

Huron-Clinton Metropolitan Authority

Comprehensive Annual Financial Report
Year Ended December 31, 2018



SUBMITTED TO THE
HURON-CLINTON METROPOLITAN AUTHORITY
BOARD OF COMMISSIONERS
BRIGHTON, MICHIGAN

Timothy J. McCarthy - Chairman - Governor Appointee
Robert W. Marans - Vice Chairman - Washtenaw County
Jaye Quadrozzi - Treasurer - Oakland County
Bernard Parker - Secretary - Wayne County
Steven E. Williams - Livingston County
Kurt L. Heise - Governor Appointee
John Paul Rea - Macomb County

Prepared by the Huron-Clinton Metropolitan Authority
Finance Department

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INTRODUCTORY SECTION



June 11, 2019

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

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, 2018. 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 including Wayne, Macomb, Oakland, Washtenaw, and Livingston Counties (Counties).

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 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

Kurt L. Heise
Governor Appointee

Stevens E. Williams
Livingston County

Bernard Parker
Wayne County

Robert W. Marans
Washtenaw County

John Paul Rea
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.

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 Chief Finance Officer 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 and offer a blend of natural resources such as lakes, rivers, 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 2017, the Metropark system provided recreation for 7.3 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) Finance; (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 economic climate of the regions in Southeast Michigan continues regain strength in its 8th year of recovery. Unemployment levels are falling, but still overall above the national rate. Not all areas within the five-county Metroparks region respond evenly. Median household income ranges from a low of \$43,700 in Wayne County to a high of \$78,000 in Livingston County. Southeast Michigan overall sees taxable value continue to grow with growth continuing to be steady in the housing markets and values.

MAJOR INITIATIVES

During 2018, the Authority's staff, worked with the Board of Commissioners and the Director to define an appropriate range for the general fund unassigned fund balance. In addition to this, the Board of Commissioners approved implementation and transition to a capital project fund. Past capital improvement projects were budgeted and expensed within the general fund. A majority of capital projects span multiple years making the fit within the general fund annual budget less than ideal. As of year end the new Capital Project Fund was set up and all open capital improvement projects were transitioned. The following information summarizes several of the more significant projects. 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 2018 included:

1. At Lake St. Clair Metropark, \$150,000 was expended to finalize development of open waterways through the Black Creek Marsh. This work which was funded through NOAA (National Oceanic and Atmospheric Administration) and GLC (Great Lakes Commission) is intended to improve fish spawning habitat in the Lake St. Clair watershed as well as enhancing water based recreation in the Black Creek March. This was primarily accomplished through dredging and development of small pond areas and channels within the existing marshlands.
2. Kensington Metropark's east boat launch facility was updated to include more accessibility for personal water craft as well as improvement of the launch ramps themselves at a cost of \$110,000.
3. Redevelopment of the boat launch facility at Stony Creek Metropark continued during 2018. This work which was originally anticipated to cost in excess of \$4 million when completed encompassed two separate projects. The first, which entailed rework of the boat launch ramps themselves as well as some paving and bike path realignment incurred expenditures in 2018 to complete the project. The other component will remove the existing comfort station which is not in compliance with current accessibility standards. \$641,000 was expended during 2018. There is currently no further construction underway on this project.
4. Also at Stony Creek Metropark, reconstruction of an existing section of hike-bike trail accounted for expenditures of nearly \$150,000.
5. Wolcott Metropark Farm Center was improved with the re-development of a children's play area at a cost of \$91,000.

6. Huron Meadows Metropark Golf Course service yard was updated with the removal of an existing underground storage tank (UST) and replacement with an above ground storage tank (AST). This process of removing the UST and replacing it with an AST is ongoing throughout the Metroparks.
7. In addition, design work for several significant projects was underway in 2018. These projects include Kensington Maple Beach Facilities, Stony Creek Baypoint Beach Facilities, Willow Park Office. All three of these facilities will replace obsolete facilities that have either been removed or are planned for removal.

In total, the Authority invested in park facilities to the extent of nearly \$2.2 million, as work was performed on 36 individual capital 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 2018 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 received Federal financial assistance during 2018 related to the Black Creek Marsh restoration at Lake St. Clair Metropark. The receipt of these funds will not require 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 CFO's office near the end of September. The CFO utilizes these requests, along with capital budget requests, as the starting point for developing a proposed General Fund budget. The CFO 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 equipment, 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 monthly 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 Financial Plan. The current Community Recreation Plan covers recreational development for the period from 2018 through 2022. Long term financial planning for the Metroparks 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 an effort to position the Authority to work towards a model of fiscal sustainability. Recognizing the paradigm shift in tax revenue as well as the capital needs 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 to \$ 2.5 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 to be 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 Yeo & Yeo 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 Yeo & Yeo 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, 2017. This was the fifteenth 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 Supervisor of Accounting Rebecca Baaki and Auditor Molly Goike. Their assistance was absolutely essential and appreciated in submitting this report.

The input and guidance from our independent auditors, Yeo & Yeo, 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 Franchock

Huron-Clinton Metropolitan Authority
GFOA Certificate of Achievement
December 31, 2018



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, 2017

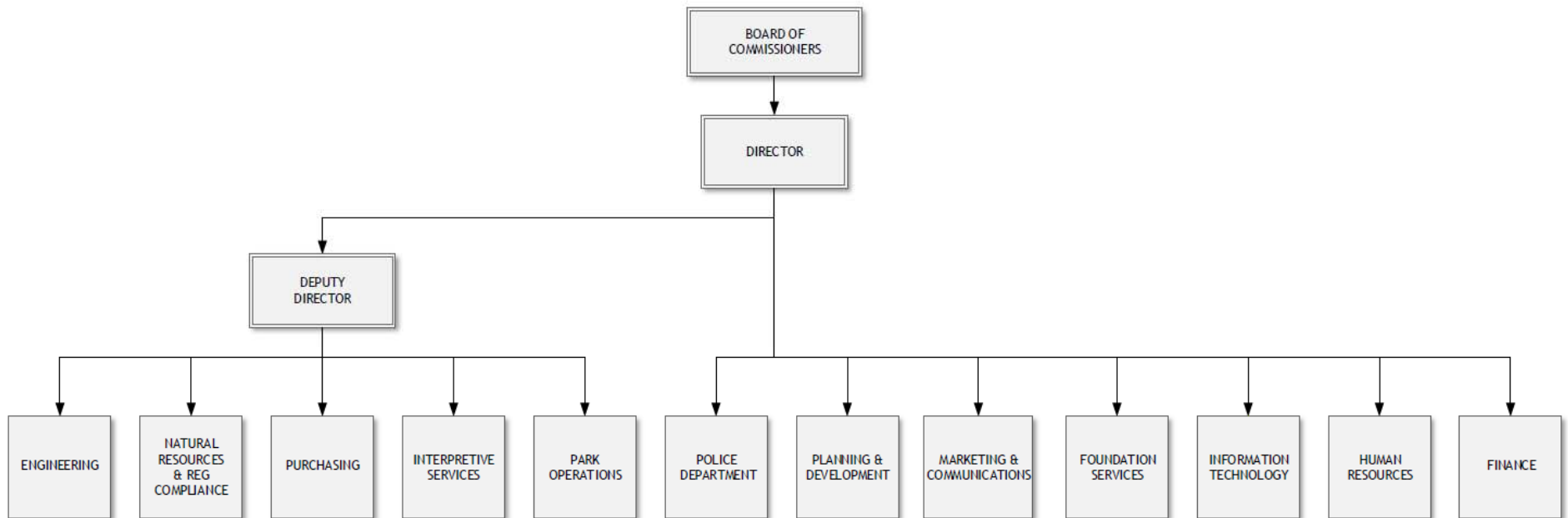
Christopher P. Morill

Executive Director/CEO

**Huron-Clinton Metropolitan Authority
Organization Chart
December 31, 2018**

HCMA FUNCTIONAL ORGANIZATION CHART

December 31, 2018



Huron-Clinton Metropolitan Authority
List of Officials
December 31, 2018

Unit – Title

Name of Official

Administrative Staff

Director
Deputy Director
Chief of Finance
Supervisor of Accounting
Chief of Natural Resources
Chief of Police
Director of Fund Development
Information Technology Manager
Interpretive Services Manager
Manager of Engineering
Manager of Human Resources
Manager of Planner
Supervising Field Engineer
Supervising Design Engineer

Amy McMillan
David B. Kirbach
Rebecca L. Franchock
Rebecca J. Baaki
Ryan Colliton
Michael Reese
Julie Hein
Robert Rudolph
Jennifer Jaworski
Michael Henkel
Randy Rossman
Nina Kelly
Jim Soraghan
Laura L. Martin

EASTERN DISTRICT

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

Michael G. Lyons
Mark V. Lietaert
Julie C. Champion
Gary G. Hopp
Susan Schmidt
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

Jeff Brown
Adam Haberkorn
Victoria Sluder
Eric J. Koppin

Tamra Bezzeg

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

Jerome Cyr
Joseph B. Jolly
Kevin J. Arnold

Jeff Schuman
Jeffrey D. Linn

FINANCIAL SECTION

Independent Auditors' 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, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Huron-Clinton Metropolitan 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.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Huron-Clinton Metropolitan Authority, as of December 31, 2018, 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.

Adoption of New Accounting Standards

As described in Note 1 to the financial statements, during the year ended December 31, 2018, the Authority adopted GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. 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 post-employment benefit schedules, as identified 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 Supplementary 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, statistical section, and other supplementary information, as identified in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The other supplementary information, as identified in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The other supplementary 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 other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section, which are the responsibility of management, 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.

Yeo & Yeo, P.C.

Auburn Hills, MI
June 11, 2019

Huron-Clinton Metropolitan Authority

Management's Discussion and Analysis

December 31, 2018

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, 2018. 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 2018 by \$210,752,159 (net position). Of this amount, \$15,550,860 (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 \$1,220,507.

Authority General Fund revenues of approximately \$54 million were more than the expected 2018 final budget targets by \$1,109,679 (2.1 percent).

Authority General Fund operating expenditures of approximately \$56 million were under amended 2018 budget amounts by \$5,779,476 (10.3 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 like private-sector business.

The *statement of net position* presents information on all 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 only result in cash flows in future years (i.e., earned but unused vacation leave).

Huron-Clinton Metropolitan Authority

Management's Discussion and Analysis

December 31, 2018

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.

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 three 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, Supplemental Major Maintenance 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.

Huron-Clinton Metropolitan Authority
Management's Discussion and Analysis
December 31, 2018

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 December 31 fiscal year ends.

The Defined Benefit Pension Plan is administrated by a third party. An actuarial valuation determines the funding required annually. Under GASB Statement No. 68, the net pension liability as of December 31, 2018 totaled \$25,166,089, which was an increase of \$6,219,237 from December 31, 2017. The Authority contributed \$3,000,000 for this period.

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 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, 2018. Additional work was performed as of December 31, 2018 in accordance with GASB 74 which determined other post-employment benefits (OPEB) liability to be \$39,742,748. At the end of the Plan's thirteenth fiscal year, the actuarial value of Trust assets totaled \$27,368,175 (68.9 percent) and net OPEB liability totaled \$12,374,573. The Authority exceeded the funding required by the Annual Required Contribution (ARC) by transferring \$1,692,133 from the General Fund to the Retiree Health Care Trust for the Plan year ended December 31, 2018.

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 post-employment benefits to its employees.

Huron-Clinton Metropolitan Authority

Management's Discussion and Analysis

December 31, 2018

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 \$210,752,159 at the close of the year.

By far the largest portion of the Authority's net position (92 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.

