to accrual are special assessments and certain intergovernmental revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for interest on long-term debt which is recorded when due.

All government-wide financial statements and pension and other post-employment benefit (OPEB) trust funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

When the Authority incurs an expenditure for purposes for which various fund balance classifications can be used, it is the Authority's policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

5. Budgets and Budgetary Accounting

A budget for the general fund is adopted, on a basis consistent with generally accepted accounting principles (GAAP), and is adopted on a category level. An operating budget including major maintenance, park operations, and general administration categories lapses at year end. Capital outlay budgets including engineering and general planning, capital improvements, equipment and land acquisition categories do not lapse at year-end.

Adoption and amendments of budgets used by the Authority are governed by Public Act 621. The governing body must approve the budget and amendments, including supplemental appropriations at the category level. The Authority's management can transfer appropriations between line items within a category without governing body approval.

Huron-Clinton Metropolitan Authority  
NOTES TO FINANCIAL STATEMENTS

December 31, 2015

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

6. Cash, Cash Equivalents, and Investments

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amounts, which reasonably approximates fair value.

Unrealized appreciation or depreciation on pension and OPEB trust fund investments due to changes in fair value is recognized each year.

7. Receivables

Receivables consist of amounts due related to charges for services, property taxes, grants and other amounts owed to the Authority at year-end. All property taxes receivable are shown net of an allowance for uncollectible amounts. The allowance is estimated based upon the original year of the assessment and uses a graduated percentage ranging from 10 to 100 percent of the balance outstanding.

8. Property Tax

Real and personal property taxes are levied on December 1, on the taxable value of property located in the Counties as of the preceding December 31, (lien date). Taxable values are established annually by municipalities and are equalized by the Counties and State at 50 percent of estimated current market value or less. The Authority's operating tax rate for the 2014 levy (2015 property tax revenue) was 0.2146 mills. Taxes are receivable on the levy date and become delinquent on March 1 the following year. Property tax revenues are recognized as revenues in the operating year in which the levy is intended to fund to the extent that they are measurable and available, and collected within sixty days after year end. The total taxable value for the 2014 levy for property within the Authority was \$135,826,847,863.

9. Inventories

Inventory maintained by the general fund is valued at average cost. Inventory consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed. Nonspendable fund balances have been recorded in the applicable funds to indicate that inventories are not currently available, spendable components of fund balance.

10. Prepays

Prepays consist of amounts paid in the current year that pertain to the following fiscal year and are accounted for using the consumption method. Nonspendable fund balances have been recorded in the applicable funds to indicate that prepaids are not currently available, spendable components of fund balance.

11. Unearned Revenue

The Authority has recorded unearned revenue in the fund financial statements and government-wide financial statements equaling the amount of pledged revenue from park patrons and cell phone tower lease revenue for the subsequent year's activities.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

12. Compensated Absences

The Authority allows employees to earn annual leave benefits and sick leave termination bonuses based, in part, on length of service. Annual leave is fully vested when earned and sick leave termination bonuses vest upon completion of ten years of service. Upon termination, employees are paid their accumulated sick leave termination bonuses and annual leave depending upon the nature of separation (death, retirement, or termination). All vacation pay is accrued when incurred in the government-wide fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

13. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of financial position or balance sheet will, when applicable, report separate sections for deferred outflows of resources and deferred inflows of resources. *Deferred outflows of resources*, a separate financial statement element, represents a consumption of net position or fund balance, respectively, that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. *Deferred inflows of resources*, a separate financial statement element, represents an acquisition of net position or fund balance, respectively, that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The Authority has several items that qualify for reporting in these categories. These items correspond the Authority's net pension liability and are related to differences between expected and actual experience, changes in assumptions, and differences between projected and actual pension plan investment earnings. These amounts are deferred and recognized as an outflow or inflow of resources in the period to which they apply. The Authority also reports unavailable revenue in the governmental funds and Statement of Net Position, which is related to delinquent personal property taxes and property taxes levied in the current period which are intended to be revenue in the subsequent period.

14. Capital Assets

Capital assets, which include property, buildings, equipment, other improvements and infrastructure (e.g., roads, bridges, paved pathways and water/sewer lines), are reported in the statement of net position in the basic financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 for equipment and \$10,000 for all other assets, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

|                    |               |
|--------------------|---------------|
| Buildings          | 30 - 50 years |
| Equipment          | 3 - 25 years  |
| Other improvements | 15 - 60 years |
| Infrastructure     | 15 - 50 years |

Huron-Clinton Metropolitan Authority  
NOTES TO FINANCIAL STATEMENTS

December 31, 2015

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONCLUDED**

15. Comparative Data

Comparative data has not been presented in the accompanying financial statements since their inclusion would make the statements unduly complex and difficult to read.

**NOTE B: CASH, CASH EQUIVALENTS, AND INVESTMENTS**

In accordance with Michigan Compiled Laws, the Authority is authorized to invest in the following investment vehicles:

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation (FDIC) or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation (FSLIC) or a credit union which is insured by the National Credit Union Administration (NCUA), but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging to the State under section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.
- c. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
- d. The United States government or federal agency obligations repurchase agreements.
- e. Bankers acceptances of United States banks.
- f. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

Deposits

A reconciliation of cash, cash equivalents, and investments as shown in the basic financial statements to the Authority's deposits and investments is as follows:

|                                     |                               |
|-------------------------------------|-------------------------------|
|                                     | <u>Primary<br/>Government</u> |
| Statement of Net Position           |                               |
| Cash and cash equivalents           | \$ 11,339,805                 |
| Investments                         | 34,609,382                    |
| Statement of Fiduciary Net Position |                               |
| Investments                         | <u>75,221,434</u>             |
| Total                               | <u><u>\$ 121,170,621</u></u>  |

Huron-Clinton Metropolitan Authority  
NOTES TO FINANCIAL STATEMENTS

December 31, 2015

**NOTE B: CASH, CASH EQUIVALENTS, AND INVESTMENTS - CONTINUED**

Deposits - Concluded

|                            | Primary<br>Government |
|----------------------------|-----------------------|
| Deposits and investments   |                       |
| Checking and Savings       | \$ 11,299,185         |
| Certificates of Deposit    | 17,577,836            |
| Investments, at fair value |                       |
| U.S. agencies              | 16,029,397            |
| Mutual funds               | 75,221,434            |
| Certificates of deposit    | 1,002,149             |
| Cash on hand               | 40,620                |
| Total                      | \$ 121,170,621        |

Deposits of the Authority are at federally insured banks located in the State of Michigan with all accounts maintained in the name of the Authority. As of December 31, 2015, the Authority's accounts were insured by the FDIC, FSLIC, or NCUA for \$2,018,555 and the amount of \$26,571,397 was uninsured and uncollateralized.

Due to significantly higher cash flow at certain periods during the year, the amount the Authority held as cash and cash equivalents increased significantly. As a result, the amount of uninsured and uncollateralized cash and cash equivalents were substantially higher at these peak periods than at year-end.

Credit risk

State law limits investments to specific government securities, certificates of deposit and bank accounts with qualified institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments above. In compliance with State law, the Authority's investment policy limits investments to the top two ratings issued by nationally recognized statistical rating organizations. As of December 31, 2015, the Authority's investments were within these guidelines.

The Authority's investments are categorized below to give an indication of the level of credit risk per Moody's Investors Service assumed at December 31, 2015.

|           | U.S. Agencies | Mutual Funds  | Total         |
|-----------|---------------|---------------|---------------|
| Aaa       | \$ 16,029,397 | \$ -          | \$ 16,029,397 |
| Not Rated | -             | 75,221,434    | 75,221,434    |
| Total     | \$ 16,029,397 | \$ 75,221,434 | \$ 91,250,831 |

Interest rate risk

State law limits the allowable investments and the maturities of some of the allowable investments as identified in the above list of authorized investments. The Authority's investment policy does not have specific limits in excess of State law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.



Huron-Clinton Metropolitan Authority  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2015

**NOTE B: CASH, CASH EQUIVALENTS, AND INVESTMENTS - CONCLUDED**

Interest rate risk - Concluded

At year end, maturities of the Authority's investments were as follows:

|                  | <u>U.S. Agencies</u> | <u>Mutual Funds</u>  | <u>Total</u>         |
|------------------|----------------------|----------------------|----------------------|
| 1 to 5 years     | \$ 16,029,397        | \$ -                 | \$ 16,029,397        |
| No maturity      | -                    | 75,221,434           | 75,221,434           |
| Total fair value | <u>\$ 16,029,397</u> | <u>\$ 75,221,434</u> | <u>\$ 91,250,831</u> |

Custodial credit risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the Authority does not have a policy for investment custodial credit risk. On the investments listed above, there is no custodial credit risk, as these investments are either uninsured, unregistered, or held by a counterparty in the Authority's name or are uncategorized as to credit risk.

Concentration of credit risk

State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments above. The Authority's investment policy does not have specific limits in excess of state law on concentration of credit risk. The investments that exceed 5 percent of the Authority's total investments are in mutual funds, investment pools, and U.S. agencies securities. All investments held at year-end are reported above.

**NOTE C: INTERFUND RECEIVABLES AND PAYABLES**

Amounts appearing as interfund payables and receivables arise from two types of transactions. One type of transaction is where a fund will pay for a good or service that at least a portion of the benefit belongs to another fund. The second type of transaction is where one fund provides a good or service to another fund. Balances at the end of the year are for transfers that have not cleared as of the balance sheet date, which were used to fund capital projects activities.

|                                    |          |
|------------------------------------|----------|
| Due to Capital Projects Fund from: |          |
| General Fund                       | \$ 1,412 |

**NOTE D: RECEIVABLES**

Receivables as of year-end for the governmental activities in the aggregate, are as follows:

|                     |                      |
|---------------------|----------------------|
| Taxes               | \$ 28,750,678        |
| Accounts receivable | 178,382              |
|                     | <u>\$ 28,929,060</u> |

Taxes receivable consist of the 2015 levy to be received in 2016 as well as delinquent personal property taxes. They are shown net of an allowance for doubtful accounts of \$46,000.

Huron-Clinton Metropolitan Authority

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

**NOTE E: CAPITAL ASSETS**

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

|                                       | Balance<br>Jan. 1, 2015 | Additions/<br>Reclassifications | Deletions/<br>Reclassifications | Balance<br>Dec. 31, 2015 |
|---------------------------------------|-------------------------|---------------------------------|---------------------------------|--------------------------|
| <b>Governmental Activities</b>        |                         |                                 |                                 |                          |
| Capital assets, not being depreciated |                         |                                 |                                 |                          |
| Land                                  | \$ 46,765,322           | \$ 177,591                      | \$ -                            | \$ 46,942,913            |
| Land improvements                     | 34,422,023              | 336,519                         | -                               | 34,758,542               |
| Construction-in-progress              | 4,144,728               | 504,133                         | (4,062,212)                     | 586,649                  |
| Subtotal                              | 85,332,073              | 1,018,243                       | (4,062,212)                     | 82,288,104               |
| Capital assets being depreciated      |                         |                                 |                                 |                          |
| Buildings                             | 56,505,769              | 1,484,392                       | -                               | 57,990,161               |
| Equipment                             | 26,317,705              | 1,370,379                       | (6,017,976)                     | 21,670,108               |
| Other improvements                    | 59,377,798              | 385,869                         | (172,131)                       | 59,591,536               |
| Infrastructure                        | 54,964,669              | 4,658,478                       | -                               | 59,623,147               |
| Subtotal                              | 197,165,941             | 7,899,118                       | (6,190,107)                     | 198,874,952              |
| Less accumulated depreciation for     |                         |                                 |                                 |                          |
| Buildings                             | (20,871,538)            | (1,126,647)                     | -                               | (21,998,185)             |
| Equipment                             | (18,858,117)            | (1,199,450)                     | 4,833,207                       | (15,224,360)             |
| Other improvements                    | (21,561,226)            | (1,645,038)                     | 172,131                         | (23,034,133)             |
| Infrastructure                        | (25,270,505)            | (2,090,010)                     | -                               | (27,360,515)             |
| Subtotal                              | (86,561,386)            | (6,061,145)                     | 5,005,338                       | (87,617,193)             |
| Net capital assets being depreciated  | 110,604,555             | 1,837,973                       | (1,184,769)                     | 111,257,759              |
| Capital assets, net                   | <u>\$ 195,936,628</u>   | <u>\$ 2,856,216</u>             | <u>\$ (5,246,981)</u>           | <u>\$ 193,545,863</u>    |

All depreciation expense is charged to recreation and culture on the statement of activities.

**NOTE F: LONG-TERM DEBT**

Accrued compensated absences amounted to \$3,859,344 at year-end. Of this amount, \$907,145 is expected to be paid in the following year.

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

|                      | Balance<br>Jan. 1, 2015 | Additions         | Deletions         | Balance<br>Dec. 31, 2015 | Amounts<br>Due Within<br>One Year |
|----------------------|-------------------------|-------------------|-------------------|--------------------------|-----------------------------------|
| Compensated absences | <u>\$ 3,827,206</u>     | <u>\$ 794,918</u> | <u>\$ 762,780</u> | <u>\$ 3,859,344</u>      | <u>\$ 907,145</u>                 |

Huron-Clinton Metropolitan Authority  
NOTES TO FINANCIAL STATEMENTS

December 31, 2015

**NOTE G: RETIREMENT SYSTEM**

Defined Benefit Pension Plan

Plan Description

The Plan is a single-employer contributing defined benefit pension plan covering all of the Authority's full-time employees hired prior to January 1, 2013. Plan members are required to contribute 1% to the Plan. The Plan's fiscal year end is December 31. The Plan is included as a pension trust fund in the Authority's primary government financial statements and a stand-alone financial report of the Plan has not been issued. The Plan is administered by the Authority's Pension Committee as appointed by the Authority's Board of Commissioners. Benefit provisions and contribution requirements are established and may be amended by the Board of Commissioners.

Benefits Provided

The Plan provides eligible participants with retirement benefits as well as disability benefits. All retirement benefits fully vest after ten years of credited service, with partial vesting granted for service less than ten years. Employees who retire at age 65 are entitled to an annual retirement benefit, payable monthly in an amount equal to 2% of the highest consecutive five year average monthly earnings in the last ten years of service, with a maximum monthly benefit of 71% of the final average monthly earnings. Employees may retire at age 60 with an unreduced benefit only if they have 25 or more years of service at early retirement. Employees retiring at age 55 with ten years credited service are entitled to receive a reduced monthly retirement benefit.

The Plan's financial statements are prepared using the accrual basis of accounting. The Authority's contributions to the Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The administrative costs are financed through investment earnings.

Plan membership consisted of the following at December 31, 2015 (the date of the most recent actuarial valuation available):

|   |                   |
|---|-------------------|
| Inactive employees or beneficiaries receiving benefits        | 151               |
| Inactive employees entitled to but not yet receiving benefits | 16                |
| Active employees  | <u>153</u>        |
| Total   | <u><u>320</u></u> |

Investment Policy

The Authority maintains an investment policy for the Plan which permits 5% to 40% of Pension Trust Fund assets to be invested in high quality fixed income securities, 15% to 50% in equity type securities and 25% to 60% in guaranteed rate of return contracts.

Equity investments and bonds are reported at fair value. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the Authority's Pension Committee. The investments of the pension trust fund are not federally insured.

Huron-Clinton Metropolitan Authority  
NOTES TO FINANCIAL STATEMENTS

December 31, 2015

**NOTE G: RETIREMENT SYSTEM - CONTINUED**

Contributions

The annual required contribution for the current period was determined as part of the December 31, 2014 actuarial valuation using the individual entry age actuarial cost method. Benefits are funded on a level percentage of earnings from each participant's date of participation to assumed retirement date. The effects of plan amendments and changes in assumptions are amortized over 30 years. Smoothed asset value spreads the difference between the assumed return and the actual investment return over a five (5) year period and was used to determine the actuarial value of assets. The amortization methods used are either 30-year, level percent of payroll dollar method or a 5-year level dollar method depending on participation in the 2012 and 2013 early retirement window or not, where the effect of plan amendment and changes in assumptions are amortized over 30 years on a closed basis. The remaining amortization periods as of December 31, 2015 were 25.75, 1.75, and 2.75 years. Gains and losses are not separately amortized but reduce or increase the amortization balances and payments.