	Net Position	
	Governmental Activities	
	2018	2017
Current and other assets	\$ 82,685,789	\$ 81,258,752
Capital assets, net	194,826,998	197,243,195
Total assets	277,512,787	278,501,947
Deferred outflows of resources	8,367,668	5,008,332
Long-term liabilities	40,079,747	21,688,045
Other liabilities	3,459,924	3,805,727
Total liabilities	43,539,671	25,493,772
Deferred inflows of resources	31,588,625	33,816,260
Net position		
Net investment in capital assets	194,826,998	197,243,195
Restricted	374,301	349,962
Unrestricted	15,550,860	26,607,090
Total net position	\$ 210,752,159	\$ 224,200,247

Huron-Clinton Metropolitan Authority
Management's Discussion and Analysis
December 31, 2018

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 \$1,220,507 during the current year.

	Change in Net Position Governmental Activities	
	2018	2017
Program revenues		
Park charges for services	\$ 19,802,276	\$ 19,692,340
Operating grants	907,043	1,377,190
Capital grants	76,311	-
General revenues		
Property taxes	31,675,974	30,645,350
Oil and gas royalties	95,652	93,838
Donations	19,065	32,483
Interest	785,931	484,795
Miscellaneous	791,122	-
Total revenues	54,153,374	52,325,996
Expenses		
Recreation and culture	52,932,867	51,898,640
Change in net position	1,220,507	427,356
Net position		
Beginning of year	209,531,652	223,772,891
End of year	<u>\$ 210,752,159</u>	<u>\$ 224,200,247</u>

Huron-Clinton Metropolitan Authority

Management's Discussion and Analysis

December 31, 2018

Governmental Activities

Governmental activities increased the Authority's net position by \$1,220,507, as total 2018 operating revenues of \$54.1 million exceeded total expenditures of \$52.9 million.

Change in Net Position

The change in net position for 2018 is approximately \$0.8 million more than the change in net position for 2017.

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.

As of the end of the current year, the Authority's governmental funds reported a combined ending fund balance of \$48,440,145, an increase of \$5,836,917 compared to 2017. Approximately 44 percent of this total amount (\$21.2 million) constitutes "unassigned" fund balance. Approximately 2 percent of this total amount (\$0.9 million) is considered nonspendable. Approximately one percent of the total amount (\$0.4 million) is considered restricted. Approximately 15 percent of this total amount (\$7.2 million) is considered assigned. The remainder of fund balance (\$18.8 million) is "committed" to indicate that it is not available for new spending because it has already been committed for: (1) capital projects-\$7.3 million, (2) supplemental major maintenance-\$4.9 million, (3) future land purchases-\$5.5 million, and (4) health insurance rate stabilization funds-\$1.1 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 \$21,153,287 while total fund balance was \$36,204,515. 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 within a range of 25 to 30% of general fund revenues, and at year end the unassigned fund balance was 39% of general fund revenues of \$54 million. The Board of Commissioners has approved a systematic buildup of fund balance with the knowledge of our deferred infrastructure.

The fund balance of the Authority's general fund decreased by \$1,673,875.

Huron-Clinton Metropolitan Authority
Management's Discussion and Analysis
December 31, 2018

The following paragraphs present a summary of general fund revenues, which totaled \$54,184,230 for 2018, an overall increase of \$2,210,341 from 2017. Revenues by source were as follows:

Revenues	2018 Amount	Percent of Total	2017 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
Property taxes	\$ 31,675,974	58.5%	\$ 30,658,374	\$ 1,017,600	3.3%
Park charges for services	19,328,560	35.7%	19,340,845	(12,285)	-0.1%
Interest	707,124	1.3%	449,196	257,928	57.4%
Grants	976,902	1.8%	284,871	692,031	242.9%
Donations	230,832	0.4%	245,687	(14,855)	-6.0%
Proceeds from sale of capital assets	473,716	0.9%	643,421	(169,705)	-26.4%
Other revenue	791,122	1.5%	351,495	439,627	125.1%
Totals	<u>\$ 54,184,230</u>	<u>100.0%</u>	<u>\$ 51,973,889</u>	<u>\$ 2,210,341</u>	<u>4.3%</u>

The Authority's millage rate declined to 0.2140 mills in 2018 from 0.2146. The millage rate had been at 0.2146 since the recession in 2008. Taxable values increased from the prior year which contributed to the \$1.0 million (3.3 percent) increase in 2018 property tax collections. We expect taxable values to continue to rise triggering further roll-backs of the millage rate and mitigating recovery of property tax revenue generated.

The \$19,328,560 of 2018 park operating revenues were under the 2018 budget goal of \$19,870,872 by \$542,312 (2.8 percent). This represented a \$12,285 (0.1 percent) decrease from 2017 revenues. The Authority's two leading sources of revenue are tolling and golf.

Interest income derived from investments in Certificates of Deposits and U.S. Agency issues increased to \$707,124 in 2018. This was a 57 percent increase from 2017 interest income.

The Authority recognized \$976,902 in grant revenue in 2018. This includes \$850,000 grant revenue earned that was deferred in the 2017. Total grant revenue increased \$692,031 from 2017.

Other revenues increased \$439,627 from 2017.

Huron-Clinton Metropolitan Authority
Management's Discussion and Analysis
December 31, 2018

General fund expenditures were \$46,480,841 for 2018, a decrease of \$8,546,119 from 2017's expenditures. A detailed breakdown of expenditures by major category is as follows:

Expenditures	2018 Amount	Percent of Total	2017 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
Capital improvements	\$ -	0.0%	\$ 7,523,357	\$ (7,523,357)	-100.0%
Equipment	1,836,785	4.0%	2,801,066	(964,281)	-34.4%
Land acquisition	-	0.0%	10,900	(10,900)	-100.0%
Major maintenance	2,546,141	5.5%	2,270,033	276,108	12.2%
Administrative office	9,254,259	19.9%	9,122,348	131,911	1.4%
Park operations	32,843,656	70.7%	33,299,256	(455,600)	-1.4%
Totals	<u>\$46,480,841</u>	<u>100.0%</u>	<u>\$55,026,960</u>	<u>\$ (8,546,119)</u>	<u>-15.5%</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. During 2018, the Authority added a capital projects fund and spent nearly \$2.1 million on capital projects within the Metropark system. This was a 5.4 million dollar decrease compared with the amount spent in the 2017 general fund. The vast majority of 2018 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 2018 capital 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 2018, a total of \$1,836,785 was spent equipping the Metroparks system, down from the 2017 amount of \$964,281. Auto and truck acquisitions totaled approximately \$878,000. Heavy equipment (mowers, tractors, golf cars, etc.) purchases accounted for approximately \$769,000. \$190,000 of purchases related to other equipment such as pontoon boat, a walk in freezer and other equipment.

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 2018, major maintenance costs for various projects was \$2,546,141.

Huron-Clinton Metropolitan Authority
Management's Discussion and Analysis
December 31, 2018

Administration Office expenses reflect the cost of running the Authority's centralized Administrative Office, which ran \$9,254,259 in 2018, up 1.4 percent from 2017. This covers the cost of 55 full time equivalent employees, materials, supplies and outside consultants utilized in managing the entire Metroparks system.

The direct operating costs associated with operating and maintaining the 13 Metroparks to serve 7.3 million visitors consumed \$32.8 million of Authority funds. Comparing this \$32.8 million of park operating costs to 2017 expenditures of \$33.3 million shows that overall park operating costs decreased by \$455,600 (1.4 percent). Personnel related costs, which comprise 65 percent of park operating expenses, decreased from \$24,484,000 to \$21,249,000 - down \$3,235,000 (13.2 percent). As discussed earlier, a decrease in full time equivalents is the primary cause of the decrease. The other 35 percent of park operating expenditures relate to material/supply/outside contractual services, which incurred \$11,595,000 of expenses, up \$2,780,656 (31.5 percent). Some areas of operations that incurred increases include: operating supplies and utilities.

The supplemental major maintenance 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 2018, \$95,652 of royalty payments were received, with generated investment income totaling \$78,807. At the end of the current year, total fund balance committed in the capital projects fund was \$4,899,297.

The fund balance of the Authority's supplemental major maintenance fund increased by \$174,459.

The following paragraph presents a summary of supplemental major maintenance fund revenues, which totaled \$174,459 for 2018, an overall increase of \$45,022 from 2017. Revenues by source were as follows:

Revenues	2018 Amount	Percent of Total	2017 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
Oil and gas royalties	\$ 95,652	54.8%	\$ 93,838	\$ 1,814	4.0%
Interest	78,807	45.2%	35,599	43,208	96.0%
Totals	<u>\$ 174,459</u>	<u>100.0%</u>	<u>\$ 129,437</u>	<u>\$ 45,022</u>	<u>100.0%</u>

The revenues from oil and gas royalty payments at Kensington Metropark increased by \$1,814 from 2017 levels. Interest income derived from investments in money market funds and U.S. Agency issues increased, rising from \$35,599 to \$78,807 in 2018 as interest rates began to rise slightly.

Supplemental Major Maintenance Project fund expenditures were \$0 for 2018, the same as 2017.

Huron-Clinton Metropolitan Authority
Management's Discussion and Analysis
December 31, 2018

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 \$7,212,494 use of fund balance, while the final amended budget increased this to \$8,563,046. The actual change in fund balance for the 2018 fiscal year was a decrease of \$1,673,875.

During the year, general fund revenues were over final budgetary estimates in total by \$1,109,679. Park operating revenues fell short of the budgeted target of \$19,870,872 by \$542,312. This was offset by \$1,180,871 more of interest and other revenues than the budget anticipated.

Park operation and administrative expenditures were significantly less than anticipated by approximately \$3,327,497. Major maintenance expenditures were less than projected, coming in approximately \$1,936,637 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 \$416,301, resulting mainly from the amount of equipment purchased.

Capital Assets and Debt Administration

Capital assets. The Authority's investment in capital assets for its governmental-type activities as of December 31, 2018 amounted to \$194,826,998 (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 totaled \$2,416,197 (1.2 percent).

Huron-Clinton Metropolitan Authority
Management's Discussion and Analysis
December 31, 2018

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

• Boat Launch Site Redevelopment	Stony Creek	\$641,140
• Removal of UST and Replacement with AST	Huron Meadows	156,801
• Boat Launch Ramp Reconstruction	Stony Creek	156,700
• Hike Bike Trail Overlay Replacement	Stony Creek	146,800
• Black Creek Marsh Restoration	Lake St. Clair	145,104
• East Boat Launch Ramp Replacement	Kensington	109,119

Capital Assets (Net of Depreciation) Governmental Activities		
	2018	2017
Land	\$ 46,961,099	\$ 46,961,099
Land improvements	35,423,897	34,087,411
Construction in progress	4,218,624	6,072,246
Buildings	32,786,313	33,795,716
Equipment	9,594,314	9,386,632
Other improvements	36,400,652	37,120,900
Infrastructure	29,442,099	29,819,191
Total capital assets, net	<u>\$ 194,826,998</u>	<u>\$ 197,243,195</u>

Additional information on the Authority's capital assets can be found in Note 6 in the Notes to Financial Statements.

Long-term debt. The Authority has recognized \$3,653,734 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 7 in the Notes to the Financial Statements.

Huron-Clinton Metropolitan Authority
Management's Discussion and Analysis
December 31, 2018

Economic Factors and Next Year's Budget and Rates

The following factors guided the preparation of the Authority's 2019 Budget:

- Property tax revenues were based on a rolled back millage rate of .2129 mills. The 2019 Budget was based on "net" tax levy revenues of \$31.8 million after factoring out estimated captured tax revenues from tax abatement programs and adding in an anticipated reimbursement for Personal Property Taxes from the State. This represents a 2.2 percent increase from the 2018 original budget.
- Fees and charges rates were held stable. Increases in grant revenues is expected to finance three specific projects.
- Capital equipment and major maintenance were held stable, as well as 2018 updates to the 2016-2020 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 Supervisor of Budget and Payroll, Huron-Clinton Metropolitan Authority, 13000 High Ridge Drive, Brighton, Michigan, 48114-9058.

BASIC FINANCIAL STATEMENTS

Huron-Clinton Metropolitan Authority
Statement of Net Position
December 31, 2018

	<u>Governmental Activities</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 14,293,911
Investments	23,910,358
Receivables, net	33,023,658
Due from other units of government	635,402
Inventories	243,713
Prepaid items	<u>648,864</u>
Total current assets	<u>72,755,906</u>
Noncurrent assets	
Investments	9,929,883
Capital assets not being depreciated	86,603,620
Capital assets, net of accumulated depreciation	<u>108,223,378</u>
Total noncurrent assets	<u>204,756,881</u>
Total assets	<u>277,512,787</u>
Deferred Outflows of Resources	
Deferred amount relating to net pension liability	5,719,396
Deferred amount relating to net OPEB liability	<u>2,648,272</u>
Total deferred outflows of resources	<u>8,367,668</u>
Total assets and deferred outflows of resources	<u>285,880,455</u>

See Accompanying Notes to the Financial Statements

Huron-Clinton Metropolitan Authority
Statement of Net Position
December 31, 2018

	<u>Governmental Activities</u>
Liabilities	
Current	
Accounts payable	\$ 1,312,337
Accrued and other liabilities	670,945
Unearned revenue	361,993
Compensated absences due within one year	1,114,649
Total current liabilities	<u>3,459,924</u>
Noncurrent liabilities	
Compensated absences due in more than one year	2,539,085
Net pension liability	25,166,089
Net OPEB liability	12,374,573
Total noncurrent liabilities	<u>40,079,747</u>
Total liabilities	<u>43,539,671</u>
Deferred Inflows of Resources	
Property taxes levied for a subsequent period	31,222,433
Deferred amount relating to net pension liability	232,824
Deferred amount relating to net OPEB liability	133,368
Total deferred inflows of resources	<u>31,588,625</u>
Total liabilities and deferred inflows of resources	<u>75,128,296</u>
Net Position	
Investment in capital assets	194,826,998
Restricted for	
Lake St. Clair Marina	365,128
Hudson Mills Canoe Livery	9,173
Unrestricted	<u>15,550,860</u>
Total net position	<u>\$ 210,752,159</u>

See Accompanying Notes to the Financial Statements

Huron-Clinton Metropolitan Authority
Statement of Activities
For the Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities					
Recreation and culture	\$ 52,932,867	\$ 19,802,276	\$ 907,043	\$ 76,311	\$ (32,147,237)
General revenues					
Property taxes					31,675,974
Investment earnings					785,931
Donations					19,065
Oil and gas royalties					95,652
Miscellaneous					791,122
Total general revenues					33,367,744
Change in net position					1,220,507
Net position - beginning of year, as restated					209,531,652
Net position - end of year					\$ 210,752,159

See Accompanying Notes to the Financial Statements

Huron-Clinton Metropolitan Authority
Governmental Funds
Balance Sheet
December 31, 2018

	General	Supplemental Major Maintenance	Capital Projects	Total
Assets				
Cash and cash equivalents	\$ 9,405,256	\$ 4,888,655	\$ -	\$ 14,293,911
Investments	33,840,241	-	-	33,840,241
Receivables				
Property taxes, net	32,663,082	-	-	32,663,082
Accounts receivable	349,934	10,642	-	360,576
Due from other units of government	635,402	-	-	635,402
Due from other funds	-	-	7,476,617	7,476,617
Inventories	243,713	-	-	243,713
Prepaid items	648,864	-	-	648,864
	<u>\$ 77,786,492</u>	<u>\$ 4,899,297</u>	<u>\$ 7,476,617</u>	<u>\$ 90,162,406</u>
Total assets				

See Accompanying Notes to the Financial Statements

Huron-Clinton Metropolitan Authority
Governmental Funds
Balance Sheet
December 31, 2018

	General	Supplemental Major Maintenance	Capital Projects	Total
Liabilities				
Accounts payable	\$ 1,229,703	\$ -	\$ 82,634	\$ 1,312,337
Accrued and other liabilities	670,945	-	-	670,945
Due to other funds	7,476,617	-	-	7,476,617
Unearned revenue	309,343	-	52,650	361,993
	<u>9,686,608</u>	<u>-</u>	<u>135,284</u>	<u>9,821,892</u>
Deferred Inflows of Resources				
Unavailable revenue	672,936	-	5,000	677,936
Property taxes levied for a subsequent period	31,222,433	-	-	31,222,433
	<u>31,895,369</u>	<u>-</u>	<u>5,000</u>	<u>31,900,369</u>
Fund Balances				
Non-spendable				
Inventories	243,713	-	-	243,713
Prepaid items	648,864	-	-	648,864
Restricted	374,301	-	-	374,301
Committed	6,599,869	4,899,297	7,336,333	18,835,499
Assigned	7,184,481	-	-	7,184,481
Unassigned	21,153,287	-	-	21,153,287
	<u>36,204,515</u>	<u>4,899,297</u>	<u>7,336,333</u>	<u>48,440,145</u>
Total fund balances	<u>36,204,515</u>	<u>4,899,297</u>	<u>7,336,333</u>	<u>48,440,145</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 77,786,492</u>	<u>\$ 4,899,297</u>	<u>\$ 7,476,617</u>	<u>\$ 90,162,406</u>

See Accompanying Notes to the Financial Statements

Huron-Clinton Metropolitan Authority
Governmental Funds
Reconciliation of Fund Balances of Governmental Funds
to Net Position of Governmental Activities
December 31, 2018

Total fund balances for governmental funds	\$ 48,440,145
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Total net position for governmental activities in the statement of net position is different because:

Capital assets net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the funds.	108,223,378
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Capital assets not being depreciated used in governmental activities are not financial resources and therefore are not reported in the funds.	86,603,620
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Long-term receivables are not available to pay for current period expenditures and are therefore deferred inflows of resources in the governmental funds.	677,936
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Deferred outflows (inflows) of resources.

Deferred inflows of resources resulting from net pension liability	(232,824)
Deferred inflows of resources resulting from net OPEB liability	(133,368)
Deferred outflow of resources resulting from net pension liability	5,719,396
Deferred outflow of resources resulting from net OPEB liability	2,648,272

Long-term liabilities applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.

Compensated absences	(3,653,734)
Net pension liability	(25,166,089)
Net OPEB liability	<u>(12,374,573)</u>

Net position of governmental activities	<u>\$ 210,752,159</u>
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Huron-Clinton Metropolitan Authority
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2018

	General	Supplemental Major Maintenance	Capital Projects	Total
Revenues				
Property taxes	\$ 31,675,974	\$ -	\$ -	\$ 31,675,974
Oil and gas royalties	-	95,652	-	95,652
Operating grants	976,902	-	71,311	1,048,213
Donations	230,832	-	18,274	249,106
Charges for services	19,328,560	-	-	19,328,560
Interest income	707,124	78,807	-	785,931
Other revenue	791,122	-	-	791,122
	<u>53,710,514</u>	<u>174,459</u>	<u>89,585</u>	<u>53,974,558</u>
Total revenues				
Expenditures				
Current				
Operating				
Park operations	32,843,656	-	-	32,843,656
Major maintenance	2,546,141	-	-	2,546,141
Administrative offices	9,254,259	-	-	9,254,259
	<u>44,644,056</u>	<u>-</u>	<u>-</u>	<u>44,644,056</u>
Total operating				

See Accompanying Notes to the Financial Statements

Huron-Clinton Metropolitan Authority
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2018

	General	Supplemental Major Maintenance	Capital Projects	Total
Capital outlay				
Capital improvements	\$ -	\$ -	\$ 2,130,516	\$ 2,130,516
Equipment	1,836,785	-	-	1,836,785
	<u>1,836,785</u>	<u>-</u>	<u>2,130,516</u>	<u>3,967,301</u>
Total capital outlay				
	<u>1,836,785</u>	<u>-</u>	<u>2,130,516</u>	<u>3,967,301</u>
Total expenditures	<u>46,480,841</u>	<u>-</u>	<u>2,130,516</u>	<u>48,611,357</u>
Excess (deficiency) of revenues over expenditures	<u>7,229,673</u>	<u>174,459</u>	<u>(2,040,931)</u>	<u>5,363,201</u>
Other financing sources				
Transfers in	-	-	9,377,264	9,377,264
Transfers out	(9,377,264)	-	-	(9,377,264)
Proceeds from sale of capital assets	473,716	-	-	473,716
	<u>473,716</u>	<u>-</u>	<u>-</u>	<u>473,716</u>
Total other financing sources and uses	<u>(8,903,548)</u>	<u>-</u>	<u>9,377,264</u>	<u>473,716</u>
Net change in fund balance	(1,673,875)	174,459	7,336,333	5,836,917
Fund balance - beginning of year	<u>37,878,390</u>	<u>4,724,838</u>	<u>-</u>	<u>42,603,228</u>
Fund balance - end of year	<u>\$ 36,204,515</u>	<u>\$ 4,899,297</u>	<u>\$ 7,336,333</u>	<u>\$ 48,440,145</u>

See Accompanying Notes to the Financial Statements

Huron-Clinton Metropolitan Authority
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2018

Net change in fund balances - total governmental funds	\$ 5,836,917
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Total change in net position reported for governmental activities in the statement of activities is different because:

Depreciation expense	(6,315,756)
Capital outlay	3,953,909
Net book value of disposed capital assets	(54,350)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.

Change in unavailable revenue	(294,900)
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Expenses are recorded when incurred in the statement of activities.

Net change in compensated absences	115,225
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The statement of net position reports the net pension liability and related deferred outflows and inflows of resources. However, the amount recorded on the governmental funds equals actual pension contributions.

Change in net pension liability	(6,219,237)
Net change in the deferred inflows of resources related to the net pension liability	3,637,285
Net change in the deferred outflows of resources related to the net pension liability	711,064

The statement of net position reports the net OPEB liability and deferred outflows of resources and deferred inflows related to the net OPEB liability and pension expense. However, the amount recorded on the governmental funds equals actual OPEB contributions.

Change in net OPEB liability	(2,664,554)
Net change in the deferred inflows of resources related to the net OPEB liability	(133,368)
Net change in the deferred outflows of resources related to the net OPEB liability	2,648,272

Change in net position of governmental activities	\$ 1,220,507
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Huron-Clinton Metropolitan Authority
Fiduciary Funds
Statement of Net Position
December 31, 2018

Assets

Investments	
Equity mutual funds	\$ 36,639,134
Fixed income mutual funds	40,063,262
Collective investment trust	6,354,545
Receivables	87,748
Prepays	<u>117,865</u>
 Total assets	 <u>83,262,554</u>

Liabilities

Vouchers payable	<u>97,469</u>
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Net Position

Restricted for pension benefits	55,796,910
Restricted for other post-employment benefits	<u>27,368,175</u>
 Total net position	 <u>\$ 83,165,085</u>

See Accompanying Notes to the Financial Statements

Huron-Clinton Metropolitan Authority
Fiduciary Funds
Statement of Changes in Net Position
For the Year Ended December 31, 2018

Additions

Investment earnings (losses)	
Interest	\$ 2,022,653
Net decrease in fair value of investments	<u>(5,891,076)</u>
Total investment earnings (losses)	(3,868,423)
Contributions	
Employer	4,500,000
Plan members	<u>91,815</u>
Total contributions	<u>4,591,815</u>
Total additions	<u>723,392</u>

Deductions

Benefits	5,977,788
Administrative expenses	<u>389,666</u>
Total deductions	<u>6,367,454</u>
Change in net position	(5,644,062)
Net position - beginning of year	<u>88,809,147</u>
Net position - end of year	<u><u>\$ 83,165,085</u></u>

See Accompanying Notes to the Financial Statements

Huron-Clinton Metropolitan Authority
Notes to the Financial Statements
December 31, 2018

Note 1 - Summary of Significant Accounting Policies

Reporting entity

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.