Net Pension Liability

The Authority's net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

Changes in the net pension liability during the measurement year were as follows:

|   | <u>Increase (Decrease)</u>     |                                    |                              |
|---|--------------------------------|------------------------------------|------------------------------|
|   | <u>Total Pension Liability</u> | <u>Plan Fiduciary Net Position</u> | <u>Net Pension Liability</u> |
| <u>Changes in Net Pension Liability</u>           | <u>(a)</u>                     | <u>(b)</u>                         | <u>(a)-(b)</u>               |
| Balances at December 31, 2014                     | \$ 68,503,084                  | \$ 51,339,972                      | \$ 17,163,112                |
| Changes for the Year                              |                                |                                    |                              |
| Service cost                                      | 962,488                        | -                                  | 962,488                      |
| Interest on total pension liability               | 4,862,474                      | -                                  | 4,862,474                    |
| Difference between expected and actual experience | (1,445,906)                    | -                                  | (1,445,906)                  |
| Employer contributions                            | -                              | 4,500,000                          | (4,500,000)                  |
| Employee contributions                            | -                              | 101,817                            | (101,817)                    |
| Net investment income                             | -                              | (667,117)                          | 667,117                      |
| Benefit payments, including employee refunds      | (3,831,448)                    | (3,831,448)                        | -0-                          |
| Administrative expense                            | -                              | (201,301)                          | 201,301                      |
| Net changes                                       | <u>547,608</u>                 | <u>(98,049)</u>                    | <u>645,657</u>               |
| Balances as of December 31, 2015                  | <u>\$ 69,050,692</u>           | <u>\$ 51,241,923</u>               | <u>\$ 17,808,769</u>         |

Huron-Clinton Metropolitan Authority  
 NOTES TO FINANCIAL STATEMENTS

December 31, 2015

**NOTE G: RETIREMENT SYSTEM - CONTINUED**

Pension Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2015, the employer recognized pension expense of \$2,759,054. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences in experience   | \$ -                                 | \$ 1,141,312                        |
| Net difference between projected and<br>actual earnings on pension plan investments | 3,527,915                            | -                                   |
| Total   | \$ 3,527,915                         | \$ 1,141,312                        |

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

| Year Ending | Pension<br>Expense |
|-------------|--------------------|
| 2016        | \$ 577,385         |
| 2017        | 577,385            |
| 2018        | 577,385            |
| 2019        | 654,448            |

Actuarial Assumptions

The total pension liability in the December 31, 2015, annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 3.75%

Salary increases: 4.00% - 8.75% including inflation.

Investment rate of return: 7.25%

Mortality: RP-2000 Mortality Table for males and females projected to 2017.

The actuarial assumptions used in December 31, 2015 valuation were based on results of an actuarial experience study for the period January 1, 2015 through December 31, 2015.

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers.

Huron-Clinton Metropolitan Authority

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

**NOTE G: RETIREMENT PLANS - CONCLUDED**

Projected Cash Flows

Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u>                  | <u>Target Allocation</u> | <u>Long-Term Expected<br/>Real Rate of Return</u> |
|-------------------------------------|--------------------------|---|
| US Large Cap Fundamental Equity     | 4.00%                    | 9.13%   |
| US Large Cap Index                  | 13.00%                   | 8.00%   |
| US Small Cap Equity                 | 1.00%                    | 10.16%  |
| US Small/Mid Cap Equity Index       | 3.00%                    | 8.00%   |
| World Equity ex-US                  | 13.00%                   | 9.40%   |
| Emerging Markets Equity             | 4.00%                    | 9.66%   |
| Core Fixed Income                   | 13.00%                   | 6.54%   |
| Limited Duration Bonds              | 12.00%                   | 5.60%   |
| US High Yield                       | 3.00%                    | 7.67%   |
| Emerging Markets Debt               | 5.00%                    | 8.75%   |
| Diversified Short Term Fixed Income | 9.00%                    | 5.84%   |
| Short Term Corporate Fixed Income   | 3.00%                    | 4.90%   |
| Dynamic Asset Allocation            | 6.00%                    | 10.32%  |
| Multi-Asset                         | 6.00%                    | 7.10%   |
| Structured Credit                   | 3.00%                    | 10.22%  |
| Private Real Estate                 | 2.00%                    | 7.53%   |
|                                     | <u>100.00%</u>           |   |

Sensitivity of Net Pension Liability

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is one percent lower or one percent higher.

|                       | 1%<br>Decrease<br>Rate 6.25% | Current<br>Discount<br>Rate 7.25% | 1%<br>Increase<br>Rate 8.25% |
|-----------------------|------------------------------|-----------------------------------|------------------------------|
| Net Pension Liability | <u>\$ 25,410,267</u>         | <u>\$ 17,808,769</u>              | <u>\$ 11,300,123</u>         |

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

**NOTE H: OTHER POST-EMPLOYMENT BENEFITS**

Plan Description

On October 1, 2005, the Authority established the Retiree Health Care Plan & Trust (the "Plan and Trust") with a fiscal year ending December 31. This Plan and Trust was created under the authority of the Public Employee Health Care Fund Investment Act, Public Act 149 of 1999 (MCL 38.1211 et seq.), and constitutes a governmental trust pursuant to Section 115 of the Internal Revenue Code of 1986, as amended. The activity of the Plan and Trust has been recorded in the Authority's Other Post-Employment Benefit Trust Fund in the Authority's primary government financial statements and a stand-alone financial report of the Plan has not been issued. The Plan is a single-employer defined benefit plan and is administered by the Authority's Retiree Health Care Plan & Trust Committee as appointed by the Authority's Board of Commissioners. Benefit provisions and contribution requirements are established and may be amended by the Board of Commissioners. The Plan and Trust was established to allow for the Authority's funding of retiree health care benefits, an essential governmental function. The Plan and Trust was created for the exclusive purpose of providing health care, dental, and optical insurance benefits or such other benefits approved by the Authority for the welfare of certain retirees and spouses eligible to receive a retirement benefit. Substantially all of the Authority's employees hired prior to January 1, 2009 may become eligible for these benefits when they retire, after attaining 10 years of credited service. Effective January 1, 2009, employees hired on or after January 1, 2009 are not covered under the Retiree Health Care Plan and Trust, but are covered under the Retirement Health Savings Plan.

The Authority maintains an investment policy for the Plan and Trust which permits 5% to 40% of Plan and Trust assets to be invested in high quality fixed income securities, 15% to 50% in equity type securities and 25% to 60% in guaranteed rate of return contracts.

The Plan and Trust's financial statements are prepared using the accrual basis of accounting. The Authority's contributions to the Plan and Trust are recognized in the period that the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Investments are reported at fair value, as indicated by quoted market prices as of December 31, 2015. Shares of mutual funds are valued at the net asset value of the shares held by the Plan and Trust at December 31, 2015.

The Authority's annual cost of providing other postemployment benefits (OPEB) is calculated based on the annual required contribution (ARC) to the employer. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities or funding excess over a period not to exceed 30 years.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions regarding the probability of the occurrence of events in the future. Examples of such assumptions include future employment and retirement patterns, mortality, investment rate returns, and health care inflation. These assumptions are subject to continual revision as actual results are measured against past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The entry age actuarial cost method was used to prepare the most recent actuarial valuation dated December 31, 2014. Other significant assumptions were as follows: (a) investments are assumed to earn 7.25% per year, (b) health care costs are assumed to increase at an annual rate of 9% in year 1, reduced by 0.75% each year for the next three years and 0.50% each year for the following six years until an ultimate rate of 3.75% is reached in the tenth year and beyond of which the rates include a 3.75% inflation assumption, (c) compensation is assumed to increase 3.75% per year and (d) active member population was assumed to remain constant. The unfunded liability is being amortized as a level dollar over a closed period of 26.75 years.

Huron-Clinton Metropolitan Authority  
NOTES TO FINANCIAL STATEMENTS

December 31, 2015

**NOTE H: OTHER POST-EMPLOYMENT BENEFITS - CONTINUED**

Plan Description - Concluded

Effective January 1, 2009 the Retiree Health Care Plan and Trust was closed to new entrants; therefore, the annual required contribution is no longer allowed to be calculated assuming an increasing active payroll. As of December 31, 2014, the date of the most recent actuarial valuation, membership consisted of:

|   |                   |
|---|-------------------|
| Retirees and beneficiaries currently receiving benefits                     | 152               |
| Terminated vested employees entitled to benefits but not receiving them yet | 19                |
| Active employees covered by the plan  | <u>159</u>        |
|   | <u><u>330</u></u> |

Funding Policy

The Authority contributes to the Plan and Trust an amount consistent with the actuarial valuations and calculations made by the Actuary for the Plan and Trust to result in a pre-funded plan. The Authority reserves the right to fund these health care benefits on a pay-as-you-go basis and the right to provide such lesser amount as the Authority determines. Qualified beneficiaries shall contribute those amounts required for additional coverage as optioned by such qualified beneficiaries, required by an applicable collective bargaining agreement, and otherwise determined by the Trustees.

Funding Progress

The accompanying schedules of employer contributions present trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years.

The Authority's computed contribution and actual funding is summarized as follows:

|  |                              |
|--|------------------------------|
| Annual required contribution               | \$ 916,266                   |
| Interest on net OPEB asset                 | (296,670)                    |
| Adjustment to annual required contribution | <u>338,453</u>               |
| Net OPEB cost                              | 958,049                      |
| Contributions made                         | <u>(1,200,000)</u>           |
| Change in net OPEB (asset)                 | (241,951)                    |
| Net OPEB (asset) - Beginning of year       | <u>(4,091,995)</u>           |
| Net OPEB (asset) - End of year             | <u><u>\$ (4,333,946)</u></u> |



Huron-Clinton Metropolitan Authority  
 NOTES TO FINANCIAL STATEMENTS

December 31, 2015

**NOTE H: OTHER POST-EMPLOYMENT BENEFITS - CONCLUDED**

Funding Progress - Concluded

The Authority's annual OPEB cost, percentage of annual OPEB cost contributed and the net OPEB obligation (asset) for the last three (3) years were as follows:

| <u>Year Ended<br/>December 31,</u> | <u>Annual<br/>OPEB Cost</u> | <u>Percentage of<br/>Annual OPEB<br/>Cost Contributed</u> | <u>Net OPEB<br/>Obligation</u> |
|------------------------------------|-----------------------------|---|--------------------------------|
| 2013                               | \$ 1,439,443                | 105%  | \$ -                           |
| 2014                               | 375,217                     | 176%  | -                              |
| 2015                               | 958,049                     | 125%  | -                              |

The current funding progress of the plan as of December 31, 2014, the date of the most recent actuarial valuation, is as follows:

|   |               |
|---|---------------|
| Actuarial value of assets                     | \$ 24,605,958 |
| Actuarial accrued liability (AAL) (entry age) | 30,924,610    |
| Unfunded AAL                                  | 6,318,652     |
| Funded ratio                                  | 79.6%         |
| Covered payroll                               | \$ 10,418,891 |
| UAAL as percentage of covered payroll         | 60.6%         |

**NOTE I: RETIREMENT HEALTH SAVINGS PLAN**

On August 1, 2005, the Huron-Clinton Metropolitan Authority Board of Commissioners established the Huron-Clinton Retirement Health Savings Plan (Savings Plan) by resolution. Employees hired after January 1, 2009, who are covered under a collective bargaining agreement with the Authority, must contribute 1.0% of their base wage. The Authority contributes a 1.0% match on behalf of these employees. Employees who are not covered under a collective bargaining agreement with the Authority must contribute 1.5% of their base wage. There is no matching contribution provided on behalf of these employees. Total contributions for 2015 by participants and the Authority amounted to \$29,852 and \$22,276, respectively.

The savings plan is a defined contribution plan administered by the International City/County Management Association - Retirement Corporation (ICMA-RC). The legal basis for the Savings plan comes from several private letter rulings obtained by ICMA-RC from the Internal Revenue Service and Treasury regulation 301.7701-1[a][3]. Employees must be over the age of 21 to participate in the Savings Plan.

**NOTE J: RETIREMENT PLANS**

In addition, the Huron-Clinton Metropolitan Authority Board of Commissioners has established the Huron-Clinton 401 Governmental Money Purchase Plan & Trust (401 Plan) for full time employees hired after December 31, 2012. Eligible employees must contribute 1.0% of their base wage, and the Authority contributes a 6.0% match. Total contributions for 2015 by participants and the Authority amounted to \$17,353 and \$104,115, respectively.

On December 5, 2013, the Huron-Clinton Metropolitan Authority Board of Commissioners established the Huron-Clinton Alternative Pension Program (Alternative Plan) by resolution, which became effective January 1, 2014 for part-time and seasonal employees working 600 hours or less per year. These seasonal employees must contribute 6.0% of their base wage. The Authority contributes a 1.5% match on behalf of these employees. Total contributions for 2015 by participants and the Authority amounted to \$104,729 and \$26,205, respectively.

Huron-Clinton Metropolitan Authority

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

**NOTE J: RETIREMENT PLANS - CONCLUDED**

The 401 Plan and Alternative Plan are defined contribution plans administered by the International City/County Management Association - Retirement Corporation (ICMA-RC). The legal basis for the Alternative Plan comes from several private letter rulings obtained by ICMA-RC from the Internal Revenue Service and Treasury regulation 301.7701-1[a][3].

**NOTE K: FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION AND OTHER POST-EMPLOYMENT BENEFIT FUNDS**

*Combining Financial Information* - The combining financial information of the Authority's pension trust fund and the postemployment benefit trust fund, as of and for the year ended December 31, 2015, is as follows:

|   | Pension<br>Trust Fund | Other<br>Post-Employment<br>Benefit Trust<br>Fund | Total                |
|---|-----------------------|---|----------------------|
| <b>ASSETS</b>                                 |                       |   |                      |
| Investments at fair value                     |                       |   |                      |
| Mutual funds                                  | \$ 51,241,923         | \$ 23,979,511                                     | \$ 75,221,434        |
| <b>NET POSITION</b>                           |                       |   |                      |
| Restricted for pension benefits               | \$ 51,241,923         | \$ -  | \$ 51,241,923        |
| Restricted for other post-employment benefits | -                     | 23,979,511  | 23,979,511           |
| <b>TOTAL NET POSITION</b>                     | <b>\$ 51,241,923</b>  | <b>\$ 23,979,511</b>                              | <b>\$ 75,221,434</b> |
| <b>ADDITIONS</b>                              |                       |   |                      |
| Investment income                             |                       |   |                      |
| Interest and dividends                        | \$ 1,075,029          | \$ 560,927  | \$ 1,635,956         |
| Net (decrease) in fair value of investments   | (1,742,146)           | (884,699)   | (2,626,845)          |
| Net investment income                         | (667,117)             | (323,772)   | (990,889)            |
| Contributions                                 |                       |   |                      |
| Employer                                      | 4,500,000             | 1,201,017   | 5,701,017            |
| Employee                                      | 101,817               | 3,351   | 105,168              |
| Total contributions                           | 4,601,817             | 1,204,368   | 5,806,185            |
| <b>TOTAL ADDITIONS</b>                        | <b>3,934,700</b>      | <b>880,596</b>                                    | <b>4,815,296</b>     |
| <b>DEDUCTIONS</b>                             |                       |   |                      |
| Benefit payments                              | 3,831,448             | 1,437,913   | 5,269,361            |
| Administrative expense                        | 201,301               | 88,385  | 289,686              |
| <b>TOTAL DEDUCTIONS</b>                       | <b>4,032,749</b>      | <b>1,526,298</b>                                  | <b>5,559,047</b>     |
| <b>CHANGE IN NET POSITION</b>                 | <b>(98,049)</b>       | <b>(645,702)</b>                                  | <b>(743,751)</b>     |
| Net position, beginning of year               | 51,339,972            | 24,625,213  | 75,965,185           |
| Net position, end of year                     | \$ 51,241,923         | \$ 23,979,511                                     | \$ 75,221,434        |

Huron-Clinton Metropolitan Authority

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

**NOTE L: RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and distribution of assets; errors and omissions; injuries to employees and natural disasters. The Authority carries commercial insurance to cover any potential claims associated with these risks and has had no claims that exceeded the insurance coverage during the past three years.

**NOTE M: FUND BALANCES - GOVERNMENTAL FUNDS**

In the fund financial statements, the governmental funds report fund balances as follows:

*Nonspendable* - assets that are not available in a spendable form such as inventory or prepaid expenditures. It also includes funds that are legally or contractually required to be maintained intact.

*Restricted* - restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments.

*Committed* - amounts constrained on use imposed by formal action of the government's highest level of decision making authority, the Board of Commissioners. A formal resolution of the Board of Commissioners is required to establish, modify, or rescind a fund balance commitment.

*Assigned* - amounts intended to be used for specific purposes, but are not restricted or committed. The Board of Commissioners has delegated the authority to assign fund balance to the Authority's controller.

*Unassigned* - all other resources; the remaining fund balance after nonspendable, restrictions, commitments, and assignments. This class only occurs in the General Fund, except for cases of negative fund balances. Negative fund balances are always reported as unassigned, no matter which fund the deficit occurs in.

Details of fund balance classification as of December 31, 2015 are as follows:

|                             | General<br>Fund             | Capital<br>Projects        | Total                       |
|-----------------------------|-----------------------------|----------------------------|-----------------------------|
| Nonspendable                |                             |                            |                             |
| Inventories                 | \$ 208,572                  | \$ -                       | \$ 208,572                  |
| Prepays                     | 810,061                     | -                          | 810,061                     |
| Restricted                  |                             |                            |                             |
| Lake St. Clair Marina       | 251,499                     | -                          | 251,499                     |
| Hudson Mills Canoe Livery   | 7,702                       | -                          | 7,702                       |
| Committed                   |                             |                            |                             |
| Land                        | 5,403,900                   | -                          | 5,403,900                   |
| Legal claims                | 507,185                     | -                          | 507,185                     |
| Capital projects            | 3,381,840                   | 4,463,556                  | 7,845,396                   |
| Rate stabilization fund     | 580,711                     | -                          | 580,711                     |
| Assigned                    |                             |                            |                             |
| Compensated absences        | 3,859,344                   | -                          | 3,859,344                   |
| Encumbrances                | 1,715,463                   | -                          | 1,715,463                   |
| Planned use of fund balance | 4,500,000                   | -                          | 4,500,000                   |
| Unassigned                  | 18,348,559                  | -                          | 18,348,559                  |
| <b>TOTAL FUND BALANCES</b>  | <b><u>\$ 39,574,836</u></b> | <b><u>\$ 4,463,556</u></b> | <b><u>\$ 44,038,392</u></b> |

Huron-Clinton Metropolitan Authority  
NOTES TO FINANCIAL STATEMENTS

December 31, 2015

**NOTE N: CHANGE IN ACCOUNTING PRINCIPLE**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, was implemented during the year. The statement requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI).

**NOTE O: RESTATEMENT OF BEGINNING NET POSITION**

Beginning net position has been restated for the governmental activities due to changes in accounting principles.

|                                 |                              |
|---------------------------------|------------------------------|
| Beginning net position          | \$ 237,563,120               |
| Net pension liability           | <u>(17,163,112)</u>          |
| Restated beginning net position | <u><u>\$ 220,400,008</u></u> |

**NOTE P: CONTINGENT LIABILITIES**

The Authority is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of management and its attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Authority.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, such as the Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures, which may be disallowed by the grantor, cannot be determined at this time although the Authority expects such amounts, if any, to be immaterial.

**NOTE Q: UPCOMING ACCOUNTING PRONOUNCEMENTS**

In March 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted for the 2016 fiscal year.

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The statement will establish accounting and financial reporting requirements related to other postemployment benefit plans and specify the required approach to measuring the OPEB liability of employers. The statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI). The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. This statement will be effective for the Authority's 2017 fiscal year.

Huron-Clinton Metropolitan Authority

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

**NOTE Q: UPCOMING ACCOUNTING PRONOUNCEMENTS - CONCLUDED**

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Statement requires governments providing other postemployment benefits (OPEB) to recognize their unfunded OPEB obligations as a liability for the first time, and to more comprehensibly and comparably measure the annual costs of OPEB benefits. The statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI). The Authority is currently evaluating the impact this standard will have on the financial statements when adopted during the 2018 fiscal year.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. The statement improves financial reporting through the disclosure of information about the nature and magnitude of tax abatements that are not consistently or comprehensively reported to the public at present. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted during the Authority's 2016 fiscal year.

**REQUIRED SUPPLEMENTARY INFORMATION**

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Huron-Clinton Metropolitan Authority

General Fund

BUDGETARY COMPARISON SCHEDULE

Year Ended December 31, 2015

|   | Original<br>Budget   | Final<br>Budget      | Actual               | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|----------------------|----------------------|----------------------|---|
| <b>REVENUES</b>   |                      |                      |                      |   |
| Taxes   | \$ 28,137,700        | \$ 28,407,649        | \$ 28,503,130        | \$ 95,481   |
| Park charges for services                               | 16,670,700           | 16,869,538           | 17,893,737           | 1,024,199   |
| Operating grants  | 648,000              | 200,000              | 217,896              | 17,896  |
| Donations   | 330,000              | 131,872              | 337,171              | 205,299   |
| Interest  | 100,000              | 100,000              | 344,745              | 244,745   |
| Miscellaneous   | 150,000              | 480,000              | 987,949              | 507,949   |
| <b>TOTAL REVENUES</b>                                   | <b>46,036,400</b>    | <b>46,189,059</b>    | <b>48,284,628</b>    | <b>2,095,569</b>  |
| <b>EXPENDITURES</b>                                     |                      |                      |                      |   |
| Current   |                      |                      |                      |   |
| Operating   |                      |                      |                      |   |
| Park operations   | 30,238,400           | 32,280,506           | 31,518,622           | 761,884   |
| Major maintenance                                       | 5,071,000            | 5,008,891            | 1,786,274            | 3,222,617   |
| Administrative offices                                  | 8,475,700            | 7,668,161            | 7,516,737            | 151,424   |
| <b>Total operating</b>                                  | <b>43,785,100</b>    | <b>44,957,558</b>    | <b>40,821,633</b>    | <b>4,135,925</b>  |
| Capital outlay  |                      |                      |                      |   |
| Capital improvements                                    | 8,183,800            | 8,517,786            | 3,212,855            | 5,304,931   |
| Equipment   | 1,381,500            | 1,432,424            | 1,370,378            | 62,046  |
| Land acquisitions                                       | 256,400              | 173,215              | 177,591              | (4,376)   |
| <b>Total capital outlay</b>                             | <b>9,821,700</b>     | <b>10,123,425</b>    | <b>4,760,824</b>     | <b>5,362,601</b>  |
| <b>TOTAL EXPENDITURES</b>                               | <b>53,606,800</b>    | <b>55,080,983</b>    | <b>45,582,457</b>    | <b>9,498,526</b>  |
| <b>EXCESS OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | <b>(7,570,400)</b>   | <b>(8,891,924)</b>   | <b>2,702,171</b>     | <b>11,594,095</b>                                       |
| <b>OTHER FINANCING SOURCES</b>                          |                      |                      |                      |   |
| Proceeds from sale of capital assets                    | 25,000               | 185,000              | 192,480              | 7,480   |
| <b>NET CHANGE IN FUND BALANCE</b>                       | <b>(7,545,400)</b>   | <b>(8,706,924)</b>   | <b>2,894,651</b>     | <b>11,601,575</b>                                       |
| Fund balance, beginning of year                         | 36,680,185           | 36,680,185           | 36,680,185           | -0-   |
| Fund balance, end of year                               | <u>\$ 29,134,785</u> | <u>\$ 27,973,261</u> | <u>\$ 39,574,836</u> | <u>\$ 11,601,575</u>                                    |



Huron-Clinton Metropolitan Authority

Retirement System

SCHEDULE OF CHANGES IN THE AUTHORITY'S NET PENSION LIABILITY AND RELATED RATIOS

Last Two Calendar Years (ultimately ten calendar years will be displayed)

|   | <u>2015</u>                 | <u>2014</u>                 |
|---|-----------------------------|-----------------------------|
| Total Pension Liability   |                             |                             |
| Service Cost  | \$ 962,488                  | \$ 1,004,715                |
| Interest  | 4,862,474                   | 4,726,571                   |
| Difference between expected and actual experience                               | (1,445,906)                 | 109,029                     |
| Changes of assumptions  | -                           | -                           |
| Benefit payments including employee refunds                                     | <u>(3,831,448)</u>          | <u>(4,057,900)</u>          |
| Net Change in Total Pension Liability   | 547,608                     | 1,782,415                   |
| Total Pension Liability, beginning  | <u>68,503,084</u>           | <u>66,720,669</u>           |
| Total Pension Liability, ending   | <u><u>\$ 69,050,692</u></u> | <u><u>\$ 68,503,084</u></u> |
| Plan Fiduciary Net Position   |                             |                             |
| Contributions-employer  | 4,500,000                   | 3,100,000                   |
| Contributions-employee  | 101,817                     | 107,492                     |
| Net Investment income   | (667,117)                   | 2,225,505                   |
| Benefit payments including employee refunds                                     | (3,831,448)                 | (4,057,900)                 |
| Administrative expense  | <u>(201,301)</u>            | <u>(73,710)</u>             |
| Net Change in Plan Fiduciary Net Position                                       | (98,049)                    | 1,301,387                   |
| Plan Fiduciary Net Position, beginning  | <u>51,339,972</u>           | <u>50,038,585</u>           |
| Plan Fiduciary Net Position, ending   | <u><u>\$ 51,241,923</u></u> | <u><u>\$ 51,339,972</u></u> |
| Employer Net Pension Liability  | <u><u>\$ 17,808,769</u></u> | <u><u>\$ 17,163,112</u></u> |
| Plan Fiduciary Net Position as a percentage of the<br>Total Pension Liability   | 74.21%                      | 74.95%                      |
| Covered Employee Payroll  | \$ 10,067,888               | \$ 10,418,891               |
| Employer's Net Pension Liability as a percentage<br>of covered employee payroll | 176.89%                     | 164.73%                     |

Huron-Clinton Metropolitan Authority

Retirement System

SCHEDULE OF AUTHORITY CONTRIBUTIONS

Last Two Calendar Years (ultimately ten calendar years will be displayed)

|   | <u>2015</u>           | <u>2014</u>        |
|---|-----------------------|--------------------|
| Actuarially determined contributions                                    | \$ 3,474,587          | \$ 3,029,289       |
| Contributions in relation to the actuarially<br>determined contribution | <u>4,500,000</u>      | <u>3,100,000</u>   |
| Contribution deficiency (excess)  | <u>\$ (1,025,413)</u> | <u>\$ (70,711)</u> |
| Covered Employee Payroll  | \$ 10,067,888         | \$ 10,418,891      |
| Contributions as a percentage of covered<br>employee payroll            | 44.70%                | 29.75%             |

Huron-Clinton Metropolitan Authority

Retirement System

SCHEDULE OF INVESTMENT RETURNS

Last Two Calendar Years (ultimately ten calendar years will be displayed)

|      | <u>Annual money-weighted<br/>rate of return, net<br/>of investment expense</u> |
|------|--|
| 2014 | 4.43%  |
| 2015 | -1.68%   |

Huron-Clinton Metropolitan Authority

Retiree Medical Benefits

SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

Year Ended December 31, 2015

SCHEDULE OF FUNDING PROGRESS

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded (Overfunded) Actuarial Accrued Liability (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as % of Covered Payroll ((b-a)/c) |
|--------------------------|-------------------------------|---------------------------------------|--|--------------------|---------------------|--|
| 10/1/2006                | \$ 5,715,974                  | \$ 41,991,647                         | \$ 36,275,673  | 13.6%              | \$ 14,252,470       | 254.5%                                 |
| 10/1/2009                | 6,697,411                     | 40,700,314                            | 34,002,903   | 16.5%              | 14,203,220          | 239.4%                                 |
| 10/1/2011                | 13,821,223                    | 35,839,538                            | 22,018,315   | 38.6%              | 13,809,019          | 159.4%                                 |
| 10/1/2013                | 19,443,143                    | 31,585,955                            | 12,142,812   | 61.6%              | 11,171,076          | 108.7%                                 |
| 12/31/2014               | 24,605,958                    | 30,924,610                            | 6,318,652  | 79.6%              | 10,418,891          | 60.6%                                  |

SCHEDULE OF EMPLOYER CONTRIBUTIONS

| Period Ended       | Annual Required Contributions | Percentage Contributed |
|--------------------|-------------------------------|------------------------|
| September 30, 2009 | \$ 3,368,724                  | 88%                    |
| September 30, 2010 | 3,354,066                     | 101%                   |
| September 30, 2011 | 2,485,145                     | 136%                   |
| September 30, 2012 | 2,461,036                     | 105%                   |
| September 30, 2013 | 1,432,112                     | 177%                   |
| December 31, 2014  | 356,231                       | 682% <sup>(1)</sup>    |
| December 31, 2015  | 916,266                       | 131%                   |

<sup>(1)</sup> The Authority changed its plan year in 2014 from a September 30 year end to December 31. Contributions for the fifteen (15) month period were well in excess of the annual required contribution (ARC) because the Authority had previously recognized the ARC a year ahead of the schedule provided by actuaries. Going forward, annual required contributions compared to the ARC are expected to normalize at more historically comparable levels.

Huron-Clinton Metropolitan Authority

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

Year Ended December 31, 2015

**NOTE A: OTHER POST-EMPLOYMENT BENEFIT PLAN**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Significant methods and assumptions were as follows:

|                                |                             |
|--------------------------------|-----------------------------|
| Actuarial Valuation Frequency: | Every three years           |
| Latest valuation date          | December 31, 2014           |
| Actuarial cost method          | Individual Entry Age        |
| Amortization method            | Level dollar                |
| Remaining amortization period  | 26.75 years                 |
| Asset valuation method         | N/A - plan is not prefunded |
| Actuarial assumptions:         |                             |
| Investment rates of return     | 7.25%                       |
| Projected salary increases     | 0.50 % - 3.75%              |
| Inflation                      | 7.25%                       |

## **OTHER SUPPLEMENTARY INFORMATION**

Huron-Clinton Metropolitan Authority

Fiduciary Funds

COMBINING STATEMENT OF NET POSITION

December 31, 2015

|   | Pension<br>Trust Fund       | Other<br>Post-Employment<br>Benefit Trust<br>Fund | Total                       |
|---|-----------------------------|---|-----------------------------|
|   | <u>                    </u> | <u>                    </u>                       | <u>                    </u> |
| ASSETS  |                             |   |                             |
| Investments at fair value                     |                             |   |                             |
| Mutual funds                                  | <u>\$ 51,241,923</u>        | <u>\$ 23,979,511</u>                              | <u>\$ 75,221,434</u>        |
| NET POSITION                                  |                             |   |                             |
| Restricted for pension benefits               | \$ 51,241,923               | \$ -  | \$ 51,241,923               |
| Restricted for other post-employment benefits | <u>-</u>                    | <u>23,979,511</u>                                 | <u>23,979,511</u>           |
| TOTAL NET POSITION                            | <u>\$ 51,241,923</u>        | <u>\$ 23,979,511</u>                              | <u>\$ 75,221,434</u>        |