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.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in activities) report information on all of the nonfiduciary activities of the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with

a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. This includes all taxes, contributions, and oil and gas royalties and shows how governmental functions are either self-financing or supported by *general revenues*.

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.

Measurement focus, basis of accounting, and financial statement presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they

Huron-Clinton Metropolitan Authority
Notes to the Financial Statements
December 31, 2018

are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Authority reports the following major governmental funds:

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.

The Supplemental Major Maintenance 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.

The Capital Projects Fund is used to account for capital improvement projects which result in the development of tangible assets. Funding is provided by the General Fund.

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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Assets, liabilities, and net position or equity

Deposits and investments – Cash and cash equivalents are

considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value based. Certificate of deposits are stated at cost which approximates fair value.

Receivables and payables – In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of a lending/borrowing arrangement outstanding at the end of the fiscal year is referred to as "advances to/from other funds."

Property tax receivables are shown as net of allowance for uncollectible amounts. The Authority considers all accounts receivable to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded. Property tax receivables are shown net of an allowance for uncollectible amounts of \$47,000. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

The 2017 taxable valuation of the Authority totaled \$143,627,242,079, on which ad valorem taxes consisted of 0.2140 mills for operating purposes. This resulted in \$31,675,974 for operating expenses, exclusive of any Michigan Tax Tribunal or Board of Review adjustments.

Inventories and prepaid items – Inventories are valued at average cost. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future fiscal years. For such payments in governmental funds the Authority follows the consumption method, and they therefore are presented as prepaid items in both government-wide and fund financial statements.

Huron-Clinton Metropolitan Authority

Notes to the Financial Statements

December 31, 2018

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 cash received in advance of being earned/used for the subsequent year's activities.

Capital assets – Capital assets, which include property, buildings, equipment, other improvements and infrastructure (roads, bridges, paved pathways, and water/sewer lines), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government 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 reported at acquisition value.

The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the government values these capital assets at the estimated fair value of the item at the date of its donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

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

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.

Pensions and other post-employment benefit (OPEB) costs – For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension/OPEB expense, information about the fiduciary net position of the Plans and additions to/deductions from Plan's fiduciary net position have been determined on the same basis as they are reported to the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred outflows of resources – A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period. The Authority reports deferred outflows of resources as a result of pension and OPEB investment earnings. These amounts are the result of a difference between what the plans are expected to earn from plans investments and what is actually earned. These amounts will be amortized over the next five years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension and OPEB liabilities are deferred and amortized over the expected remaining services lives of the employees and retirees in the plan.

Deferred inflows of resources – A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. For governmental funds this includes

Huron-Clinton Metropolitan Authority
Notes to the Financial Statements
December 31, 2018

unavailable in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. Changes in assumptions and experience differences relating to the net pension and OPEB liabilities are deferred and amortized over the expected remaining services lives of the employees and retirees in the plan.

Fund Balance – In the fund financial statements, governmental funds report fund balance in the following categories:

Non-spendable – assets that are not available in a spendable form.

Restricted – amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed – amounts constrained on use imposed by the government's highest level of decision-making, its Board of Commissioners. A fund balance commitment may be established, modified, or rescinded by a resolution of the Board of Commissioners.

Assigned – amounts intended to be used for specific purposes, as determined by Board of Commissioners. Residual amounts in governmental funds other than the general fund are automatically assigned by their nature.

Unassigned – all other resources; the remaining fund balances after non-spendable, restrictions, commitments and assignments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the government's policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the government's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

Use of Estimates

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

Adoption of New Accounting Standards

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined OPEB plans, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee services. It also requires additional note disclosures and required supplementary information.

Statement No. 85, *Omnibus 2017* addresses practice issues that were identified during implementation and application of certain GASB Statements. This statement covers issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits).

Huron-Clinton Metropolitan Authority
Notes to the Financial Statements
December 31, 2018

Upcoming Accounting and Reporting Changes

In addition, the Governmental Accounting Standards Board has released the following Statements.

Statement No. 84, *Fiduciary Activities* improves the guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The criteria generally is on (1) is the government controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally will report fiduciary activities that are not held in a trust or similar arrangement that meets specific criteria. The requirements of this Statement are effective for the fiscal year ending December 31, 2019.

Statement No. 87, *Leases* increases the usefulness of the financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee will be required to recognize a lease liability and an intangible right-to-use a lease asset, and a lessor will be required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about leasing activities. The requirements of this Statement are effective for the year ending December 31, 2020.

The Authority is evaluating the impact that the above GASBs will have on its financial reporting.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary information

The Authority is subject to the budgetary control requirements of the Uniform Budgeting Act (P.A. 621 of 1978, as amended). 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 (i.e. park operations, major maintenance, administrative offices, equipment, and transfers out). 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.

No later than the December regular meeting, the Director submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following January 1. Public hearings are held to obtain taxpayer comments and the budget is legally enacted through passage of an ordinance prior to January 1.

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 the Financial Statements
December 31, 2018

Note 3 - Deposits and Investments

In accordance with Michigan Compiled Laws, the Authority's governmental funds are 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.

In addition, the Michigan Public Employees Retirement Systems' Investment Act, Public Act 314 of 1965, as amended, authorizes the Authority's Pension Trust Fund and Other Post-Employment Benefit Trust Fund to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations. The Authority's Board of Commissioners is responsible for recommending to the Authority the investment policies and strategies, and retaining/monitoring the various investment managers, trustees, advisors, actuaries and other fiduciaries utilized by the Funds. The Authority is responsible for approving the recommendations of the Board of Commissioners. All investment decisions are subject to Michigan law and the investment policy established by the Authority's Board of Commissioners.

At year end the government's deposits and investments were reported in the financial statements in the following categories:

	Cash and Cash Equivalents	Investments	Total
Governmental activities	\$ 14,293,911	\$ 33,840,241	\$ 48,134,152
Fiduciary funds	-	83,056,941	83,056,941
Total	<u>\$ 14,293,911</u>	<u>\$ 116,897,182</u>	<u>\$ 131,191,093</u>

Huron-Clinton Metropolitan Authority
Notes to the Financial Statements
December 31, 2018

The breakdown between deposits and investments is as follows:

	Primary Government	Fiduciary Funds	Total
Bank deposits (checking, savings accounts, and money markets)	\$ 14,260,261	\$ -	\$ 14,260,261
Investments in securities, mutual funds, and similar vehicles	33,840,241	83,056,941	116,897,182
Petty cash and cash on hand	<u>33,650</u>	<u>-</u>	<u>33,650</u>
	<u>\$ 48,134,152</u>	<u>\$ 83,056,941</u>	<u>\$ 131,191,093</u>

As of year end, the Authority had the following investments:

Investment	Fair Value	Average S & P Rating	Weighted Average Maturity
U.S. agencies	\$ 9,929,883	AA+	0.56
Certificates of deposit	23,910,358	Not rated	0.64
Equity mutual funds	36,639,134	Not rated	N/A
Fixed income mutual funds	40,063,262	B+ to AA-	13.38
Collective investment funds	<u>6,354,545</u>	Not rated	N/A
	<u>\$ 116,897,182</u>		

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.

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. Incompliance 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, 2018, the Authority's investments were within these guidelines.

The investment policy adopted by the Board of Commissioners, in accordance with Public Act 196 of 1997, is in accordance with statutory authority.

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.

Custodial credit risk - deposits – In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The government does not have a policy for custodial credit risk. As of year-end, \$14,070,664 was exposed to

Huron-Clinton Metropolitan Authority
Notes to the Financial Statements
December 31, 2018

custodial credit risk because it was uninsured and uncollateralized.

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.

Note 4 - Fair Value Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Authority has the following recurring fair value measurements as of December 31, 2018:

- Equity and fixed income mutual funds of \$76.70 million are valued using quoted market prices (Level 1 inputs)
- U.S. agency securities of \$9.93 million are valued as described below (Level 2 inputs).
- The collective investment funds are valued at net asset value (NAV) and are therefore uncategorized as to fair value level.

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and

recognized in the accompanying financial statements, as well as the general classification of such instruments pursuant to the valuation hierarchy.

The investments in U.S. agencies are valued based on prices obtained by the investment custodian from independent quotation bureaus that use computerized valuation formulas to calculate current values. The collective investment funds are valued based on a net asset value that is obtained by the investment advisor from the funds.

The collective investment funds are subject to a quarterly redemption process that requires 65 days pre-notification. Funds are redeemable at NAV. There is also a 10% holdback on final payments under which the amount is held in escrow until completion of the fund's audit.

Note 5 - Receivables

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

Primary government

Taxes	\$ 32,663,082
Accrued interest and other	<u>360,576</u>
	<u>\$ 33,023,658</u>

Huron-Clinton Metropolitan Authority
Notes to the Financial Statements
December 31, 2018

Note 6 - Capital Assets

Capital assets activity of the governmental activities for the current year is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 46,961,099	\$ -	\$ -	\$ 46,961,099
Land improvements	34,087,411	1,336,486	-	35,423,897
Construction-in-progress	6,072,246	1,051,415	2,905,037	4,218,624
Total capital assets not being depreciated	87,120,756	2,387,901	2,905,037	86,603,620
Capital assets being depreciated				
Buildings	57,297,868	112,735	-	57,410,603
Equipment	24,229,577	1,836,784	1,397,703	24,668,658
Other improvements	62,427,411	1,011,392	423,707	63,015,096
Infrastructure	60,822,636	1,510,134	-	62,332,770
Total capital assets being depreciated	204,777,492	4,471,045	1,821,410	207,427,127
Less accumulated depreciation for				
Buildings	23,502,152	1,122,138	-	24,624,290
Equipment	14,842,945	1,574,752	1,343,353	15,074,344
Other improvements	25,306,511	1,731,640	423,707	26,614,444
Infrastructure	31,003,445	1,887,226	-	32,890,671
Total accumulated depreciation	94,655,053	6,315,756	1,767,060	99,203,749
Net capital assets being depreciated	110,122,439	(1,844,711)	54,350	108,223,378
Governmental activities capital assets, net	\$ 197,243,195	\$ 543,190	\$ 2,959,387	\$ 194,826,998

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

Note 7 - Long-Term Debt

Accrued compensated absences amounted to \$3,653,734 at year-end. Of this amount, \$1,114,649 is expected to be paid in the following year.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 3,768,959	\$ 1,005,242	\$ 1,120,467	\$ 3,653,734	\$ 1,114,649

Note 8 - Risk Management

The Authority is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Authority has purchased commercial insurance for all claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Note 9 - Employee 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.

Huron-Clinton Metropolitan Authority
Notes to the Financial Statements
December 31, 2018

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.

Employees covered by benefit terms – At the December 31, 2018 valuation date, the following employees, which is closed to new members, were covered by benefit terms:

Inactive employees or beneficiaries	
currently receiving benefits	171
Inactive employees entitled to, but not	
yet receiving benefits	17
Active employees	<u>128</u>
	<u>316</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.

Contributions – The annual required contribution for the current period was determined as part of the December 31, 2018 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 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, 2018 were 23.75 and 0.75 years. Gains and losses are not separately amortized but reduce or increase the amortization balances and payments.

Net pension liability – The employer's net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

Huron-Clinton Metropolitan Authority
Notes to the Financial Statements
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Actuarial assumptions – The total pension liability in the December 31, 2018, annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 3.50%

Salary increases: 3.69% - 7.25% including inflation.

Investment rate of return: 6.75%

Mortality: RP-2014 Generational Mortality Table for males and females, extended via cubic spline. This table is adjusted backwards to 2006 with the MP-2014 scale, resulting in a base year of 2006 with future mortality improvements assumed each year using scale MP-2015.