Huron-Clinton Metropolitan Authority

Fiduciary Funds

COMBINING STATEMENT OF CHANGES IN NET POSITION

Year Ended December 31, 2015

|   | Pension<br>Trust Fund | Other<br>Post-Employment<br>Benefit Trust<br>Fund | Total                |
|---|-----------------------|---|----------------------|
| <b>ADDITIONS</b>                            |                       |   |                      |
| Investment income                           |                       |   |                      |
| Interest and dividends                      | \$ 1,075,029          | \$ 560,927  | \$ 1,635,956         |
| Net (decrease) in fair value of investments | <u>(1,742,146)</u>    | <u>(884,699)</u>                                  | <u>(2,626,845)</u>   |
| Net investment income                       | (667,117)             | (323,772)   | (990,889)            |
| Contributions                               |                       |   |                      |
| Employer                                    | 4,500,000             | 1,201,017   | 5,701,017            |
| Employee                                    | <u>101,817</u>        | <u>3,351</u>                                      | <u>105,168</u>       |
| Total contributions                         | <u>4,601,817</u>      | <u>1,204,368</u>                                  | <u>5,806,185</u>     |
| TOTAL ADDITIONS                             | 3,934,700             | 880,596   | 4,815,296            |
| <b>DEDUCTIONS</b>                           |                       |   |                      |
| Benefit payments                            | 3,831,448             | 1,437,913   | 5,269,361            |
| Administrative expense                      | <u>201,301</u>        | <u>88,385</u>                                     | <u>289,686</u>       |
| TOTAL DEDUCTIONS                            | <u>4,032,749</u>      | <u>1,526,298</u>                                  | <u>5,559,047</u>     |
| CHANGE IN NET POSITION                      | (98,049)              | (645,702)   | (743,751)            |
| Net position, beginning of year             | <u>51,339,972</u>     | <u>24,625,213</u>                                 | <u>75,965,185</u>    |
| Net position, end of year                   | <u>\$ 51,241,923</u>  | <u>\$ 23,979,511</u>                              | <u>\$ 75,221,434</u> |



**STATISTICAL SECTION  
(UNAUDITED)**

Huron-Clinton Metropolitan Authority

STATISTICAL SECTION

Year Ended December 31, 2015

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

| <b>Contents</b>   | <b><u>Page</u></b> |
|---|--------------------|
| 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>  | 36                 |
| Revenue Capacity  |                    |
| <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>  | 40                 |
| 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>   | 46                 |
| 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> | 48                 |

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

Huron-Clinton Metropolitan Authority

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(UNAUDITED)

|  | 2006                  | 2007                  | 2008                  | 2009                  | 2010                  | 2011                  | 2012                  | 2013                  | 2014                  | 2015                  |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental activities                    |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Net investment in capital assets           | \$ 175,741,636        | \$ 184,254,738        | \$ 188,282,018        | \$ 195,042,991        | \$ 195,093,978        | \$ 194,800,234        | \$ 194,403,024        | \$ 195,125,395        | \$ 195,936,628        | \$ 193,545,863        |
| Restricted                                 | -                     | -                     | -                     | -                     | -                     | 37,709                | 90,430                | 138,856               | 185,995               | 259,201               |
| Unrestricted                               | 27,468,449            | 26,946,374            | 29,526,477            | 29,396,377            | 33,118,763            | 34,227,707            | 36,140,736            | 38,675,137            | 41,440,497            | 28,935,288            |
| Total governmental activities net position | <u>\$ 203,210,085</u> | <u>\$ 211,201,112</u> | <u>\$ 217,808,495</u> | <u>\$ 224,439,368</u> | <u>\$ 228,212,741</u> | <u>\$ 229,065,650</u> | <u>\$ 230,634,190</u> | <u>\$ 233,939,388</u> | <u>\$ 237,563,120</u> | <u>\$ 222,740,352</u> |

Huron-Clinton Metropolitan Authority

CHANGES IN NET POSITION

LAST TEN YEARS

(UNAUDITED)

|                                    | 2006                | 2007                | 2008                | 2009                | 2010                | 2011              | 2012                | 2013                | 2014                | 2015                |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| Expenses                           |                     |                     |                     |                     |                     |                   |                     |                     |                     |                     |
| Recreation and culture             | \$ 40,913,415       | \$ 42,777,742       | \$ 45,095,061       | \$ 44,629,146       | \$ 45,570,182       | \$ 43,671,297     | \$ 41,656,918       | \$ 41,586,621       | \$ 41,891,795       | \$ 46,117,042       |
| Capital projects                   | 693,405             | 761,662             | 1,783,776           | 1,794,155           | 1,134,337           | 1,486,892         | 1,930,912           | 292,196             | -                   | -                   |
| Capital outlay                     | 14,908              | -                   | 15,245              | -                   | -                   | -                 | -                   | -                   | -                   | -                   |
| Debt service                       | 667                 | -                   | -                   | -                   | -                   | -                 | -                   | -                   | -                   | -                   |
| <b>Total expenses</b>              | <b>41,622,395</b>   | <b>43,539,404</b>   | <b>46,894,082</b>   | <b>46,423,301</b>   | <b>46,704,519</b>   | <b>45,158,189</b> | <b>43,587,830</b>   | <b>41,878,817</b>   | <b>41,891,795</b>   | <b>46,117,042</b>   |
| Program revenues                   |                     |                     |                     |                     |                     |                   |                     |                     |                     |                     |
| Charges for services               |                     |                     |                     |                     |                     |                   |                     |                     |                     |                     |
| General government                 | 12,814,635          | 13,807,794          | 14,480,210          | 13,764,068          | 14,715,827          | 14,151,725        | 15,027,250          | 14,519,872          | 16,316,176          | 17,893,737          |
| Operating grants and contributions | 78,989              | 59,890              | 4,325               | 78,358              | 7,598               | 33,359            | 234,463             | 19,100              | 61,745              | 453,429             |
| Capital grants and contributions   | -                   | -                   | 497,259             | 1,951,190           | 309,893             | 318,053           | 175,075             | 2,031,530           | 153,869             | -                   |
| <b>Total program revenue</b>       | <b>12,893,624</b>   | <b>13,867,684</b>   | <b>14,981,794</b>   | <b>15,793,616</b>   | <b>15,033,318</b>   | <b>14,503,137</b> | <b>15,436,788</b>   | <b>16,570,502</b>   | <b>16,531,790</b>   | <b>18,347,166</b>   |
| General revenues                   |                     |                     |                     |                     |                     |                   |                     |                     |                     |                     |
| Property taxes                     | 32,650,984          | 34,481,626          | 35,788,569          | 35,782,192          | 34,452,805          | 30,640,135        | 28,293,295          | 27,680,762          | 28,167,025          | 28,406,715          |
| Oil and gas royalties              | 767,856             | 646,865             | 832,032             | 440,623             | 436,028             | 368,959           | 595,017             | 297,536             | 239,740             | 57,890              |
| Donations                          | 128,136             | 306,885             | 91,929              | 101,219             | 57,065              | 110,423           | 127,231             | 167,123             | 87,407              | 101,638             |
| Interest                           | 2,003,680           | 2,174,904           | 1,598,806           | 863,140             | 474,515             | 324,511           | 161,587             | 217,455             | 289,002             | 363,548             |
| Miscellaneous                      | 1,449,148           | 52,467              | 208,335             | 73,384              | 24,161              | 28,460            | 513,164             | 27,567              | 97,013              | 987,949             |
| Gain on sale of capital assets     | -                   | -                   | -                   | -                   | -                   | 35,473            | 29,288              | 223,069             | 43,551              | 192,480             |
| <b>Total general revenues</b>      | <b>36,999,804</b>   | <b>37,662,747</b>   | <b>38,519,671</b>   | <b>37,260,558</b>   | <b>35,444,574</b>   | <b>31,507,961</b> | <b>29,719,582</b>   | <b>28,613,512</b>   | <b>28,923,738</b>   | <b>30,110,220</b>   |
| <b>Total revenues</b>              | <b>49,893,428</b>   | <b>51,530,431</b>   | <b>53,501,465</b>   | <b>53,054,174</b>   | <b>50,477,892</b>   | <b>46,011,098</b> | <b>45,156,370</b>   | <b>45,184,014</b>   | <b>45,455,528</b>   | <b>48,457,386</b>   |
| <b>Change in net position</b>      | <b>\$ 8,271,033</b> | <b>\$ 7,991,027</b> | <b>\$ 6,607,383</b> | <b>\$ 6,630,873</b> | <b>\$ 3,773,373</b> | <b>\$ 852,909</b> | <b>\$ 1,568,540</b> | <b>\$ 3,305,197</b> | <b>\$ 3,563,733</b> | <b>\$ 2,340,344</b> |

Huron-Clinton Metropolitan Authority  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

|                             | 2006                 | 2007                 | 2008                 | 2009                 | 2010                 | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund                |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Reserved                    | \$ 7,953,899         | \$ 3,384,116         | \$ 3,992,208         | \$ 2,500,709         | \$ 1,268,203         | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Unreserved                  | 17,088,644           | 21,249,235           | 23,793,951           | 24,970,045           | 29,812,797           | -                    | -                    | -                    | -                    | -                    |
| Nonspendable                | -                    | -                    | -                    | -                    | -                    | 228,747              | 232,363              | 534,899              | 498,779              | 1,018,633            |
| Restricted                  | -                    | -                    | -                    | -                    | -                    | 37,709               | 90,430               | 138,856              | 185,995              | 259,201              |
| Committed                   | -                    | -                    | -                    | -                    | -                    | 13,394,338           | 13,334,981           | 12,907,536           | 9,401,861            | 9,873,636            |
| Assigned                    | -                    | -                    | -                    | -                    | -                    | -                    | 15,526,682           | 11,990,064           | 11,846,371           | 10,074,807           |
| Unassigned                  | -                    | -                    | -                    | -                    | -                    | 18,200,790           | 5,014,458            | 10,323,181           | 14,747,179           | 18,348,559           |
| Total General Fund          | <u>\$ 25,042,543</u> | <u>\$ 24,633,351</u> | <u>\$ 27,786,159</u> | <u>\$ 27,470,754</u> | <u>\$ 31,081,000</u> | <u>\$ 31,861,584</u> | <u>\$ 34,198,914</u> | <u>\$ 35,894,536</u> | <u>\$ 36,680,185</u> | <u>\$ 39,574,836</u> |
| Capital Projects Fund       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Reserved                    | \$ 884,522           | \$ 344,255           | \$ 465,314           | \$ 33,834            | \$ 280,642           | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Unreserved                  | 5,068,823            | 5,774,966            | 5,661,713            | 6,370,316            | 6,458,797            | -                    | -                    | -                    | -                    | -                    |
| Committed                   | -                    | -                    | -                    | -                    | -                    | 6,087,728            | 4,780,236            | 4,804,776            | 4,481,442            | 4,463,556            |
| Total Capital Projects Fund | <u>\$ 5,953,345</u>  | <u>\$ 6,119,221</u>  | <u>\$ 6,127,027</u>  | <u>\$ 6,404,150</u>  | <u>\$ 6,739,439</u>  | <u>\$ 6,087,728</u>  | <u>\$ 4,780,236</u>  | <u>\$ 4,804,776</u>  | <u>\$ 4,481,442</u>  | <u>\$ 4,463,556</u>  |

Note: GASB 54 became effective and was implemented in 2011. Prior period amounts were not restated.

Huron-Clinton Metropolitan Authority

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(UNAUDITED)

|   | 2006                | 2007                | 2008                | 2009               | 2010                | 2011              | 2012                | 2013                | 2014              | 2015                |
|---|---------------------|---------------------|---------------------|--------------------|---------------------|-------------------|---------------------|---------------------|-------------------|---------------------|
| <b>Revenues</b>   |                     |                     |                     |                    |                     |                   |                     |                     |                   |                     |
| Property taxes  | \$ 32,597,201       | \$ 34,547,937       | \$ 36,053,277       | \$ 35,953,354      | \$ 34,528,432       | \$ 30,691,073     | \$ 28,384,628       | \$ 27,662,759       | \$ 28,125,677     | \$ 28,503,130       |
| Oil and gas royalties                                   | 767,856             | 646,865             | 832,032             | 440,623            | 436,028             | 368,959           | 595,017             | 297,536             | 239,740           | 57,890              |
| Park operations   | 12,814,635          | 13,807,794          | 14,480,210          | 13,764,068         | 14,715,827          | 14,151,725        | 15,027,250          | 14,519,872          | 16,316,176        | 17,893,737          |
| Operating grants  | 78,989              | 59,890              | 4,325               | 78,358             | 7,598               | 33,359            | 234,463             | 19,100              | 61,745            | 217,896             |
| Capital grants  | -                   | -                   | 497,259             | 1,951,190          | 309,893             | 318,053           | 175,075             | 2,031,530           | 153,869           | -                   |
| Donations   | 128,136             | 306,885             | 91,929              | 101,219            | 57,065              | 110,423           | 127,231             | 167,123             | 87,407            | 337,171             |
| Interest  | 2,003,680           | 2,174,904           | 1,598,806           | 863,140            | 474,515             | 324,511           | 161,587             | 217,455             | 289,002           | 363,548             |
| Miscellaneous   | 1,517,962           | 52,467              | 208,335             | 73,384             | 24,161              | 28,460            | 513,164             | 27,567              | 97,013            | 987,949             |
| Proceeds from sale of capital assets                    | 533,977             | 259,564             | 382,240             | 280,543            | 411,926             | 126,880           | 204,213             | 223,069             | 43,551            | 192,480             |
| <b>Total revenues</b>                                   | <b>50,442,436</b>   | <b>51,856,306</b>   | <b>54,148,413</b>   | <b>53,505,879</b>  | <b>50,965,445</b>   | <b>46,153,443</b> | <b>45,422,628</b>   | <b>45,166,011</b>   | <b>45,414,180</b> | <b>48,553,801</b>   |
| <b>Expenditures</b>                                     |                     |                     |                     |                    |                     |                   |                     |                     |                   |                     |
| Park operations   | 29,616,888          | 30,885,676          | 32,609,363          | 32,062,270         | 32,131,822          | 31,717,979        | 29,706,692          | 28,829,491          | 29,119,023        | 31,518,622          |
| Major maintenance                                       | 693,405             | 761,662             | 1,783,776           | 1,794,155          | 1,134,337           | 1,428,877         | 1,553,104           | 921,509             | 1,435,517         | 1,786,274           |
| Administrative offices                                  | 6,406,511           | 6,635,259           | 6,659,575           | 6,958,695          | 7,088,861           | 7,075,619         | 7,538,185           | 6,990,592           | 7,640,052         | 7,516,737           |
| Capital improvements                                    | 11,914,067          | 10,798,070          | 7,399,751           | 9,304,704          | 4,682,325           | 4,271,032         | 4,422,355           | 5,143,506           | 5,261,964         | 3,307,434           |
| Equipment   | 2,497,008           | 3,006,105           | 1,910,491           | 1,821,169          | 1,972,142           | 965,066           | 1,170,104           | 1,531,932           | 1,225,463         | 1,370,378           |
| Land acquisitions                                       | 213,825             | 12,850              | 624,843             | 1,603,169          | 10,423              | 565,997           | 2,350               | 28,819              | 269,846           | 177,591             |
| Debt service  | 25,620              | -                   | -                   | -                  | -                   | -                 | -                   | -                   | -                 | -                   |
| <b>Total Expenditures</b>                               | <b>51,367,324</b>   | <b>52,099,622</b>   | <b>50,987,799</b>   | <b>53,544,162</b>  | <b>47,019,910</b>   | <b>46,024,570</b> | <b>44,392,790</b>   | <b>43,445,849</b>   | <b>44,951,865</b> | <b>45,677,036</b>   |
| <b>Net change in fund balance</b>                       | <b>\$ (924,888)</b> | <b>\$ (243,316)</b> | <b>\$ 3,160,614</b> | <b>\$ (38,283)</b> | <b>\$ 3,945,535</b> | <b>\$ 128,873</b> | <b>\$ 1,029,838</b> | <b>\$ 1,720,162</b> | <b>\$ 462,315</b> | <b>\$ 2,876,765</b> |
| Debt service as a percentage of noncapital expenditures | .07%                | 0%                  | 0%                  | 0%                 | 0%                  | 0%                | 0%                  | 0%                  | 0%                | 0%                  |

Huron-Clinton Metropolitan Authority

GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE

LAST TEN FISCAL YEARS

(UNAUDITED)

| <u>Year</u> | <u>Property Tax</u> |
|-------------|---------------------|
| 2006        | \$ 32,597,201       |
| 2007        | 34,547,937          |
| 2008        | 36,053,277          |
| 2009        | 35,953,354          |
| 2010        | 34,528,432          |
| 2011        | 30,691,073          |
| 2012        | 28,384,628          |
| 2013        | 27,662,759          |
| 2014        | 28,125,677          |
| 2015        | 28,503,130          |

Huron-Clinton Metropolitan Authority  
TAXABLE AND ASSESSED VALUES OF PROPERTY  
LAST TEN FISCAL YEARS  
(UNAUDITED)

| Year | Real Property (a)  |                           | Personal Property (a) |                           | Taxable Value (b)  | State Equalized Value (c) | Estimated Market Value (d) | Percent Change in Market Value |
|------|--------------------|---------------------------|-----------------------|---------------------------|--------------------|---------------------------|----------------------------|--------------------------------|
|      | Taxable Value (b)  | State Equalized Value (c) | Taxable Value (b)     | State Equalized Value (c) |                    |                           |                            |                                |
| 2006 | \$ 142,839,814,996 | \$ 184,862,351,990        | \$ 14,385,774,754     | \$ 14,441,075,293         | \$ 157,225,589,750 | \$ 199,303,427,283        | \$ 398,606,854,566         | 3.6%                           |
| 2007 | 151,907,265,806    | 193,100,496,537           | 14,150,671,245        | 14,156,614,158            | 166,057,937,051    | 207,257,110,695           | 414,514,221,390            | 4.0%                           |
| 2008 | 159,738,926,654    | 198,062,887,036           | 14,144,190,957        | 14,179,192,525            | 173,883,117,611    | 212,242,079,561           | 424,484,159,122            | 2.4%                           |
| 2009 | 159,805,335,088    | 190,072,799,884           | 13,834,646,241        | 13,895,283,284            | 173,639,981,329    | 203,968,083,168           | 407,936,166,336            | -3.9%                          |
| 2010 | 154,220,925,617    | 171,635,829,603           | 13,979,514,883        | 13,966,280,994            | 168,200,440,500    | 185,602,110,597           | 371,204,221,194            | -9.0%                          |
| 2011 | 138,988,195,205    | 149,496,027,195           | 13,021,305,792        | 13,034,781,334            | 152,009,500,997    | 162,530,808,529           | 325,061,617,058            | -12.4%                         |
| 2012 | 130,162,996,751    | 136,807,421,204           | 12,360,397,169        | 12,378,691,878            | 142,523,393,920    | 149,186,113,082           | 298,372,226,164            | -8.2%                          |
| 2013 | 123,811,211,186    | 128,820,235,807           | 12,562,799,230        | 12,573,994,972            | 136,374,010,416    | 141,394,230,779           | 282,788,461,558            | -5.2%                          |
| 2014 | 122,943,107,230    | 129,773,753,961           | 13,126,543,590        | 13,159,608,616            | 136,069,650,820    | 142,933,362,577           | 285,866,725,154            | 1.1%                           |
| 2015 | 123,996,465,352    | 135,715,141,261           | 12,839,179,302        | 12,888,111,844            | 136,835,644,654    | 148,603,253,105           | 297,206,506,210            | 4.0%                           |

(a) Property value information represents the combined totals of Livingston, Macomb, Oakland, Washtenaw, and Wayne counties. These counties are the member counties of the Metropark district.

(b) The State of Michigan passed a Property Tax Reform measure in 1994 which changed the basis of property taxes. Authority tax millage rates were applied to "Taxable Values" rather than "State Equalized Values" effective with the Authority's tax year 1996. Includes Single Business Tax inventory value of \$2,497,402,508 for years 2002 through 2005; this amount was eliminated by State legislation for 2006 and after. The millage rate for 2015 remained at 0.2146.

(c) Includes Single Business Tax inventory value of \$2,497,402,508 for years 2003 through 2005; this amount was eliminated by State legislation for 2006 and after.

(d) Total estimated market value is based on two times State Equalized Value figures.

Source: Livingston, Macomb, Oakland, Washtenaw, and Wayne County Assessing and Equalization Departments.



Huron-Clinton Metropolitan Authority  
TAXABLE VALUATIONS BY COUNTY  
LAST TEN FISCAL YEARS  
(UNAUDITED)

| Year | Livingston<br>County | % of<br>Total | Macomb<br>County | % of<br>Total | Oakland<br>County | % of<br>Total | Washtenaw<br>County | % of<br>Total | Wayne<br>County  | % of<br>Total | Total<br>Taxable Value (b) | % of<br>Total |
|------|----------------------|---------------|------------------|---------------|-------------------|---------------|---------------------|---------------|------------------|---------------|----------------------------|---------------|
| 2006 | \$7,757,534,921      | 4.9%          | \$28,602,726,523 | 18.2%         | \$58,862,866,940  | 37.5%         | \$13,693,361,327    | 8.7%          | \$48,309,100,039 | 30.7%         | \$157,225,589,750          | 100.0%        |
| 2007 | 8,348,502,046        | 5.0%          | 30,373,918,359   | 18.3%         | 62,133,415,235    | 37.4%         | 14,629,742,407      | 8.8%          | 50,572,359,004   | 30.5%         | 166,057,937,051            | 100.0%        |
| 2008 | 8,793,696,047        | 5.1%          | 31,862,669,926   | 18.3%         | 64,719,908,597    | 37.2%         | 15,510,438,244      | 8.9%          | 52,996,404,797   | 30.5%         | 173,883,117,611            | 100.0%        |
| 2009 | 8,825,074,848        | 5.1%          | 31,812,886,490   | 18.3%         | 64,728,962,196    | 37.3%         | 15,650,088,801      | 9.0%          | 52,622,968,994   | 30.3%         | 173,639,981,329            | 100.0%        |
| 2010 | 8,572,010,718        | 5.1%          | 31,010,555,286   | 18.4%         | 62,411,551,405    | 37.1%         | 15,271,517,551      | 9.1%          | 50,934,805,540   | 30.3%         | 168,200,440,500            | 100.0%        |
| 2011 | 7,953,592,697        | 5.2%          | 27,895,119,373   | 18.4%         | 55,081,707,586    | 36.3%         | 14,496,599,262      | 9.5%          | 46,582,482,079   | 30.6%         | 152,009,500,997            | 100.0%        |
| 2012 | 8,195,851,938        | 5.8%          | 25,840,445,900   | 18.1%         | 50,798,540,257    | 35.6%         | 14,083,128,684      | 9.9%          | 43,605,427,141   | 30.6%         | 142,523,393,920            | 100.0%        |
| 2013 | 7,482,442,287        | 5.5%          | 24,255,702,728   | 17.8%         | 49,235,953,993    | 36.1%         | 13,976,296,665      | 10.2%         | 41,423,614,473   | 30.4%         | 136,374,010,146            | 100.0%        |
| 2014 | 7,571,057,139        | 5.6%          | 24,113,941,897   | 17.7%         | 49,235,110,306    | 36.2%         | 14,210,463,343      | 10.4%         | 40,939,078,135   | 30.1%         | 136,069,650,820            | 100.0%        |
| 2015 | 7,682,984,917        | 5.6%          | 24,563,858,227   | 18.0%         | 50,048,650,087    | 36.6%         | 14,496,462,571      | 10.6%         | 40,043,688,852   | 29.3%         | 136,835,644,654            | 100.0%        |

(a) Property tax levies are not collected directly by Huron-Clinton Metropolitan Authority. Authority property tax levies are collected by local communities within the five county park district and are forwarded to each County Treasurer who distributes the Authority's tax levy to the park district. Accordingly, individual taxpayer records are not maintained by Huron-Clinton Metropolitan Authority.

(b) Includes Single Business Tax inventory value of \$2,497,402,508 for years 2002 through 2005; this amount was eliminated by State legislation for 2006 and after.

Source: Livingston, Macomb, Oakland, Washtenaw, and Wayne County Assessing and Equalization Departments.

Huron-Clinton Metropolitan Authority

PROPERTY TAX RATES  
(PER \$1,000 OF VALUE)

LAST TEN FISCAL YEARS

(UNAUDITED)

| <u>Year</u> | <u>Authorized<br/>Millage Rate (a)</u> |
|-------------|--|
| 2006        | 0.2146                                 |
| 2007        | 0.2146                                 |
| 2008        | 0.2146                                 |
| 2009        | 0.2146                                 |
| 2010        | 0.2146                                 |
| 2011        | 0.2146                                 |
| 2012        | 0.2146                                 |
| 2013        | 0.2146                                 |
| 2014        | 0.2146                                 |
| 2015        | 0.2146                                 |

(a) Huron-Clinton Metropolitan Authority operates in five different counties encompassing many different townships, cities, and school districts. Huron-Clinton Metropolitan Authority does not collect any taxes on behalf of any other governmental entity.

Source: Livingston, Macomb, Oakland, Washtenaw, and Wayne County Assessing and Equalization Departments.

Huron-Clinton Metropolitan Authority  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(UNAUDITED)

| Year | Initial Tax Levy (a) | Current Year Tax Collections (b) | Percent of Current Year Taxes Collected | Prior Years Tax Receivable Balances | Prior Years Tax Receivable Collections (b) | Percent of Prior Years Taxes Collected | Total Tax Collections | Percent of Total Tax Collections (c) | Outstanding Tax Receivable Balances at Year End |
|------|----------------------|----------------------------------|---|-------------------------------------|--|--|-----------------------|--------------------------------------|---|
| 2006 | \$ 33,740,612        | \$ 32,550,725                    | 96.5%                                   | \$ 1,001,161                        | \$ 34,311                                  | 3.4%                                   | \$ 32,585,036         | 93.8%                                | \$ 1,121,945                                    |
| 2007 | 35,636,033           | 34,444,016                       | 96.7%                                   | 1,121,945                           | 15,467                                     | 1.4%                                   | 34,459,483            | 93.7%                                | 1,126,713                                       |
| 2008 | 35,889,988           | 36,102,100                       | 100.6%                                  | 1,126,712                           | 42,025                                     | 3.7%                                   | 36,144,125            | 97.6%                                | 891,926   |
| 2009 | 35,875,236           | 36,085,090                       | 100.6%                                  | 891,926                             | (130,847)                                  | -14.7%                                 | 35,954,243            | 97.8%                                | 774,623   |
| 2010 | 34,594,391           | 34,777,802                       | 100.5%                                  | 774,623                             | (249,370)                                  | -32.2%                                 | 34,528,432            | 97.6%                                | 446,996   |
| 2011 | 31,348,452           | 31,179,480                       | 99.5%                                   | 121,434                             | (230,372)                                  | -189.7%                                | 30,949,108            | 98.3%                                | 239,058   |
| 2012 | 30,311,637           | 29,158,227                       | 96.2%                                   | 63,840                              | (238,136)                                  | -373.0%                                | 28,920,092            | 95.2%                                | 110,914   |
| 2013 | 29,093,937           | 28,015,682                       | 96.3%                                   | 53,383                              | (209,270)                                  | -392.0%                                | 27,806,412            | 95.4%                                | 136,760   |
| 2014 | 28,950,466           | 28,419,636                       | 98.2%                                   | 93,563                              | 37,629                                     | 40.2%                                  | 28,457,265            | 98.0%                                | 193,154   |
| 2015 | 29,147,709           | 28,155,589                       | 96.6%                                   | 193,154                             | 265,079                                    | 137.2%                                 | 28,420,668            | 96.9%                                | 155,578   |

(a) Initial tax levy amounts exclude Industrial, Commercial, Downtown Development Authority, Tax Incremental Financing Authority tax abatement properties, Board of Review, and State Tax Tribunal adjustments.

(b) Tax collection amounts are net of refunds ordered by Boards of Review and the State Tax Tribunal.

(c) Compares total tax collections to initial tax levy and prior years tax receivable balances at year end.

Source: Huron-Clinton Metropolitan Authority and various County collection records.

Huron-Clinton Metropolitan Authority  
 PRINCIPAL PROPERTY TAXPAYERS (UNAUDITED)  
 CURRENT YEAR AND TEN YEARS AGO

| Taxpayer                           | 2015                    |      |  | 2005                    |      |  |
|------------------------------------|-------------------------|------|--|-------------------------|------|--|
|                                    | Taxable Value (a)       | Rank | Percent of Total Authority Taxable Value | Taxable Value (a)       | Rank | Percent of Total Authority Taxable Value |
| Detroit Edison Corp.               | \$ 2,217,553,866        | 1    | 1.41%                                    | \$ 1,717,629,950        | 2    | 1.20%                                    |
| Ford Motor Company                 | 1,268,482,384           | 2    | 0.94%                                    | 2,015,324,884           | 1    | 1.41%                                    |
| General Motors Corp.               | 614,139,226             | 3    | 0.64%                                    | 1,664,994,198           | 3    | 1.16%                                    |
| Marathon Oil/Ashland Petroleum     | 556,278,968             | 4    | 0.52%                                    | 1,634,355,373           | 4    | 1.14%                                    |
| Consumers Power/Energy             | 517,989,509             | 5    | 0.47%                                    | -                       | -    | -  |
| Chrysler/Daimler/Cerberus          | 494,037,206             | 6    | 0.28%                                    | 306,897,913             | 7    | 0.21%                                    |
| International Transmission         | 365,271,696             | 7    | 0.26%                                    | -                       | -    | -  |
| Severstal Steel Company            | 328,255,000             | 8    | 0.24%                                    | -                       | -    | -  |
| Vanguard Health Systems            | 252,875,558             | 9    | 0.17%                                    | -                       | -    | -  |
| MGM Grand Detroit LLC              | 205,437,933             | 10   | 0.15%                                    | -                       | -    | -  |
| Michigan Consolidated Gas          | -                       | -    | -  | 429,589,228             | 6    | 0.30%                                    |
| Visteon                            | -                       | -    | -  | 589,747,008             | 5    | 0.41%                                    |
| Twelve Oaks/Taubman, et.al         | -                       | -    | -  | 197,490,300             | 9    | 0.14%                                    |
| Pfizer Global                      | -                       | -    | -  | 258,095,363             | 8    | 0.18%                                    |
| Rouge Steel Company                | -                       | -    | -  | 144,403,309             | 10   | 0.10%                                    |
| <b>Total Ten Largest Taxpayers</b> | <b>\$ 6,820,321,346</b> |      | <b>5.08%</b>                             | <b>\$ 8,958,527,526</b> |      | <b>6.25%</b>                             |

(a) Taxable values include Industrial Facility Act 198 properties and Commercial Facility Act 255 properties. Taxable values have been combined if the taxpayer has locations in more than one county.

Source: Livingston, Macomb, Oakland, Washtenaw, and Wayne County Assessing and Equalization Departments.