The actuarial assumptions used in December 31, 2018 valuation were based on results of an actuarial experience study dated September 26, 2016.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study.

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:

Asset class	Target Allocation	Long-term expected real rate of return
US Large Cap Index	15.00%	8.00%
US Small Cap Equity	2.00%	10.15%
US Small/Mid Cap Equity Index	4.00%	8.00%
World Equity ex-US	19.00%	9.32%
Emerging Markets Equity	2.00%	9.67%
Core Fixed Income	20.00%	6.54%
Limited Duration Bonds	12.00%	5.65%
US High Yield	2.00%	7.82%
Emerging Markets Debt	3.00%	8.75%
Diversified Short Term Fixed Income	4.00%	5.89%
Dynamic Asset Allocation	6.00%	10.32%
Multi-Asset	3.00%	6.81%
Structured Credit	3.00%	10.52%
Private Real Estate	5.00%	7.30%
	<u>100.00%</u>	

Discount rate – The discount rate used to measure the total pension liability is 6.75%. 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 the Financial Statements
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Changes in Net Pension Liability

Total Pension Liability

Service cost	\$ 966,866
Interest on the total pension liability	5,205,391
Difference between expected and actual experience	367,984
Benefit payments and refunds	<u>(4,421,433)</u>

Net change in total pension liability	2,118,808
Total pension liability - beginning	<u>78,844,190</u>
Total pension liability - ending (a)	<u>\$ 80,962,998</u>

Plan Fiduciary Net Position

Employer contributions	\$ 3,000,000
Employee contributions	91,814
Pension plan net investment income (loss)	(2,503,594)
Benefit payments and refunds	(4,421,433)
Pension plan administrative expense	<u>(267,216)</u>

Net change in plan fiduciary net position	(4,100,429)
Plan fiduciary net position - beginning	<u>59,897,338</u>

Plan fiduciary net position - ending (b)	<u>55,796,909</u>
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Net pension liability (a-b)	<u>\$ 25,166,089</u>
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Plan fiduciary net position as a percentage of total pension liability	68.92%
Covered employee payroll	\$ 9,013,973
Net pension liability as a percentage of covered employee payroll	279.19%

employer's net pension liability would be using a discount rate that is 1% point lower (5.75%) or 1% higher (7.75%) than the current rate.

	1% decrease	Current discount rate	1% increase
Net pension liability	<u>\$ 34,328,712</u>	<u>\$ 25,166,089</u>	<u>\$ 17,392,150</u>

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions – For the year ended December 31, 2018 the employer recognized pension expense of \$4,870,888. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources	Total to amortize
Differences in experience	\$ 269,485	\$ 232,824	\$ 36,661
Differences in assumptions	1,853,729	-	1,853,729
Net difference between projected and actual earnings on pension plan investments	<u>3,596,182</u>	<u>-</u>	<u>3,596,182</u>
Total	<u>\$ 5,719,396</u>	<u>\$ 232,824</u>	<u>\$ 5,486,572</u>

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

Year ended,	
2019	\$ 2,589,469
2020	1,008,431
2021	590,117
2022	<u>1,298,555</u>
	<u>\$ 5,486,572</u>

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of the employer, calculated using the discount rate of 6.75%, as well as what the

Huron-Clinton Metropolitan Authority
Notes to the Financial Statements
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Note 10 - 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 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. Shares of mutual funds are

valued at the net asset value of the shares held by the Plan and Trust at December 31, 2018.

Plan membership – At December 31, 2018, the plan membership, which is closed to new members, consisted of the following:

Inactive plan members or beneficiaries	
currently receiving benefit payments	173
Active plan members	<u>144</u>
	<u>317</u>

The entry age actuarial cost method was used to prepare the most recent actuarial valuation dated December 31, 2018. Other significant assumptions were as follows: (a) investments are assumed to earn 6.75% per year, (b) health care costs are assumed to increase at an annual rate of 9% in year 1, reduced by 0.55% each year for the next three years and 0.50%-0.75% each year for the following six years until an ultimate rate of 3.50% is reached in the tenth year and beyond of which the rates include a 3.50% inflation assumption, (c) compensation is assumed to increase 3.50% 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 23.75 years.

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.

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

Huron-Clinton Metropolitan Authority
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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.

Asset allocation targets for investments in the trust are:

Asset class	Target Allocation	Long-term expected real rate of return
U.S. Large Cap Index	15.00%	8.00%
U.S. Small/Mid Cap Equity Index	6.00%	8.00%
World Equity ex-U.S.	19.00%	9.32%
Emerging Markets Equity	2.00%	9.67%
Core Fixed Income	20.00%	6.54%
Limited Duration Bonds	13.00%	5.65%
U.S. High Yield	2.00%	7.82%
Emerging Markets Debt	4.00%	8.75%
Diversified Short Term Fixed Income	7.00%	5.89%
Dynamic Asset Allocation	6.00%	10.32%
Multi-Asset	3.00%	6.81%
Private Real Estate	<u>3.00%</u>	7.30%
	<u>100.0%</u>	

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.

Rate of return – For the year ended December 31, 2018, the annual money-weighted rate of return on investments, net of investment expense, was a decrease of 5.16%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Actuarial assumptions – The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, using the following

actuarial assumptions, applied to all periods included in the measurement.

Inflation	3.50%
Salary increases	3.69% to 7.25%, average, including inflation
Investment rate of return	6.75%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	9.0%, decreasing .55% per year to a rate of 3.5% in year 10

Mortality rates were based on the RP-2014 Generational Mortality Table for males and females, extended via cubic spline. This table is adjusted backwards to 2006 with the MP-2014 scale, resulting in a base year of 2006 with future mortality improvements assumed each year using scale MP-2015.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study dated September 28, 2016.

Discount rate – The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Huron-Clinton Metropolitan Authority
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December 31, 2018

Changes in Net OPEB Liability

Total OPEB Liability

Service cost	\$ 479,878
Interest	2,564,158
Differences between expected and actual experience	(174,627)
Benefit payments	<u>(1,748,487)</u>
Net change in total OPEB liability	1,120,922
Total OPEB liability - beginning	<u>38,621,826</u>
Total OPEB liability - ending (a)	<u>\$ 39,742,748</u>

Plan Fiduciary Net Position

Employer contributions	\$ 1,692,133
Net investment income (loss)	(1,364,828)
Benefit payments	(1,748,487)
Administrative expense	<u>(122,450)</u>
Net change in plan fiduciary net position	(1,543,632)
Plan fiduciary net position - beginning	<u>28,911,807</u>
Plan fiduciary net position - ending (b)	<u>\$ 27,368,175</u>
Net OPEB liability (a-b)	<u>\$ 12,374,573</u>

Plan fiduciary net position as a percentage of total OPEB liability 68.86%

Covered employee payroll \$ 9,013,973

Net OPEB liability as a percentage of covered employee payroll 137.28%

Sensitivity of the net OPEB liability to changes in the discount rate – The following presents the net OPEB liability of the Authority, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (5.75%) or 1% higher (7.75%) than the current discount rate.

	1% decrease	Current discount rate	1% increase
Net OPEB liability	<u>\$ 17,419,767</u>	<u>\$ 12,374,573</u>	<u>\$ 8,185,771</u>

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates – The following presents the net OPEB liability of the Authority, as well as what the Authority's net OPEB liability would be if were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	1% decrease	Healthcare cost trend rates	1% increase
Net OPEB liability	<u>\$ 7,744,341</u>	<u>\$ 12,374,573</u>	<u>\$ 17,822,889</u>

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB – For the year ended December 31, 2018 the employer recognized OPEB expense of \$1,841,783. The employer reported deferred outflows and inflows of resources related to OPEB from the following sources:

Huron-Clinton Metropolitan Authority
Notes to the Financial Statements
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	Deferred outflows of resources	Deferred inflows of resources	Total to amortize
Differences in experience	\$ -	\$ 133,368	\$ (133,368)
Net difference between projected and actual earnings on plan investments	<u>2,648,272</u>	<u>-</u>	<u>2,648,272</u>
Total	<u>\$ 2,648,272</u>	<u>\$ 133,368</u>	<u>\$ 2,514,904</u>

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

Year ended,	
2019	\$ 620,809
2020	620,809
2021	620,809
2022	<u>652,477</u>
	<u>\$ 2,514,904</u>

Note 11 - Financial Statements for Individual Pension and Other Post-employment Benefits

Combining Financial Information - The combining financial information of the Authority's pension trust fund and the post-employment benefit trust fund, as of and for the year ended December 31, 2018, is as follows:

	Pension Trust Fund	Other Post-Employment Benefit Trust Fund	Total
Assets			
Investments			
Equity mutual funds	\$ 24,500,884	\$ 12,138,250	\$ 36,639,134
Fixed income mutual funds	25,876,921	14,186,341	40,063,262
Collective investment trust	5,428,345	926,200	6,354,545
Receivables	58,353	29,395	87,748
Prepays	<u>-</u>	<u>117,865</u>	<u>117,865</u>
Total assets	<u>55,864,503</u>	<u>27,398,051</u>	<u>83,262,554</u>
Liabilities			
Vouchers payable	<u>67,593</u>	<u>29,876</u>	<u>97,469</u>
Net Position			
Restricted for pension benefits	55,796,910	-	55,796,910
Restricted for other post-employment benefits	<u>-</u>	<u>27,368,175</u>	<u>27,368,175</u>
Total net position	<u>\$ 55,796,910</u>	<u>\$ 27,368,175</u>	<u>\$ 83,165,085</u>

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	Pension Trust Fund	Post-Employment Benefit Trust Fund	Total
Additions			
Investment earnings (losses)			
Interest and dividends	\$ 1,322,400	\$ 700,253	\$ 2,022,653
Net decrease in fair value of investments	(3,825,995)	(2,065,081)	(5,891,076)
Total investment earnings (losses)	(2,503,595)	(1,364,828)	(3,868,423)
Contributions			
Employer	3,000,000	1,500,000	4,500,000
Plan members	91,815	-	91,815
Total contributions	3,091,815	1,500,000	4,591,815
Total additions	588,220	135,172	723,392
Deductions			
Benefit payments	4,421,433	1,556,355	5,977,788
Administrative expenses	267,216	122,450	389,666
Total deductions	4,688,649	1,678,805	6,367,454
Change in net position	(4,100,429)	(1,543,633)	(5,644,062)
Net position - beginning of year	59,897,339	28,911,808	88,809,147
Net position - end of year	\$ 55,796,910	\$ 27,368,175	\$ 83,165,085

Note 12 - 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 2018 by participants and the

Authority amounted to \$49,534 and \$49,534, 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 13 - Retirement Plans

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 2018 by participants and the Authority amounted to \$45,468 and \$272,806, 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 2018 by participants and the Authority amounted to \$123,565 and \$30,891, respectively.

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].

Huron-Clinton Metropolitan Authority

Notes to the Financial Statements

December 31, 2018

Note 14 - Fund Balances – Governmental Funds

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

	General Fund	Supplemental Major Maintenance	Capital Projects	Total
Nonspendable				
Inventories	\$ 243,713	\$ -	\$ -	\$ 243,713
Prepays	648,864	-	-	648,864
Restricted				
Lake St. Clair Marina	365,128	-	-	365,128
Hudson Mills Canoe Livery	9,173	-	-	9,173
Committed				
Land	5,536,694	-	-	5,536,694
Capital projects	-	4,899,297	7,336,333	12,235,630
Rate stabilization fund	1,063,175	-	-	1,063,175
Assigned				
Compensated absences	3,653,734	-	-	3,653,734
Storm/sanitary improvements	345,447	-	-	345,447
ADA Improvements	76,364	-	-	76,364
Roadway resurfacing	192,258	-	-	192,258
Other capital equipment	399,178	-	-	399,178
Subsequent budgeted use of fund balance	2,517,500	-	-	2,517,500
Unassigned	21,153,287	-	-	21,153,287
Total Fund Balances	<u>\$ 36,204,515</u>	<u>\$ 4,899,297</u>	<u>\$ 7,336,333</u>	<u>\$ 48,440,145</u>

Note 15 - Tax Abatements

Municipalities within the Authority's boundaries entered into property tax abatement agreements with local businesses under several programs as authorized under Public Act 381 of 1996, as amended (PA 381), and Public Act 198 of 1974, as amended (PA 198).

PA 381 (Brownfield Redevelopment Abatement) allows abatements to encourage the purchase and revitalization of properties in which redevelopment or reuse may be complicated by the presence or perception of contamination. Revitalizing and redeveloping these properties protects the environment, reuses existing infrastructure, minimizes urban sprawl and creates economic opportunities.

PA198 (Industrial Property Tax Abatement) allows abatements to

encourage Michigan manufacturers to build new plans, expand existing plans, renovate aging plants, or add new machinery and equipment. High technology operations are also eligible for the abatement. Once approved the firm pays an Industrial Facilities Tax (IFT), instead of property taxes, which reflects the abatement savings. The exemption covers only the specific project that is the subject of the application. Any buildings and equipment that existed prior to the construction of a new facility are not exempt. Likewise, any structures or equipment added after completion of the project are fully taxable. The IFT on new plant and non-industrial personal property is computed at half the local property mileage rate, resulting in a reduction of property taxes of approximately 50%. For an obsolete plant or machinery that is being replaced or restored, the IFT is frozen at the assessed value of the plant prior to improvement, resulting in a 100% exemption from property tax on the value of the improvements. A speculative building would be eligible for a reduction in property taxes of approximately 50%. Commercial personal property will receive an automatic reduction of 12 mills for local school on their property tax bill.

PA 328 (Personal Property Tax Relief in Distressed Communities) allows eligible distressed communities to abate taxes on new investments made by eligible commercial businesses that reduce unemployment, promote economic growth, and increase capital investment. Neighborhood Enterprise Zone designation would qualify a community as eligible for the PA 328 exemption. Eligible projects include manufacturing, mining, research and development, wholesale trade, and office operations. Retail businesses and casinos are not eligible. Abatements reduce property taxes by the full millage rate. The law does not specify a maximum or a minimum number of years to be abated.

A PILOT is a payment in lieu of taxes (also sometimes abbreviated "PILT"), made to compensate a local government for some or all of the tax revenue that it loses because of the nature of the ownership or

Huron-Clinton Metropolitan Authority
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use of a particular piece of real property.

For the fiscal year ended December 31, 2018, the Authority experienced reduced property taxes totaling \$1,096,451 under these programs.

Note 16 - 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 17 - Change in Accounting Principle

As indicated in Note 1, Governmental Accounting Standards Board Statement 75 has been adopted. This statement requires the net OPEB liability and OPEB expense to be recorded. The standard requires this change be applied retroactively. The impact of this change is to reduce beginning net position in the statement of activities as of December 31, 2017 by \$14,668,595, restating it from \$224,200,247 to \$209,531,652.

REQUIRED SUPPLEMENTARY INFORMATION

Huron-Clinton Metropolitan Authority
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Revenues				
Taxes				
Property taxes	\$ 31,146,230	\$ 30,058,799	\$ 31,675,974	\$ 1,617,175
Operating grants	1,930,000	2,051,724	976,902	(1,074,822)
Donations	207,190	302,065	230,832	(71,233)
Charges for services	19,851,374	19,870,872	19,328,560	(542,312)
Interest income	250,000	250,000	707,124	457,124
Other revenue	67,375	67,375	791,122	723,747
Total revenues	<u>53,452,169</u>	<u>52,600,835</u>	<u>53,710,514</u>	<u>1,109,679</u>
Expenditures				
Current				
Operating				
Park operations	34,538,907	34,789,817	32,843,656	(1,946,161)
Major maintenance	2,823,520	4,482,778	2,546,141	(1,936,637)
Administrative offices	<u>10,337,841</u>	<u>10,635,595</u>	<u>9,254,259</u>	<u>(1,381,336)</u>
Total operating	<u>47,700,268</u>	<u>49,908,190</u>	<u>44,644,056</u>	<u>(5,264,134)</u>
Capital outlay				
Capital improvements	11,171,150	26,110	-	(26,110)
Equipment	<u>2,043,245</u>	<u>2,226,976</u>	<u>1,836,785</u>	<u>(390,191)</u>
Total capital outlay	<u>13,214,395</u>	<u>2,253,086</u>	<u>1,836,785</u>	<u>(416,301)</u>
Transfers out	<u>-</u>	<u>9,476,305</u>	<u>9,377,264</u>	<u>(99,041)</u>
Total expenditures	<u>60,914,663</u>	<u>61,637,581</u>	<u>55,858,105</u>	<u>(5,779,476)</u>
Excess (deficiency) of revenues over expenditures	<u>(7,462,494)</u>	<u>(9,036,746)</u>	<u>(2,147,591)</u>	<u>6,889,155</u>
Other financing sources				
Proceeds from sale of capital assets	<u>250,000</u>	<u>473,700</u>	<u>473,716</u>	<u>16</u>
Net change in fund balance	<u>(7,212,494)</u>	<u>(8,563,046)</u>	<u>(1,673,875)</u>	<u>6,889,171</u>
Fund balance - beginning of year	<u>37,878,390</u>	<u>37,878,390</u>	<u>37,878,390</u>	<u>-</u>
Fund balance - end of year	<u>\$ 30,665,896</u>	<u>\$ 29,315,344</u>	<u>\$ 36,204,515</u>	<u>\$ 6,889,171</u>

See Accompanying Notes to the Financial Statements

Huron-Clinton Metropolitan Authority
Required Supplementary Information
Retirement System
Schedule of Changes in Net Pension Liability and Related Ratios

Fiscal year ended December 31,	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	\$ 966,866	\$ 966,866	\$ 1,030,377	\$ 962,488	\$ 1,004,715
Interest on the total pension liability	5,205,391	5,089,192	4,899,597	4,862,474	4,726,571
Difference between expected and actual experience	367,984	(6,338)	(6,336)	(1,445,906)	109,029
Changes of assumptions	-	-	6,025,667	-	-
Benefit payments and refunds	(4,421,433)	(4,235,075)	(3,970,452)	(3,831,448)	(4,057,900)
Net change in total pension liability	2,118,808	1,814,645	7,978,853	547,608	1,782,415
Total pension liability - beginning	78,844,190	77,029,545	69,050,692	68,503,084	66,720,669
Total pension liability - ending (a)	<u>\$ 80,962,998</u>	<u>\$ 78,844,190</u>	<u>\$ 77,029,545</u>	<u>\$ 69,050,692</u>	<u>\$ 68,503,084</u>
Plan Fiduciary Net Position					
Employer contributions	\$ 3,000,000	\$ 2,996,209	\$ 2,700,000	\$ 4,500,000	\$ 3,100,000
Employee contributions	91,814	88,475	111,649	101,817	107,492
Pension plan net investment income (loss)	(2,503,594)	7,487,987	4,008,761	(667,117)	2,225,505
Benefit payments and refunds	(4,421,433)	(4,235,075)	(3,970,452)	(3,831,448)	(4,057,900)
Pension plan administrative expense	(267,216)	(256,479)	(275,660)	(201,301)	(73,710)
Net change in plan fiduciary net position	(4,100,429)	6,081,117	2,574,298	(98,049)	1,301,387
Plan fiduciary net position - beginning	59,897,338	53,816,221	51,241,923	51,339,972	50,038,585
Plan fiduciary net position - ending (b)	<u>\$ 55,796,909</u>	<u>\$ 59,897,338</u>	<u>\$ 53,816,221</u>	<u>\$ 51,241,923</u>	<u>\$ 51,339,972</u>
Net pension liability (a-b)	<u>\$ 25,166,089</u>	<u>\$ 18,946,852</u>	<u>\$ 23,213,324</u>	<u>\$ 17,808,769</u>	<u>\$ 17,163,112</u>
Plan fiduciary net position as a percentage of total pension liability	68.92%	75.97%	69.86%	74.21%	74.95%
Covered employee payroll	\$ 9,013,973	\$ 9,259,465	\$ 9,706,228	\$ 10,067,888	\$ 10,418,891
Net pension liability as a percentage of covered employee payroll	279.19%	204.62%	239.16%	176.89%	164.73%

Note: Data will be added as information is available until 10 years of such data is available.

See Accompanying Notes to the Financial Statements

Huron-Clinton Metropolitan Authority
Required Supplementary Information
Retirement System
Schedule of Employer Contributions

Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
12/31/2014	\$ 3,029,289	\$ 3,100,000	\$ (70,711)	\$ 10,418,891	29.75%
12/31/2015	3,474,587	4,500,000	(1,025,413)	10,067,888	44.70%
12/31/2016	2,449,953	2,700,000	(250,047)	9,706,228	27.82%
12/31/2017	2,996,208	2,996,209	(1)	9,259,465	32.36%
12/31/2018	2,655,734	3,000,000	(344,266)	9,013,973	33.28%

Note: Data will be added as information is available until 10 years of such data is available.

Huron-Clinton Metropolitan Authority
Required Supplementary Information
Retirement System
Schedule of Investment Returns

Fiscal Year Ended December 31,	Annual Return % *
2014	4.43%
2015	-1.68%
2016	7.33%
2017	13.40%
2018	-4.64%

* Annual money-weighted rate of return, net of investment expenses

Note: Data will be added as information is available until 10 years of such data is available.

Huron-Clinton Metropolitan Authority
Required Supplementary Information
Other Post-employment Benefits
Schedule of Changes in Net OPEB Liability and Related Ratios

Fiscal year ended December 31,	<u>2018</u>
Total OPEB Liability	
Service cost	\$ 479,878
Interest	2,564,158
Differences between expected and actual experience	(174,627)
Benefit payments	<u>(1,748,487)</u>
Net change in total OPEB liability	1,120,922
Total OPEB liability - beginning	<u>38,621,826</u>
Total OPEB liability - ending (a)	<u>\$ 39,742,748</u>
Plan Fiduciary Net Position	
Employer contributions	\$ 1,692,133
Net investment income (loss)	(1,364,828)
Benefit payments and refunds	(1,748,487)
Administrative expense	<u>(122,450)</u>
Net change in plan fiduciary net position	(1,543,632)
Plan fiduciary net position - beginning	<u>28,911,807</u>
Plan fiduciary net position - ending (b)	<u>\$ 27,368,175</u>
Net OPEB liability (a-b)	<u>\$ 12,374,573</u>
Plan fiduciary net position as a percentage of total OPEB liability	68.86%
Covered employee payroll	\$ 9,013,973
Net OPEB liability as a percentage of covered employee payroll	137.28%

Note: Data will be added as information is available until 10 years of such data is available.

See Accompanying Notes to the Financial Statements

Huron-Clinton Metropolitan Authority
Required Supplementary Information
Other Post-employment Benefits
Schedule of Employer Contributions

Actuarial Valuation Date	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
12/31/2017	\$ 1,415,660	\$ 2,149,330	\$ (733,670)	\$ 8,866,219	24.24%
12/31/2018	1,395,565	1,692,133	(296,568)	9,013,973	18.77%

Notes to Schedule of Contributions

Valuation date: December 31, 2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	23.75 years
Asset valuation method	5-year smoothed market
Inflation	3.50%
Healthcare cost trend rates	9% initial, decreasing 0.5% per year to an ultimate rate of 3.5%
Salary increases	3.50%
Investment rate of return	6.75%
Mortality	2014 Group annuity mortality table of 50% male and 50% female blend

Note: Data will be added as information is available until 10 years of such data is available.