Huron-Clinton Metropolitan Authority

DEMOGRAPHIC STATISTICS

(UNAUDITED)

Total Population by County (a & b)

| Year | Livingston | Macomb  | Oakland   | Washtenaw | Wayne     | Total     |
|------|------------|---------|-----------|-----------|-----------|-----------|
| 1940 | 26,725     | 107,638 | 254,068   | 80,810    | 2,015,623 | 2,484,864 |
| 1950 | 38,233     | 184,961 | 396,001   | 134,606   | 2,435,235 | 3,189,036 |
| 1960 | 38,233     | 405,804 | 690,259   | 172,440   | 2,666,297 | 3,973,033 |
| 1970 | 58,967     | 626,204 | 907,871   | 234,103   | 2,670,368 | 4,497,513 |
| 1980 | 100,289    | 694,600 | 1,011,793 | 264,748   | 2,337,891 | 4,409,321 |
| 1990 | 115,645    | 717,400 | 1,083,592 | 282,937   | 2,111,687 | 4,311,261 |
| 2000 | 156,951    | 788,149 | 1,194,156 | 322,895   | 2,061,162 | 4,523,313 |
| 2010 | 180,967    | 840,978 | 1,202,362 | 344,791   | 1,820,584 | 4,389,682 |
| 2012 | 181,678    | 841,769 | 1,207,097 | 346,010   | 1,822,469 | 4,399,023 |
| 2013 | 182,402    | 845,197 | 1,213,406 | 348,560   | 1,804,507 | 4,394,072 |
| 2014 | 183,264    | 849,344 | 1,220,798 | 351,454   | 1,790,078 | 4,394,938 |

Number of Households by County (b)

| Livingston | Macomb  | Oakland | Washtenaw | Wayne   | Total     |
|------------|---------|---------|-----------|---------|-----------|
| 68,279     | 334,508 | 489,797 | 136,471   | 667,553 | 1,696,608 |

Household Income by County (b)

| Income                 | Livingston | Macomb | Oakland | Washtenaw | Wayne   | Total   |
|------------------------|------------|--------|---------|-----------|---------|---------|
| Less than \$10,000     | 2,240      | 20,004 | 26,027  | 10,342    | 84,174  | 142,787 |
| \$10,000 to \$14,999   | 1,624      | 15,805 | 18,622  | 5,174     | 46,636  | 87,861  |
| \$15,000 to \$24,999   | 4,641      | 35,922 | 41,744  | 12,442    | 86,507  | 181,256 |
| \$25,000 to \$34,999   | 5,024      | 35,048 | 40,835  | 12,665    | 75,058  | 168,630 |
| \$35,000 to \$49,999   | 8,407      | 48,004 | 58,442  | 16,819    | 91,087  | 222,759 |
| \$50,000 to \$74,999   | 13,007     | 63,350 | 84,764  | 22,419    | 109,281 | 292,821 |
| \$75,000 to \$99,999   | 11,248     | 45,483 | 64,006  | 16,169    | 68,427  | 205,333 |
| \$100,000 to \$149,999 | 13,383     | 47,433 | 80,016  | 21,448    | 66,268  | 228,548 |
| \$150,000 to \$199,999 | 5,258      | 15,272 | 35,855  | 9,501     | 23,031  | 88,917  |
| \$200,000 or more      | 3,447      | 8,187  | 39,486  | 9,492     | 17,084  | 77,696  |

Median Household Income (b)

| Livingston | Macomb   | Oakland  | Washtenaw | Wayne    |
|------------|----------|----------|-----------|----------|
| \$73,694   | \$54,059 | \$66,436 | \$60,805  | \$41,421 |

Ethnicity by County (b)

| Ethnicity                       | Livingston     | Macomb         | Oakland          | Washtenaw      | Wayne            | Total            |
|---------------------------------|----------------|----------------|------------------|----------------|------------------|------------------|
| White                           | 177,117        | 711,927        | 937,056          | 260,703        | 951,027          | 3,037,830        |
| Black or African American       | 767            | 83,511         | 168,133          | 42,489         | 710,343          | 1,005,243        |
| American Indian & Alaska Native | 450            | 2,336          | 3,127            | 981            | 6,317            | 13,211           |
| Asian                           | 1,558          | 28,504         | 73,384           | 28,910         | 49,414           | 181,770          |
| Native Hawaiian/Other Pacific   | 97             | 133            | 287              | 74             | 256              | 847              |
| Other Race                      | 431            | 4,862          | 7,540            | 3,401          | 31,226           | 47,460           |
| Two or More Races               | 2,844          | 18,071         | 31,271           | 14,896         | 41,495           | 108,577          |
|                                 | <u>183,264</u> | <u>849,344</u> | <u>1,220,798</u> | <u>351,454</u> | <u>1,790,078</u> | <u>4,394,938</u> |

Age by County (b)

| Age           | Livingston     | Macomb         | Oakland          | Washtenaw      | Wayne            | Total            |
|---------------|----------------|----------------|------------------|----------------|------------------|------------------|
| under 5       | 9,491          | 47,233         | 68,039           | 18,782         | 116,562          | 260,107          |
| 5 through 9   | 11,942         | 51,730         | 75,447           | 19,625         | 118,723          | 277,467          |
| 10 through 14 | 14,080         | 55,994         | 81,969           | 20,073         | 125,301          | 297,417          |
| 15 through 19 | 13,401         | 54,867         | 80,974           | 31,171         | 128,802          | 309,215          |
| 20 through 24 | 9,389          | 52,682         | 68,102           | 43,918         | 128,315          | 302,406          |
| 25 through 34 | 18,073         | 103,300        | 147,853          | 49,479         | 219,620          | 538,325          |
| 35 through 44 | 23,958         | 113,433        | 164,305          | 42,684         | 231,325          | 575,705          |
| 45 through 54 | 32,219         | 131,598        | 193,324          | 46,027         | 256,463          | 659,631          |
| 55 through 59 | 14,571         | 59,874         | 91,116           | 21,620         | 124,924          | 312,105          |
| 60 through 64 | 11,585         | 51,874         | 76,993           | 19,197         | 103,825          | 263,474          |
| 65 through 74 | 15,164         | 67,256         | 95,923           | 22,687         | 126,377          | 327,407          |
| 75 through 84 | 7,051          | 39,521         | 51,608           | 10,883         | 74,341           | 183,404          |
| 85 and over   | 2,340          | 19,982         | 25,145           | 5,308          | 35,500           | 88,275           |
|               | <u>183,264</u> | <u>849,344</u> | <u>1,220,798</u> | <u>351,454</u> | <u>1,790,078</u> | <u>4,394,938</u> |

(a) Data from 2010 U.S. Census - State & County Quick Facts

(b) Data from U.S. Census - American Fact Finder 2014 - American Community Survey 5 Year Estimates

Huron-Clinton Metropolitan Authority

PRINCIPAL EMPLOYERS

2015 and 2006

(UNAUDITED)

| Employer                 | 2015           |      |                                       | 2006           |      |                                       |
|--------------------------|----------------|------|---------------------------------------|----------------|------|---------------------------------------|
|                          | Employees      | Rank | Percentage of Total Region Employment | Employees      | Rank | Percentage of Total Region Employment |
| Ford Motor Company       | 44,000         | 1    | 2.3%                                  | 60,828         | 1    | 3.0%                                  |
| General Motors Company   | 31,185         | 2    | 1.6%                                  | 50,430         | 2    | 2.5%                                  |
| University of Michigan   | 30,852         | 3    | 1.6%                                  | 15,877         | 6    | 0.8%                                  |
| FCA US LLC               | 30,580         | 4    | 1.6%                                  | 33,929         | 3    | 1.7%                                  |
| Beaumont Health          | 25,009         | 5    | 1.3%                                  | 12,227         | 9    | 0.6%                                  |
| United States Government | 18,687         | 6    | 1.0%                                  | 14,446         | 7    | 0.7%                                  |
| Henry Ford Health System | 17,293         | 7    | 0.9%                                  | -              | -    | -                                     |
| Trinity Health           | 13,866         | 8    | 0.7%                                  | 10,702         | 10   | 0.5%                                  |
| Rock Ventures            | 12,057         | 9    | 0.6%                                  | -              | -    | -                                     |
| U.S. Postal Service      | 11,664         | 10   | 0.6%                                  | -              | -    | -                                     |
| Detroit Public Schools   | -              | -    | -                                     | 18,639         | 4    | 0.9%                                  |
| City of Detroit          | -              | -    | -                                     | 17,151         | 5    | 0.8%                                  |
| U of M Hospitals         | -              | -    | -                                     | 12,267         | 8    | 0.6%                                  |
|                          | <u>235,193</u> |      | <u>12.0%</u>                          | <u>246,496</u> |      | <u>12.1%</u>                          |

Sources: Crain's Detroit Business, Michigan Department of Technology, Management, and Budget, Livingston, Macomb, Oakland, Washtenaw, and Wayne County annual financial statements.

Huron-Clinton Metropolitan Authority  
 FULL-TIME EQUIVALENT EMPLOYEES BY LOCATION  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

| Location                 | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Administration Office    | 53          | 50          | 53          | 54          | 56          | 51          | 52          | 52          | 52          | 49          |
| Lake St. Clair Metropark | 53          | 51          | 57          | 55          | 55          | 59          | 64          | 65          | 65          | 67          |
| Kensington Metropark     | 88          | 82          | 80          | 81          | 85          | 95          | 100         | 98          | 101         | 98          |
| Lower Huron Metropark    | 88          | 83          | 84          | 85          | 86          | 94          | 91          | 92          | 87          | 87          |
| Hudson Mills Metropark   | 29          | 28          | 32          | 35          | 33          | 34          | 36          | 35          | 34          | 37          |
| Stoney Creek Metropark   | 56          | 53          | 55          | 53          | 55          | 58          | 61          | 59          | 60          | 50          |
| Lake Erie Metropark      | 43          | 45          | 48          | 48          | 47          | 51          | 53          | 53          | 56          | 58          |
| Wolcott Mill Metropark   | 20          | 16          | 16          | 19          | 20          | 21          | 22          | 25          | 24          | 25          |
| Indian Springs Metropark | 25          | 24          | 22          | 22          | 24          | 26          | 26          | 25          | 27          | 30          |
| Huron Meadows Metropark  | 12          | 11          | 11          | 12          | 14          | 17          | 18          | 17          | 18          | 19          |
| Total                    | <u>467</u>  | <u>443</u>  | <u>458</u>  | <u>464</u>  | <u>475</u>  | <u>506</u>  | <u>523</u>  | <u>521</u>  | <u>524</u>  | <u>520</u>  |

Huron-Clinton Metropolitan Authority

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

(UNAUDITED)

|  | 2015*     | 2014      | 2013      | 2012      | 2011      | 2010      | 2009      | 2008      | 2007      | 2006      |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Number of Regional Parks                   | 13        | 13        | 13        | 13        | 13        | 13        | 13        | 13        | 13        | 13        |
| Vehicle Count                              | 2,859,720 |           |           |           |           |           |           |           |           |           |
| Estimated Attendance**                     | 7,149,300 | 7,939,916 | 8,420,298 | 8,866,125 | 8,434,169 | 9,203,225 | 9,174,119 | 8,917,076 | 9,065,729 | 8,742,396 |
| Land (acres)                               |           |           |           |           |           |           |           |           |           |           |
| Developed                                  |           | 4,890     | 5,800     | 5,800     | 5,800     | 5,800     | 5,800     | 5,800     | 5,800     | 5,800     |
| Undeveloped                                |           | 18,960    | 18,355    | 18,355    | 18,355    | 18,310    | 18,310    | 18,055    | 18,044    | 18,044    |
| Under Recreational Lease to Other Agencies |           | 1,045     | 600       | 600       | 600       | 600       | 600       | 600       | 600       | 600       |
| All Land ***                               | 24,521    |           |           |           |           |           |           |           |           |           |
| Encumbered for Recreation                  | 14,761    |           |           |           |           |           |           |           |           |           |
| Leased for Farming                         | 595       |           |           |           |           |           |           |           |           |           |
| Leased for Recreation                      | 450       |           |           |           |           |           |           |           |           |           |
| Leased for Utilities                       | 24        |           |           |           |           |           |           |           |           |           |
| General Grounds Maintenance - Acres Mowed  | 3,099     | 3,099     | 2,261     | 2,261     | 2,281     | 2,694     | 2,699     | 2,807     | 2,982     | 3,032     |
| Trails (miles)                             |           |           |           |           |           |           |           |           |           |           |
| Nature/Hiking                              | 58        |           |           |           |           |           |           |           |           |           |
| Paved/Shared Use                           | 84        |           |           |           |           |           |           |           |           |           |
| Equestrian                                 | 36        |           |           |           |           |           |           |           |           |           |
| Cross Country Ski                          | 64        | 81        | 80        | 80        | 80        | 75        | 75        | 66        | 59        | 59        |
| Mountain Biking                            | 19        |           |           |           |           |           |           |           |           |           |
| Maintenance Paths                          | 81        |           |           |           |           |           |           |           |           |           |
| Aquatic Facilities                         |           |           |           |           |           |           |           |           |           |           |
| Pools                                      | 4         | 4         | 4         | 4         | 4         | 4         | 4         | 5         | 4         | 4         |
| Beaches                                    | 3         | 5         | 5         | 5         | 5         | 5         | 5         | 5         | 5         | 5         |
| Spray Pads                                 | 4         | 4         | 4         | 4         | 4         | 4         | 4         | 4         | 3         | 2         |
| Boat Launches                              | 50        | 46        | 44        | 44        | 44        | 44        | 44        | 44        | 44        | 44        |
| Boat Rental Facilities                     | 6         | 5         | 6         | 6         | 6         | 5         | 5         | 5         | 5         | 5         |
| Fishing Platforms                          | 12        |           |           |           |           |           |           |           |           |           |
| Marinas - Number of Boat Slips             | 393       | 498       | 509       | 509       | 553       | 553       | 505       | 564       | 564       | 554       |
| Winter Facilities                          |           |           |           |           |           |           |           |           |           |           |
| Ice Skating Rinks                          |           | 7         | 7         | 7         | 7         | 9         | 9         | 9         | 9         | 9         |
| Sledding/Toboggan Hills                    |           | 19        | 19        | 18        | 18        | 18        | 18        | 18        | 18        | 18        |
| Ice Skating Areas                          | 4         |           |           |           |           |           |           |           |           |           |
| Sledding Areas                             | 6         |           |           |           |           |           |           |           |           |           |



Huron-Clinton Metropolitan Authority

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM -CONTINUED

LAST TEN FISCAL YEARS

(UNAUDITED)

|  | 2015*     | 2014      | 2013      | 2012      | 2011      | 2010      | 2009      | 2008      | 2007      | 2006      |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Infrastructure                         |           |           |           |           |           |           |           |           |           |           |
| Number of Buildings Maintained         |           | 320       | 321       | 321       | 321       | 319       | 319       | 315       | 318       | 315       |
| Square Footage of Buildings Maintained |           | 703,120   | 705,395   | 705,395   | 703,120   | 697,520   | 697,520   | 700,475   | 700,724   | 656,170   |
| Buildings                              | 489       |           |           |           |           |           |           |           |           |           |
| Roads (miles)                          | 68        |           |           |           |           |           |           |           |           |           |
| Parking Spaces                         | 20,480    |           |           |           |           |           |           |           |           |           |
| Great Lakes Shoreline (miles)          | 14        |           |           |           |           |           |           |           |           |           |
| Inland Lakes (acres)                   | 3,634     |           |           |           |           |           |           |           |           |           |
| Recreation Facilities                  |           |           |           |           |           |           |           |           |           |           |
| Regulation 18 Hole Courses             | 8         | 8         | 8         | 8         | 8         | 8         | 8         | 8         | 8         | 8         |
| Number of Golf Rounds                  | 191,605   | 169,157   | 182,333   | 187,868   | 184,837   | 204,839   | 206,271   | 221,338   | 231,599   | 241,832   |
| Par 3 Courses                          | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         |
| Number of Golf Rounds                  | 14,257    | 12,971    | 17,238    | 19,829    | 17,879    | 24,858    | 32,920    | 30,915    | 31,546    | 31,273    |
| Driving Ranges                         | 6         | 6         | 5         | 5         | 5         | 5         | 5         | 5         | 5         | 5         |
| Disc Golf Courses                      | 5         |           |           |           |           |           |           |           |           |           |
| Disc Golf Holes                        | 135       | 126       | 123       | 123       | 120       | 120       | 123       | 120       | 120       | 96        |
| Playgrounds                            | 78        | 51        | 50        | 50        | 49        | 45        | 45        | 45        | 45        | 45        |
| Picnic Shelters                        | 87        | 91        | 91        | 91        | 92        | 87        | 86        | 84        | 83        | 82        |
| Picnic Areas                           | 70        | 88        | 88        | 89        | 90        | 85        | 85        | 85        | 85        | 85        |
| Tennis Courts                          | 9         | 8         | 8         | 8         | 8         | 8         | 8         | 8         | 8         | 9         |
| Basketball Courts                      | 15        | 18        | 19        | 19        | 19        | 19        | 19        | 18        | 18        | 18        |
| Sand Volleyball Courts                 | 38        |           |           |           |           |           |           |           |           |           |
| Baseball Fields                        | 28        |           |           |           |           |           |           |           |           |           |
| Interpretive Centers                   |           |           |           |           |           |           |           |           |           |           |
| Environmental Discovery Center         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         |
| Farm Centers                           | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         |
| Grist Mill                             | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         |
| Nature Centers                         | 6         | 6         | 6         | 6         | 6         | 6         | 6         | 6         | 6         | 6         |
| Mobile Metropark                       | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         |
| Number of Visitors                     | 1,382,962 | 1,459,000 | 1,549,800 | 1,657,759 | 1,681,737 | 1,761,071 | 1,757,499 | 1,608,000 | 1,636,410 | 1,543,225 |
| Number of Interpretive Programs        | 7,580     | 7,175     | 7,478     | 9,706     | 10,181    | 10,106    | 10,458    | 10,261    | 9,696     | 9,822     |
| Special Event Facilities               | 6         |           |           |           |           |           |           |           |           |           |

Huron-Clinton Metropolitan Authority

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM -CONCLUDED

LAST TEN FISCAL YEARS

(UNAUDITED)

|  | 2015* | 2014    | 2013    | 2012    | 2011    | 2010    | 2009    | 2008    | 2007    | 2006    |
|--|-------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Excursion Boat                                       | 1     | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       |
| Public Safety  |       |         |         |         |         |         |         |         |         |         |
| Number of Patrol Vehicles                            | 36    | 36      | 36      | 39      | 39      | 37      | 37      | 33      | 32      | 34      |
| Number of Law Violations                             |       |         |         |         |         |         |         |         |         |         |
| Arrests  | 30    | 24      | 20      | 19      | 13      | 28      | 41      | 58      | 40      | 43      |
| Traffic Violations                                   | 295   | 225     | 221     | 175     | 232     | 305     | 366     | 461     | 493     | 644     |
| Other Violations                                     | 167   | 75      | 49      | 56      | 129     | 120     | 148     | 160     | 168     | 310     |
| Equestrian Trails - Number of Miles                  |       | 53      | 53      | 53      | 53      | 53      | 53      | 29      | 29      | 29      |
| Hike/ Bike Trails (paved) - Number of Miles of Paved |       | 66      | 61      | 61      | 61      | 55      | 55      | 54      | 54      | 54      |
| Miles of Shoreline                                   |       | 94      | 94      | 94      | 94      | 100     | 100     | 100     | 100     | 100     |
| Nature Trails - Number of Miles                      |       | 75      | 75      | 75      | 75 *    | 56      | 56      | 53      | 53      | 53      |
| Outdoor Dance Centers                                |       | 2       | 2       | 2       | 2       | 1       | 1       | 1       | 2       | 2       |
| Parking Lots - Square Yards Maintained               |       | 768,191 | 768,191 | 796,191 | 794,691 | 833,428 | 833,428 | 833,428 | 814,428 | 814,428 |
| Road System - Number of Lane Miles Maintained        |       | 165     | 162     | 162     | 162     | 166     | 166     | 166     | 166     | 166     |
| Skate Parks  |       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       |

\* During the year ending December 31, 2015 the Authority's Planning Department developed a comprehensive Vision Plan which included new statistical areas of focus that will be monitored and maintained on a go forward basis. For this reason, certain categories and areas of statistical reporting have changed from previous years reporting. Consistency among categories has been maintained where available.

\*\* Estimated attendance based on standard multiplier applied to actual vehicle count

\*\*\* Based on land acquisition records, including undeveloped parkway land outside park boundaries

Huron-Clinton Metropolitan Authority

METROPARK GENERAL GOVERNMENTAL EXPENDITURES BY TYPE

LAST TEN FISCAL YEARS

(UNAUDITED)

| Year | Capital<br>Improvements | Equipment    | Land<br>Acquisition | Major<br>Maintenance | General<br>Administration | Park<br>Operations | Capital<br>Projects<br>Fund | Debt Service | Total         |
|------|-------------------------|--------------|---------------------|----------------------|---------------------------|--------------------|-----------------------------|--------------|---------------|
| 2006 | \$ 10,387,422           | \$ 2,497,008 | \$ 213,825          | \$ 693,405           | \$ 6,406,511              | \$ 29,616,888      | \$ 1,526,645                | \$ 25,620    | \$ 51,367,324 |
| 2007 | 10,034,097              | 3,006,105    | 12,850              | 761,662              | 6,635,259                 | 30,885,676         | 763,973                     | -            | 52,099,622    |
| 2008 | 7,103,917               | 1,910,491    | 624,843             | 1,043,507            | 6,659,575                 | 32,609,363         | 1,036,103                   | -            | 50,987,799    |
| 2009 | 9,347,177               | 1,821,169    | 1,603,169           | 1,442,499            | 6,958,695                 | 32,062,269         | 309,183                     | -            | 53,544,161    |
| 2010 | 4,494,392               | 1,972,142    | 10,423              | 1,131,938            | 7,088,861                 | 32,131,822         | 190,332                     | -            | 47,019,910    |
| 2011 | 3,514,907               | 965,066      | 565,997             | 1,106,658            | 7,075,619                 | 31,717,979         | 1,078,344                   | -            | 46,024,570    |
| 2012 | 2,491,443               | 1,170,104    | 2,350               | 1,553,104            | 7,538,185                 | 29,706,692         | 1,930,912                   | -            | 44,392,790    |
| 2013 | 5,068,491               | 1,531,932    | 28,819              | 704,328              | 6,990,592                 | 28,829,491         | 292,196                     | -            | 43,445,849    |
| 2014 | 4,879,504               | 1,225,463    | 269,846             | 1,243,362            | 7,640,052                 | 29,119,023         | 574,615                     | -            | 44,951,865    |
| 2015 | 3,212,855               | 1,370,378    | 177,591             | 1,786,274            | 7,516,737                 | 31,518,622         | 94,579                      | -            | 45,677,036    |

Huron-Clinton Metropolitan Authority

METROPARK GENERAL GOVERNMENTAL EXPENDITURES BY TYPE - CONTINUED

LAST TEN FISCAL YEARS

(UNAUDITED)

|                                       | 2006              | 2007              | 2008             | 2009             | 2010             | 2011             | 2012             | 2013             | 2014             | 2015             | Total             |
|---------------------------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| <b>Capital Improvements</b>           |                   |                   |                  |                  |                  |                  |                  |                  |                  |                  |                   |
| Administrative Office                 | \$ -              | \$ -              | \$ -             | \$ -             | \$ -             | \$ -             | \$ -             | \$ 15,070        | \$ 45,000        | \$ -             | \$ 60,070         |
| Lake St. Clair Metropark              | 95,333            | 749,085           | 1,890,068        | 3,070,170        | 779,453          | 164,896          | 501,752          | 3,388,101        | 247,053          | 252,381          | 11,138,292        |
| Kensington Metropark                  | 2,483,219         | 963,510           | 1,973,343        | 3,907,319        | 991,397          | 2,417,637        | 275,844          | 123,195          | 2,008,956        | 452,571          | 15,596,991        |
| Dexter-Delhi Metropark                | 10,620            | 149,719           | 46,363           | 45,269           | 21,066           | 129,214          | 25,859           | 14,659           | 34,885           | -                | 477,654           |
| Lower Huron/Willow/Oakwoods Metropark | 2,988,365         | 6,820,469         | 622,687          | 1,213,040        | 842,785          | 274,389          | 269,893          | 516,245          | 66,796           | 156,782          | 13,771,451        |
| Hudson Mills Metropark                | 49,281            | 114,369           | 662,669          | 103,637          | 324,848          | 158,655          | 97,746           | 525,153          | 303,410          | 110,901          | 2,450,669         |
| Stony Creek Metropark                 | 3,656,155         | 695,731           | 1,024,385        | 216,901          | 344,335          | 135,328          | 1,182,503        | 125,936          | 237,809          | 1,405,205        | 9,024,288         |
| Lake Erie Metropark                   | 332,322           | 33,712            | 166,028          | 221,474          | 714,069          | 118,017          | 36,280           | 55,787           | 351,366          | 27,186           | 2,056,241         |
| Wolcott Mill Metropark                | 361,989           | 55,859            | 229,612          | 110,013          | 29,399           | 14,417           | 35,032           | 78,544           | 60,035           | 389,335          | 1,364,235         |
| Indian Springs Metropark              | 347,384           | 333,776           | 411,705          | 373,191          | 312,175          | 41,265           | 37,288           | 167,628          | 325,956          | 371,525          | 2,721,893         |
| Huron Meadows Metropark               | 47,845            | 109,255           | 61,807           | 86,163           | 134,865          | 3,074            | 29,246           | 58,173           | 1,198,238        | 46,969           | 1,775,635         |
| Cost Share Other Agencies             | 14,909            | 8,612             | 15,250           | -                | -                | -                | -                | -                | -                | -                | 38,771            |
| <b>Total</b>                          | <b>10,387,422</b> | <b>10,034,097</b> | <b>7,103,917</b> | <b>9,347,177</b> | <b>4,494,392</b> | <b>3,456,892</b> | <b>2,491,443</b> | <b>5,068,491</b> | <b>4,879,504</b> | <b>3,212,855</b> | <b>60,476,190</b> |
| <b>Equipment</b>                      |                   |                   |                  |                  |                  |                  |                  |                  |                  |                  |                   |
| Central Pool Equipment                | 106,315           | 200,833           | 145,325          | 56,383           | 167,493          | 274,595          | 107,813          | 172,763          | 630,121          | 231,321          | 2,092,962         |
| Lake St. Clair Metropark              | 157,643           | 179,688           | 217,608          | 97,496           | 236,282          | 113,685          | 213,150          | 109,896          | 142,484          | 206,783          | 1,674,715         |
| Kensington Metropark                  | 337,725           | 439,613           | 282,956          | 288,600          | 453,310          | 140,575          | 318,761          | 230,212          | 149,257          | 207,324          | 2,848,333         |
| Lower Huron/Willow/Oakwoods Metropark | 663,880           | 312,809           | 397,155          | 485,485          | 188,961          | 260,665          | 132,884          | 94,976           | 69,759           | 139,967          | 2,746,541         |
| Hudson Mills Metropark                | 326,217           | 224,144           | 185,257          | 133,418          | 85,560           | 40,422           | 12,656           | 117,115          | 82,700           | 36,814           | 1,244,303         |
| Stony Creek Metropark                 | 219,227           | 1,014,991         | 143,396          | 131,759          | 282,333          | 67,235           | 257,776          | 282,583          | 46,107           | 332,084          | 2,777,491         |
| Lake Erie Metropark                   | 234,135           | 377,222           | 113,109          | 147,267          | 111,636          | 16,638           | 1,250            | 358,709          | 10,558           | 66,180           | 1,436,704         |
| Wolcott Mill Metropark                | 125,892           | 67,964            | 131,732          | 60,477           | 19,071           | 22,966           | 8,906            | 11,095           | 35,050           | 41,751           | 524,904           |
| Indian Springs Metropark              | 185,499           | 151,405           | 161,696          | 304,666          | 77,778           | 28,285           | 94,408           | 91,409           | 17,537           | 85,280           | 1,197,963         |
| Huron Meadows Metropark               | 140,475           | 37,436            | 132,257          | 115,618          | 349,718          | -                | 22,500           | 63,174           | 41,890           | 22,874           | 925,942           |
| <b>Total</b>                          | <b>2,497,008</b>  | <b>3,006,105</b>  | <b>1,910,491</b> | <b>1,821,169</b> | <b>1,972,142</b> | <b>965,066</b>   | <b>1,170,104</b> | <b>1,531,932</b> | <b>1,225,463</b> | <b>1,370,378</b> | <b>17,469,858</b> |
| <b>Land Acquisition</b>               |                   |                   |                  |                  |                  |                  |                  |                  |                  |                  |                   |
| Lake St. Clair Metropark              | -                 | -                 | -                | -                | -                | -                | -                | 19,456           | 72,859           | 177,591          | 269,906           |
| Kensington Metropark                  | -                 | -                 | -                | -                | -                | -                | -                | 2,950            | -                | -                | 2,950             |
| Wolcott Mill Metropark                | -                 | 11,850            | 2,950            | 5,650            | 8,400            | 287,884          | 2,350            | 6,414            | 196,737          | -                | 522,235           |
| Indian Springs Metropark              | 213,825           | 1,000             | 252,544          | 1,593,769        | 23               | 273,813          | -                | -                | -                | -                | 2,334,974         |
| Huron Meadows                         | -                 | -                 | 212,524          | 2,800            | 2,000            | -                | -                | -                | -                | -                | 217,324           |
| Other Metroparks                      | -                 | -                 | 156,825          | 950              | -                | 4,300            | -                | -                | 250              | -                | 162,325           |
| <b>Total</b>                          | <b>213,825</b>    | <b>12,850</b>     | <b>624,843</b>   | <b>1,603,169</b> | <b>10,423</b>    | <b>565,997</b>   | <b>2,350</b>     | <b>28,820</b>    | <b>269,846</b>   | <b>177,591</b>   | <b>3,509,714</b>  |

Huron-Clinton Metropolitan Authority

METROPARK GENERAL GOVERNMENTAL EXPENDITURES BY TYPE - CONCLUDED

LAST TEN FISCAL YEARS

(UNAUDITED)