Huron-Clinton Metropolitan Authority
Required Supplementary Information
Other Post-employment Benefits
Schedule of Investment Returns

Fiscal Year Ended December 31,	Annual Return % *
2017	13.31%
2018	(5.16%)

* Annual money-weighted rate of return, net of investment expenses

Note; Data will be added as information is available until 10 years of such data is available.

OTHER SUPPLEMENTARY INFORMATION

Huron-Clinton Metropolitan Authority
Fiduciary Funds
Combining Statement of Net Position
December 31, 2018

	Pension Trust Fund	Other Post-Employment Benefit Trust Fund	Total
Assets			
Investments			
Equity mutual funds	\$ 24,500,884	\$ 12,138,250	\$ 36,639,134
Fixed income mutual funds	25,876,921	14,186,341	40,063,262
Collective investment trust	5,428,345	926,200	6,354,545
Receivables	58,353	29,395	87,748
Prepays	<u>-</u>	<u>117,865</u>	<u>117,865</u>
Total assets	<u>55,864,503</u>	<u>27,398,051</u>	<u>83,262,554</u>
Liabilities			
Vouchers payable	<u>67,593</u>	<u>29,876</u>	<u>97,469</u>
Net Position			
Restricted for pension benefits	55,796,910	-	55,796,910
Restricted for other post-employment benefits	<u>-</u>	<u>27,368,175</u>	<u>27,368,175</u>
Total net position	<u>\$ 55,796,910</u>	<u>\$ 27,368,175</u>	<u>\$ 83,165,085</u>

See Accompanying Notes to the Financial Statements

Huron-Clinton Metropolitan Authority
Fiduciary Funds
Combining Statement of Changes in Net Position
For the Year Ended December 31, 2018

	Pension Trust Fund	Other Post-Employment Benefit Trust Fund	Total
Additions			
Investment earnings (loss)			
Interest and dividends	\$ 1,322,400	\$ 700,253	\$ 2,022,653
Net decrease in fair value of investments	<u>(3,825,995)</u>	<u>(2,065,081)</u>	<u>(5,891,076)</u>
Total investment earnings (loss)	(2,503,595)	(1,364,828)	(3,868,423)
Contributions			
Employer	3,000,000	1,500,000	4,500,000
Plan members	<u>91,815</u>	<u>-</u>	<u>91,815</u>
Total contributions	<u>3,091,815</u>	<u>1,500,000</u>	<u>4,591,815</u>
Total additions	<u>588,220</u>	<u>135,172</u>	<u>723,392</u>
Deductions			
Benefit payments	4,421,433	1,556,355	5,977,788
Administrative expenses	<u>267,216</u>	<u>122,450</u>	<u>389,666</u>
Total deductions	<u>4,688,649</u>	<u>1,678,805</u>	<u>6,367,454</u>
Change in net position	(4,100,429)	(1,543,633)	(5,644,062)
Net position - beginning of year	<u>59,897,339</u>	<u>28,911,808</u>	<u>88,809,147</u>
Net position - end of year	<u>\$ 55,796,910</u>	<u>\$ 27,368,175</u>	<u>\$ 83,165,085</u>

See Accompanying Notes to the Financial Statements

STATISTICAL SECTION (UNAUDITED)

Huron-Clinton Metropolitan Authority
Statistical Section - Table of Contents
For the Year Ending December 31, 2018

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.

Contents

Page

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

6 - 1

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

6 - 5

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

6 - 11

Operating Information

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.

6 - 14

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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 195,042,991	\$195,093,978	\$ 194,800,234	\$194,403,024	\$ 195,125,395	\$195,936,628	\$ 193,545,863	\$194,722,125	\$197,243,195	\$194,826,998
Restricted	-	-	37,709	90,430	138,856	185,995	259,201	311,705	349,962	374,301
Unrestricted	29,396,377	33,118,763	34,227,707	36,140,736	38,675,137	41,440,497	28,935,288	28,739,061	26,607,090	15,550,860
Total governmental activities net position	<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>	<u>\$223,772,891</u>	<u>\$224,200,247</u>	<u>\$210,752,159</u>

Fiscal year 2015 includes the implementation of GASB Statement 68, which required the recognition of deferred outflows of resources, net pension liabilities, and deferred inflows of resources related to the Authority's pension plan. The net effect of these changes decreased net position by \$17.2 million in fiscal year 2015. Prior years have not been restated to reflect the changes required by GASB Statement 68.

Fiscal year 2018 includes the implementation of GASB Statement 75, which required the recognition of deferred outflows of resources, net OPEB liabilities, and deferred inflows of resources related to the Authority's other post-employment benefit plan. The net effect of these changes decreased net position by \$14.7 million in fiscal year 2018. Prior years have not been restated to reflect the changes required by GASB Statement 75.

Huron-Clinton Metropolitan Authority
Changes in Net Position
Last Ten Fiscal Years
(Unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Recreation and culture	\$ 44,629,146	\$ 45,570,182	\$ 43,671,297	\$ 41,656,918	\$ 41,586,621	\$ 41,891,795	\$ 46,117,042	\$ 49,554,752	\$ 51,898,640	\$ 52,932,867
Capital projects	1,794,155	1,134,337	1,486,892	1,930,912	292,196	-	-	-	-	-
Total expenses	46,423,301	46,704,519	45,158,189	43,587,830	41,878,817	41,891,795	46,117,042	49,554,752	51,898,640	52,932,867
Program revenues										
Charges for services	13,764,068	14,715,827	14,151,725	15,027,250	14,519,872	16,316,176	17,893,737	20,130,849	19,692,340	19,802,276
Operating grants and contributions	78,358	7,598	33,359	234,463	19,100	61,745	453,429	162,112	1,377,190	907,043
Capital grants and contributions	1,951,190	309,893	318,053	175,075	2,031,530	153,869	-	-	-	76,311
Total program revenue	15,793,616	15,033,318	14,503,137	15,436,788	16,570,502	16,531,790	18,347,166	20,292,961	21,069,530	20,785,630
General revenues										
Property taxes	35,782,192	34,452,805	30,640,135	28,293,295	27,680,762	28,167,025	28,406,715	29,249,583	30,645,350	31,675,974
Oil and gas royalties	440,623	436,028	368,959	595,017	297,536	239,740	57,890	111,839	93,838	95,652
Donations	101,219	57,065	110,423	127,231	167,123	87,407	101,638	44,744	32,483	19,065
Investment earnings	863,140	474,515	324,511	161,587	217,455	289,002	363,548	307,934	484,795	785,931
Miscellaneous	73,384	24,161	28,460	513,164	27,567	97,013	987,949	339,905	-	791,122
Gain on sale of capital assets	-	-	35,473	29,288	223,069	43,551	192,480	240,325	-	-
Total general revenues	37,260,558	35,444,574	31,507,961	29,719,582	28,613,512	28,923,738	30,110,220	30,294,330	31,256,466	33,367,744
Total revenues	53,054,174	50,477,892	46,011,098	45,156,370	45,184,014	45,455,528	48,457,386	50,587,291	52,325,996	54,153,374
Change in net position	\$ 6,630,873	\$ 3,773,373	\$ 852,909	\$ 1,568,540	\$ 3,305,197	\$ 3,563,733	\$ 2,340,344	\$ 1,032,539	\$ 427,356	\$ 1,220,507

Huron-Clinton Metropolitan Authority
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 2,500,709	\$ 1,268,203	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	24,970,045	29,812,797	-	-	-	-	-	-	-	-
Nonspendable	-	-	228,747	232,363	534,899	498,779	1,018,633	1,069,422	1,055,873	892,577
Restricted	-	-	37,709	90,430	138,856	185,995	259,201	311,705	349,962	374,301
Committed	-	-	13,394,338	13,334,981	12,907,536	9,401,861	9,873,636	10,011,796	6,083,467	6,599,869
Assigned	-	-	-	15,526,682	11,990,064	11,846,371	10,074,807	15,908,505	12,108,959	7,184,481
Unassigned	-	-	18,200,790	5,014,458	10,323,181	14,747,179	18,348,559	13,630,033	18,280,129	21,153,287
Total General Fund	<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>	<u>\$ 40,931,461</u>	<u>\$ 37,878,390</u>	<u>\$ 36,204,515</u>
Supplemental Major Maintenance Fund										
Reserved	\$ 33,834	\$ 280,642	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	6,370,316	6,458,797	-	-	-	-	-	-	-	-
Committed	-	-	6,087,728	4,780,236	4,804,776	4,481,442	4,463,556	4,595,401	4,724,838	4,899,297
Total Supplemental Major Maintenance Fund	<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>	<u>\$ 4,595,401</u>	<u>\$ 4,724,838</u>	<u>\$ 4,899,297</u>
Capital Projects Fund										
Committed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,336,333
Total Capital Projects Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,336,333</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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Property taxes	\$ 35,953,354	\$ 34,528,432	\$30,691,073	\$ 28,384,628	\$ 27,662,759	\$28,125,677	\$28,503,130	\$ 29,246,499	\$ 30,658,374	\$ 31,675,974
Oil and gas royalties	440,623	436,028	368,959	595,017	297,536	239,740	57,890	111,839	93,838	95,652
Charges for services	13,764,068	14,715,827	14,151,725	15,027,250	14,519,872	16,316,176	17,893,737	20,130,849	19,340,845	19,328,560
Operating grants	78,358	7,598	33,359	234,463	19,100	61,745	217,896	76,182	284,871	1,048,213
Capital grants	1,951,190	309,893	318,053	175,075	2,031,530	153,869	-	-	-	-
Donations	101,219	57,065	110,423	127,231	167,123	87,407	337,171	130,674	245,687	249,106
Interest	863,140	474,515	324,511	161,587	217,455	289,002	363,548	307,934	484,795	785,931
Miscellaneous	73,384	24,161	28,460	513,164	27,567	97,013	987,949	339,905	351,495	791,122
Proceeds from sale of capital assets	280,543	411,926	126,880	204,213	223,069	43,551	192,480	319,165	643,421	473,716
Total revenues	53,505,879	50,965,445	46,153,443	45,422,628	45,166,011	45,414,180	48,553,801	50,663,047	52,103,326	54,448,274
Expenditures										
Park operations	32,062,270	32,131,822	31,717,979	29,706,692	28,829,491	29,119,023	31,518,622	32,622,292	33,299,256	32,843,656
Major maintenance	1,794,155	1,134,337	1,428,877	1,553,104	921,509	1,435,517	1,786,274	1,926,210	2,270,033	2,546,141
Administrative offices	6,958,695	7,088,861	7,075,619	7,538,185	6,990,592	7,640,052	7,516,737	7,371,706	9,122,348	9,254,259
Capital projects	9,304,704	4,682,325	4,271,032	4,422,355	5,143,506	5,261,964	3,307,434	4,159,886	7,523,357	2,130,516
Equipment	1,821,169	1,972,142	965,066	1,170,104	1,531,932	1,225,463	1,370,378	3,089,427	2,801,066	1,836,785
Land acquisitions	1,603,169	10,423	565,997	2,350	28,819	269,846	177,591	5,056	10,900	-
Total Expenditures	53,544,162	47,019,910	46,024,570	44,392,790	43,445,849	44,951,865	45,677,036	49,174,577	55,026,960	48,611,357
Net change in fund balance	\$ (38,283)	\$ 3,945,535	\$ 128,873	\$ 1,029,838	\$ 1,720,162	\$ 462,315	\$ 2,876,765	\$ 1,488,470	\$ (2,923,634)	\$ 5,836,917
Debt service as a percentage of noncapital expenditures	0%	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>
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	28,406,715
2016	29,249,583
2017	30,645,350
2018	31,675,974

Huron-Clinton Metropolitan Authority
Taxable and Assessed Values of Property
Last Ten Fiscal Years
(Unaudited)