|  | 2006                 | 2007                 | 2008                 | 2009                 | 2010                 | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 | Total                 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| <b>Major Maintenance</b>                                 |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                       |
| Administrative Office - Engineering/<br>General Planning | \$ 52,128            | \$ 38,154            | \$ 73,215            | \$ 179,437           | \$ 69,367            | \$ 166,374           | \$ 76,319            | \$ 90,486            | \$ 74,754            | \$ 8,044             | \$ 828,278            |
| Lake St. Clair Metropark                                 | 213,324              | 63,025               | 90,431               | 129,104              | 37,271               | 177,368              | 67,827               | 170,388              | 226,800              | 198,938              | 1,374,476             |
| Kensington Metropark                                     | 106,745              | 219,079              | 142,425              | 169,523              | 101,468              | 321,623              | 127,031              | 31,511               | 282,058              | 411,571              | 1,913,034             |
| Lower Huron/Willow/Oakwoods Metropark                    | 68,959               | 85,355               | 353,661              | 378,249              | 89,350               | 160,134              | 429,468              | 38,958               | 454,770              | 338,346              | 2,397,250             |
| Hudson Mills Metropark                                   | 12,486               | 30,038               | 75,829               | 235,922              | 55,458               | 19,178               | 338,736              | -                    | 38,651               | 42,342               | 848,640               |
| Stony Creek Metropark                                    | 113,320              | 175,530              | 148,948              | 164,651              | 570,546              | 83,260               | 236,918              | 38,138               | 228,158              | 269,969              | 2,029,438             |
| Lake Erie Metropark                                      | 41,393               | 81,453               | 59,798               | 185,613              | 76,122               | 110,656              | 125,456              | 248,430              | 4,250                | 17,962               | 951,133               |
| Wolcott Mill Metropark                                   | 36,825               | 32,032               | 54,086               | -                    | -                    | 40,458               | 45,053               | 18,572               | 126,076              | 264,173              | 617,275               |
| Indian Springs Metropark                                 | 11,080               | -                    | 45,114               | -                    | 6,632                | 26,645               | 48,053               | 63,979               | -                    | 99,502               | 301,005               |
| Huron Meadows Metropark                                  | 37,145               | 36,996               | -                    | -                    | 125,724              | 964                  | 58,243               | 3,866                | -                    | 135,427              | 398,365               |
| <b>Total</b>   | <b>693,405</b>       | <b>761,662</b>       | <b>1,043,507</b>     | <b>1,442,499</b>     | <b>1,131,938</b>     | <b>1,106,658</b>     | <b>1,553,104</b>     | <b>704,328</b>       | <b>1,435,517</b>     | <b>1,786,274</b>     | <b>11,658,892</b>     |
| <b>General Administration</b>                            |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                       |
| Administrative Office                                    | 6,406,511            | 6,635,259            | 6,659,575            | 6,958,695            | 7,088,861            | 7,075,619            | 7,538,185            | 6,990,592            | 7,640,052            | 7,516,737            | 70,510,086            |
| <b>Park Operations</b>                                   |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                       |
| Lake St. Clair Metropark                                 | 3,855,113            | 3,912,779            | 4,070,235            | 4,064,908            | 3,951,050            | 3,784,910            | 3,500,206            | 3,518,212            | 3,476,787            | 3,955,554            | 38,089,754            |
| Kensington Metropark                                     | 5,826,464            | 6,131,556            | 6,542,370            | 6,443,579            | 6,529,008            | 6,486,029            | 6,163,819            | 5,942,347            | 6,009,375            | 6,487,747            | 62,562,294            |
| Lower Huron/Willow/Oakwoods Metropark                    | 5,278,638            | 5,343,726            | 6,150,938            | 5,422,245            | 5,790,454            | 5,740,732            | 5,370,279            | 5,314,881            | 5,241,451            | 5,954,585            | 55,607,929            |
| Dexter/Delhi/Hudson Mills Metroparks                     | 2,618,337            | 2,536,332            | 2,616,276            | 2,794,242            | 2,747,588            | 2,981,726            | 2,741,822            | 2,463,982            | 2,444,480            | 2,531,077            | 26,475,862            |
| Stony Creek Metropark                                    | 3,276,287            | 4,116,165            | 4,179,179            | 4,195,573            | 4,230,227            | 4,058,406            | 3,959,094            | 3,816,608            | 3,896,686            | 4,450,218            | 40,178,443            |
| Lake Erie Metropark                                      | 3,571,218            | 3,509,711            | 3,571,164            | 3,591,422            | 3,425,448            | 3,379,534            | 3,356,082            | 3,393,851            | 3,313,518            | 3,366,875            | 34,478,823            |
| Wolcott Mill Metropark                                   | 1,738,010            | 1,754,438            | 1,824,048            | 1,737,968            | 1,755,269            | 1,775,100            | 1,604,023            | 1,398,932            | 1,548,474            | 1,645,858            | 16,782,120            |
| Indian Springs Metropark                                 | 1,974,781            | 1,962,749            | 2,094,248            | 2,116,133            | 2,194,572            | 2,052,636            | 1,844,228            | 1,825,913            | 1,924,048            | 2,018,613            | 20,007,921            |
| Huron Meadows Metropark                                  | 1,048,674            | 1,072,271            | 1,058,438            | 1,144,033            | 1,199,291            | 1,055,361            | 837,024              | 855,213              | 943,075              | 1,079,578            | 10,292,958            |
| Central Warehouse/Garage/Other                           | 429,366              | 545,949              | 502,467              | 552,167              | 308,915              | 403,546              | 330,115              | 299,552              | 321,129              | 28,517               | 3,721,723             |
| <b>Total</b>   | <b>29,616,888</b>    | <b>30,885,676</b>    | <b>32,609,363</b>    | <b>32,062,270</b>    | <b>32,131,822</b>    | <b>31,717,979</b>    | <b>29,706,692</b>    | <b>28,829,491</b>    | <b>29,119,023</b>    | <b>31,518,622</b>    | <b>308,197,825</b>    |
| <b>Debt Service</b>                                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                       |
| Principal  | 24,953               | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 24,953                |
| Interest   | 667                  | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 667                   |
| <b>Total</b>   | <b>25,620</b>        | <b>-0-</b>           | <b>-0-</b>           | <b>-0-</b>           | <b>-0-</b>           | <b>-0-</b>           | <b>-0-</b>           | <b>-0-</b>           | <b>-0-</b>           | <b>-0-</b>           | <b>25,620</b>         |
| <b>Capital Projects Fund</b>                             |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                       |
| Kensington Metropark                                     | -                    | -                    | -                    | 19,580               | 152,040              | 716,501              | 1,712,310            | 53,180               | -                    | -                    | 2,653,610             |
| Lower Huron Metropark                                    | 1,474,985            | 672,466              | 238,677              | (83,175)             | -                    | -                    | -                    | -                    | -                    | -                    | 2,302,953             |
| Stony Creek Metropark                                    | -                    | -                    | -                    | 17,771               | 33,752               | 361,844              | 218,602              | 239,016              | 382,460              | 94,579               | 1,348,024             |
| Oakwoods Metropark                                       | 51,660               | 91,507               | 797,426              | 355,007              | 4,540                | -                    | -                    | -                    | -                    | -                    | 1,300,140             |
| <b>Total</b>   | <b>1,526,645</b>     | <b>763,973</b>       | <b>1,036,103</b>     | <b>309,183</b>       | <b>190,332</b>       | <b>1,078,344</b>     | <b>1,930,912</b>     | <b>292,196</b>       | <b>382,460</b>       | <b>94,579</b>        | <b>7,604,727</b>      |
| <b>Total Expenditures</b>                                | <b>\$ 51,367,324</b> | <b>\$ 52,099,622</b> | <b>\$ 50,987,799</b> | <b>\$ 53,544,162</b> | <b>\$ 47,019,910</b> | <b>\$ 45,966,555</b> | <b>\$ 44,392,790</b> | <b>\$ 43,445,850</b> | <b>\$ 44,951,865</b> | <b>\$ 45,677,036</b> | <b>\$ 479,452,912</b> |

Huron-Clinton Metropolitan Authority

METROPARK GENERAL GOVERNMENTAL REVENUES BY SOURCE

LAST TEN FISCAL YEARS

(UNAUDITED)

| Year | Property<br>Tax | Park<br>Operations | Interest     | Grants    | Gifts      | Miscellaneous | Other<br>Financing<br>Sources | Capital<br>Projects<br>Fund | Total <sup>(a)</sup> |
|------|-----------------|--------------------|--------------|-----------|------------|---------------|-------------------------------|-----------------------------|----------------------|
| 2006 | \$ 32,597,201   | \$ 12,814,635      | \$ 1,736,966 | \$ 78,989 | \$ 128,136 | \$ 1,517,962  | \$ 533,977                    | \$ 1,034,570                | \$ 50,442,436        |
| 2007 | 34,547,937      | 13,807,794         | 1,891,920    | 59,890    | 306,885    | 52,467        | 259,564                       | 929,849                     | 51,856,306           |
| 2008 | 36,053,277      | 14,480,210         | 1,386,929    | 501,584   | 91,929     | 208,335       | 382,240                       | 1,073,328                   | 54,177,832           |
| 2009 | 35,953,354      | 13,764,068         | 717,457      | 2,029,548 | 101,219    | 73,384        | 280,543                       | 586,306                     | 53,505,879           |
| 2010 | 34,528,432      | 14,715,827         | 384,922      | 317,491   | 57,065     | 24,161        | 411,926                       | 525,621                     | 50,965,445           |
| 2011 | 30,691,073      | 14,151,725         | 266,837      | 351,412   | 110,423    | 28,460        | 126,880                       | 426,633                     | 46,153,443           |
| 2012 | 28,384,628      | 15,027,250         | 133,184      | 409,538   | 127,231    | 513,164       | 204,213                       | 623,420                     | 45,422,628           |
| 2013 | 27,662,759      | 14,519,872         | 198,255      | 2,050,630 | 167,123    | 27,567        | 223,069                       | 316,736                     | 45,166,011           |
| 2014 | 28,125,677      | 16,316,176         | 277,461      | 215,614   | 87,407     | 97,013        | 43,551                        | 251,281                     | 45,414,180           |
| 2015 | 28,503,130      | 17,893,737         | 344,745      | 217,896   | 337,171    | 987,949       | 192,480                       | 76,693                      | 48,553,801           |

(a) Includes General Fund and Capital Projects Fund.

Huron-Clinton Metropolitan Authority

METROPARK OPERATING REVENUES BY PARK

LAST TEN FISCAL YEARS

(UNAUDITED)

|   | 2006                 | 2007                 | 2008                 | 2009                 | 2010                 | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 | Total                 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Lake St. Clair Metropark                | \$ 1,678,727         | \$ 1,683,188         | \$ 1,608,432         | \$ 1,605,390         | \$ 1,767,070         | \$ 1,639,040         | \$ 1,677,510         | \$ 1,605,222         | \$ 1,753,366         | \$ 2,161,319         | \$ 17,179,264         |
| Kensington Metropark                    | 2,466,744            | 2,719,304            | 2,743,827            | 2,608,246            | 2,896,630            | 2,802,315            | 2,959,722            | 3,007,259            | 3,481,846            | 3,996,669            | 29,682,562            |
| Lower Huron Metropark                   | 477,587              | 455,934              | 1,317,792            | 1,236,339            | 1,496,553            | 1,544,161            | 1,577,205            | 1,299,958            | 1,465,153            | 2,682,224            | 13,552,906            |
| Dexter/Delhi/Hudson Mills<br>Metroparks | 1,013,139            | 966,415              | 955,416              | 964,219              | 969,111              | 887,294              | 826,820              | 867,709              | 964,791              | 1,044,048            | 9,458,962             |
| Stony Creek Metropark                   | 1,524,353            | 2,381,566            | 2,358,584            | 2,334,081            | 2,514,918            | 2,535,163            | 2,846,775            | 2,989,230            | 3,362,441            | 3,574,513            | 26,421,624            |
| Willow/ Oakwoods Metroparks             | 1,280,234            | 1,289,490            | 1,328,555            | 1,004,439            | 1,131,561            | 804,158              | 1,028,790            | 931,113              | 1,064,566            | -                    | 9,862,906             |
| Lake Erie Metropark                     | 1,777,956            | 1,703,153            | 1,641,958            | 1,601,021            | 1,576,391            | 1,572,925            | 1,553,867            | 1,395,317            | 1,521,141            | 1,627,750            | 15,971,479            |
| Wolcott Mill Metropark                  | 584,720              | 607,896              | 603,100              | 485,383              | 471,291              | 469,845              | 588,431              | 534,381              | 539,505              | 558,710              | 5,443,262             |
| Indian Springs Metropark                | 953,005              | 961,002              | 933,591              | 895,761              | 870,566              | 811,109              | 904,808              | 953,775              | 1,079,093            | 1,122,183            | 9,484,893             |
| Huron Meadows Metropark                 | 912,367              | 867,706              | 816,058              | 822,933              | 807,926              | 760,210              | 702,974              | 689,334              | 773,048              | 856,215              | 8,008,771             |
| Resident House/Land Leases<br>Other     | 135,285              | 159,827              | 163,998              | 185,012              | 177,489              | 170,522              | 190,986              | 198,093              | 195,165              | -                    | 1,576,377             |
| Administrative Office                   | 10,518               | 12,313               | 8,899                | 21,244               | 36,321               | 154,983              | 169,355              | 48,481               | 116,061              | 270,106              | 848,281               |
| <b>Total</b>                            | <b>\$ 12,814,635</b> | <b>\$ 13,807,794</b> | <b>\$ 14,480,210</b> | <b>\$ 13,764,068</b> | <b>\$ 14,715,827</b> | <b>\$ 14,151,725</b> | <b>\$ 15,027,243</b> | <b>\$ 14,519,872</b> | <b>\$ 16,316,176</b> | <b>\$ 17,893,737</b> | <b>\$ 147,491,287</b> |

Huron-Clinton Metropolitan Authority  
**METROPARK OPERATING REVENUES BY TYPE**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

| Type of Revenue            | 2006                 | 2007                 | 2008                 | 2009                 | 2010                 | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 | Total                 |
|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Food Service (b)           | \$ 825,334           | \$ 825,921           | \$ 951,338           | \$ 814,336           | \$ 803,573           | \$ 778,782           | \$ 730,059           | \$ 774,520           | \$ 1,201,877         | \$ -                 | \$ 7,705,739          |
| Aquatic                    | 535,703              | 718,952              | 1,364,533            | 1,112,798            | 1,418,185            | 1,572,314            | 1,508,333            | 1,317,560            | 1,443,720            | 2,010,251            | 13,002,348            |
| Dockage/ Boat Storage      | 429,671              | 418,323              | 405,316              | 373,705              | 390,105              | 396,478              | 371,748              | 366,101              | 362,701              | 383,575              | 3,897,724             |
| Boat Rentals               | 212,216              | 234,121              | 266,152              | 273,220              | 275,897              | 326,887              | 338,251              | 357,399              | 389,421              | 460,095              | 3,133,660             |
| Excursion Boat             | 27,503               | 30,867               | 40,037               | 37,532               | 38,555               | 44,441               | 44,668               | 49,598               | 49,634               | 44,102               | 406,937               |
| Cross Country Skiing       | 1,929                | 10,526               | 27,255               | 41,744               | 45,513               | 55,021               | 26,076               | 48,047               | 86,234               | 62,642               | 404,986               |
| Toll Collection            | 4,636,860            | 4,735,495            | 4,621,742            | 4,796,269            | 5,690,581            | 5,358,278            | 5,722,407            | 5,547,951            | 6,991,270            | 7,471,802            | 55,572,656            |
| Sundries (b)               | 133,270              | 138,831              | 135,387              | 120,056              | 125,336              | 104,699              | 119,669              | 115,538              | 109,392              | -                    | 1,102,178             |
| Games/Equipment Rental (b) | 57,314               | 54,693               | 53,525               | 41,141               | 38,712               | 4,375                | 17,463               | 28,875               | 32,390               | -                    | 328,488               |
| Activity Center            | 75,005               | 74,030               | 97,396               | 120,408              | 122,608              | 132,997              | 145,918              | 123,194              | 127,407              | 210,988              | 1,229,951             |
| Shelter Reservations       | 281,353              | 301,071              | 310,195              | 320,730              | 342,550              | 338,830              | 351,044              | 405,270              | 369,415              | 373,751              | 3,394,209             |
| Golf Course                | 4,994,534            | 5,626,147            | 5,491,384            | 4,930,968            | 4,636,348            | 4,041,661            | 4,518,659            | 4,332,837            | 4,137,391            | 5,345,559            | 48,055,488            |
| Adventure/ Disc Golf       | 46,406               | 47,215               | 93,736               | 187,062              | 202,599              | 172,470              | 183,330              | 185,184              | 167,969              | 221,241              | 1,507,213             |
| Special Events             | 40,320               | 58,342               | 29,997               | 21,141               | 25,760               | 48,829               | 41,301               | 83,653               | 56,331               | 157,462              | 563,135               |
| Resident House/Land/Leases | 90,180               | 106,774              | 112,178              | 118,857              | 107,025              | 113,597              | 131,925              | 137,138              | 127,157              | 131,640              | 1,176,470             |
| Livestock Sales (b)        | 73,329               | 66,471               | 80,887               | 52,685               | 49,695               | 96,137               | 135,185              | 96,875               | 104,436              | -                    | 755,700               |
| Hay Rides (b)              | 42,587               | 43,621               | 48,917               | 38,047               | 37,794               | 37,803               | 34,612               | 42,069               | 48,301               | -                    | 373,751               |
| Site Location Fee (b)      | 25,170               | 16,990               | 35,133               | 29,155               | 18,785               | 24,980               | 16,269               | 30,760               | 38,244               | -                    | 235,486               |
| Interpretive               | 161,041              | 181,254              | 179,196              | 177,548              | 184,658              | 217,775              | 252,338              | 268,279              | 257,623              | 603,271              | 2,482,983             |
| Intergovernmental (b)      | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 206,713              | 206,713               |
| Miscellaneous (b)          | 110,363              | 101,279              | 118,619              | 136,780              | 155,911              | 136,454              | 115,857              | 42,020               | 145,239              | 106,265              | 1,168,788             |
| Other Park Revenues (a)    | 14,548               | 16,870               | 17,287               | 19,886               | 5,637                | 148,918              | 222,138              | 167,004              | 70,024               | 104,380              | 786,692               |
| <b>Total</b>               | <b>\$ 12,814,635</b> | <b>\$ 13,807,794</b> | <b>\$ 14,480,210</b> | <b>\$ 13,764,068</b> | <b>\$ 14,715,827</b> | <b>\$ 14,151,725</b> | <b>\$ 15,027,250</b> | <b>\$ 14,519,872</b> | <b>\$ 16,316,176</b> | <b>\$ 17,893,737</b> | <b>\$ 147,491,293</b> |

(a) Other Park Revenues include camping, trackless train, and mobile stage.

(b) During the year ended December 31, 2015 the Authority revised their chart of accounts and reporting classifications.

Certain types of operating revenues were consolidated into new or existing operating classifications. As such some historical comparisons are not available.