Year	Real Property (a)		Personal Property (a)		Taxable Value	State Equalized Value	Estimated Market Value (b)	Percent Change in Market Value
	Taxable Value	State Equalized Value	Taxable Value	State Equalized Value				
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%
2016	127,299,266,119	147,549,827,757	13,328,310,313	13,339,823,672	140,627,576,432	160,889,651,429	321,779,302,858	8.3%
2017	129,731,372,431	158,080,403,922	10,932,474,841	10,951,448,476	140,663,847,272	169,031,852,398	338,063,704,796	5.1%
2018	133,670,573,042	167,371,105,480	10,782,695,017	10,815,394,135	144,453,268,059	178,186,499,615	356,372,999,230	5.4%

(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) 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)

<u>Year</u>	<u>Livingston</u> <u>County</u>	<u>% of</u> <u>Total</u>	<u>Macomb</u> <u>County</u>	<u>% of</u> <u>Total</u>	<u>Oakland</u> <u>County</u>	<u>% of</u> <u>Total</u>	<u>Washtenaw</u> <u>County</u>	<u>% of</u> <u>Total</u>	<u>Wayne</u> <u>County</u>	<u>% of</u> <u>Total</u>	<u>Total</u> <u>Taxable Value</u>	<u>Total</u> <u>%</u>
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	35.7%	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	36.2%	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	36.3%	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	36.7%	14,496,462,571	10.6%	40,043,688,852	29.3%	136,835,644,654	100.0%
2016	8,053,582,840	5.7%	25,475,376,698	18.1%	51,895,341,437	37.0%	14,925,676,802	10.6%	40,277,598,655	28.6%	140,627,576,432	100.0%
2017	8,193,575,309	5.8%	25,264,565,701	18.0%	52,786,202,473	37.6%	15,257,429,398	10.8%	39,162,074,391	27.8%	140,663,847,272	100.0%
2018	8,463,028,554	5.9%	25,997,372,246	18.0%	54,723,743,027	38.0%	15,807,731,211	10.9%	39,461,393,021	27.3%	144,453,268,059	100.0%

Note: 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.

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>	Authority <u>Millage Rate (a)</u>
2009	0.2146
2010	0.2146
2011	0.2146
2012	0.2146
2013	0.2146
2014	0.2146
2015	0.2146
2016	0.2146
2017	0.2146
2018	0.2141

(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)

<u>Year</u>	<u>Initial Tax Levy (a)</u>	<u>Current Year Tax Collections (b)</u>	<u>Percent of Current Year Taxes Collected</u>	<u>Prior Years Tax Receivable Balances</u>	<u>Prior Years Tax Receivable Collections (b)</u>	<u>Percent of Prior Years Taxes Collected</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections (c)</u>	<u>Outstanding Tax Receivable Balances At Year End</u>
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
2016	29,956,861	29,330,025	97.9%	155,578	42,697	27.4%	29,372,722	97.5%	175,541
2017	30,002,724	33,389,306	111.3%	175,541	128,223	73.0%	33,517,529	111.1%	178,721
2018	30,736,230	28,385,251	92.4%	178,721	57,299	32.1%	28,442,550	92.0%	1,752,480

(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
Current and Ten Years Ago
(Unaudited)

Taxpayer	2018			2009		
	Taxable Value (a)	Rank	Percent of Total Authority Taxable Value	Taxable Value (a)	Rank	Percent of Total Authority Taxable Value
Detroit Edison	\$2,259,522,613	1	1.56%	\$2,007,518,013	3	1.16%
Ford Motor Company	849,392,676	2	0.59%	2,400,731,201	1	1.38%
Consumers Energy	604,075,895	3	0.42%	323,496,007	5	0.19%
Daimler/Chrysler	445,813,519	4	0.31%	1,588,287,195	4	0.91%
General Motors	432,764,182	5	0.30%	2,093,636,357	2	1.21%
ITC	379,475,318	6	0.26%	-	-	-
Marathon Oil Company	308,504,089	7	0.21%	151,186,066	9	0.09%
Michigan Consolidated Gas	304,312,801	8	0.21%	147,837,523	10	0.09%
Vanguard Health Systems- Hospitals	288,072,442	9	0.20%	-	-	-
Enbridge Energy	257,432,976	10	0.18%	-	-	-
MGM Grand Detroit LLC	-	-	-	296,307,555	6	0.17%
Pfizer Global	-	-	-	238,483,825	7	0.14%
United States Steel	-	-	-	225,026,607	8	0.13%
Total Ten Largest Taxpayers	<u>\$6,129,366,511</u>		<u>4.24%</u>	<u>\$9,472,510,349</u>		<u>5.56%</u>

(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 and Economic Statistics
(Unaudited)

Total Population by County (a)						
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
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
2015	184,591	854,689	1,229,503	354,092	1,778,969	4,401,844
2016	185,841	859,703	1,235,215	358,082	1,767,593	4,406,434
2017	186,946	864,019	1,241,860	361,509	1,763,822	4,418,156

Number of Households by County (b)					
<u>Livingston</u>	<u>Macomb</u>	<u>Oakland</u>	<u>Washtenaw</u>	<u>Wayne</u>	<u>Total</u>
70,831	341,532	499,617	138,947	673,143	1,724,070

Household Income by County (b)						
Income	Livingston	Macomb	Oakland	Washtenaw	Wayne	Total
Less than \$10,000	2,003	17,830	23,830	9,378	81,117	134,158
\$10,000 to \$14,999	1,594	13,755	16,963	5,565	43,130	81,007
\$15,000 to \$24,999	4,390	33,759	36,871	11,161	82,075	168,256
\$25,000 to \$34,999	4,597	34,068	36,819	10,946	73,497	159,927
\$35,000 to \$49,999	8,289	47,937	57,118	16,794	91,229	221,367
\$50,000 to \$74,999	12,683	65,491	83,869	23,155	110,612	295,810
\$75,000 to \$99,999	10,769	45,956	65,659	15,972	71,052	209,408
\$100,000 to \$149,999	14,843	51,961	87,082	22,788	71,839	248,513
\$150,000 to \$199,999	6,530	18,860	42,048	10,774	25,938	104,150
\$200,000 or more	5,133	11,915	49,358	12,414	22,654	101,474

Median Household Income (b)				
Livingston	Macomb	Oakland	Washtenaw	Wayne
\$78,430	\$58,175	\$73,369	\$65,618	\$43,702

Huron-Clinton Metropolitan Authority
Demographic and Economic Statistics
(Unaudited)

Ethnicity by County (a)												
Ethnicity	Livingston		Macomb		Oakland		Washtenaw		Wayne		Total	
White	180,154	96.37%	709,260	82.09%	939,218	75.63%	267,225	73.92%	937,802	53.17%	3,033,659	68.66%
Black or African American	1,035	0.55%	95,399	11.04%	170,390	13.72%	42,966	11.89%	689,583	39.10%	999,373	22.62%
American Indian & Alaska Nat	495	0.26%	2,504	0.29%	3,282	0.26%	1,214	0.34%	5,673	0.32%	13,168	0.30%
Asian	1,746	0.93%	31,889	3.69%	84,806	6.83%	31,505	8.71%	54,995	3.12%	204,941	4.64%
Native Hawaiian/Other Pacific	119	0.06%	372	0.04%	237	0.02%	151	0.04%	389	0.02%	1,268	0.03%
Other Race	592	0.32%	4,680	0.54%	9,524	0.77%	2,651	0.73%	34,129	1.93%	51,576	1.17%
Two or More Races	2,805	1.50%	19,915	2.30%	34,403	2.77%	15,797	4.37%	41,251	2.34%	114,171	2.58%
	<u>186,946</u>		<u>864,019</u>		<u>1,241,860</u>		<u>361,509</u>		<u>1,763,822</u>		<u>4,418,156</u>	

Age by County (a)												
Age	Livingston		Macomb		Oakland		Washtenaw		Wayne		Total	
under 5	9,481	5.07%	47,524	5.50%	68,048	5.48%	18,390	5.09%	115,340	6.54%	258,783	5.86%
5 through 9	10,858	5.81%	50,782	5.88%	73,155	5.89%	18,995	5.25%	113,479	6.43%	267,269	6.05%
10 through 14	13,222	7.07%	54,164	6.27%	78,762	6.34%	19,938	5.52%	119,868	6.80%	285,954	6.47%
15 through 19	13,266	7.10%	53,459	6.19%	79,381	6.39%	32,385	8.96%	116,790	6.62%	295,281	6.68%
20 through 24	10,848	5.80%	54,755	6.34%	74,370	5.99%	47,813	13.23%	125,083	7.09%	312,869	7.08%
25 through 34	19,128	10.23%	109,070	12.62%	155,300	12.51%	50,876	14.07%	229,836	13.03%	564,210	12.77%
35 through 44	22,112	11.83%	108,356	12.54%	158,333	12.75%	41,610	11.51%	215,620	12.22%	546,031	12.36%
45 through 54	31,006	16.59%	128,371	14.86%	185,829	14.96%	44,470	12.30%	240,262	13.62%	629,938	14.26%
55 through 59	15,362	8.22%	64,561	7.47%	94,815	7.63%	21,251	5.88%	125,009	7.09%	320,998	7.27%
60 through 64	13,223	7.07%	55,666	6.44%	81,390	6.55%	20,679	5.72%	108,895	6.17%	279,853	6.33%
65 through 74	17,863	9.56%	77,055	8.92%	112,677	9.07%	27,439	7.59%	144,522	8.19%	379,556	8.59%
75 through 84	7,980	4.27%	40,074	4.64%	53,573	4.31%	12,149	3.36%	73,462	4.16%	187,238	4.24%
85 and over	2,597	1.39%	20,182	2.34%	26,227	2.11%	5,514	1.53%	35,656	2.02%	90,176	2.04%
	<u>186,946</u>		<u>864,019</u>		<u>1,241,860</u>		<u>361,509</u>		<u>1,763,822</u>		<u>4,418,156</u>	

Data from 2011-2015 American Community Survey 5-Year Estimates:

(a) ACS Demographic and Housing Estimates (DP05)

(b) Selected Economic Characteristics (DP03)

Huron-Clinton Metropolitan Authority
Principal Employers
Current and Ten Years Ago
(Unaudited)

Employer	2018			2008		
	Employees	Rank	Percentage of Total Region Employment	Employees	Rank	Percentage of Total Region Employment
Ford Motor Company	46,665	1	6.9%	106,278	1	15.3%
General Motors	32,182	2	7.8%	74,549	2	12.9%
University of Michigan Hospitals	31,920	3	15.4%	58,378	3	17.5%
FCA US LLC (formerly Chrysler)	31,808	4	5.8%	52,208	4	8.1%
Beaumont Health System	25,692	5	3.9%	14,610	10	2.6%
Henry Ford Health System	15,323	6	2.4%	22,083	6	3.2%
US Government/Postal Service	14,898	7	2.7%	44,576	5	7.6%
Rock Ventures	14,237	8	2.0%	-	-	-
General Dynamics	11,178	9	1.9%	-	-	-
Trinity Health	9,299	10	3.7%	-	-	-
Ascension Michigan (formerly St. John)	-	-	-	21,512	7	3.2%
Detroit Public Schools	-	-	-	17,329	8	2.2%
Oakwood healthcare, Inc	-	-	-	15,028	9	1.9%
	<u>233,202</u>		<u>52.5%</u>	<u>426,551</u>		<u>74.5%</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)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Location										
Administrative Office	65	67	58	53	50	53	54	56	51	52
Lake St. Clair Metropark	55	57	56	53	51	57	55	55	59	64
Kensington Metropark	94	97	96	88	82	80	81	85	95	100
Lower Huron Metropark	85	89	94	88	83	84	85	86	94	91
Hudson Mills Metropark	29	29	29	29	28	32	35	33	34	36
Stony Creek Metropark	59	63	63	56	53	55	53	55	58	61
Lake Erie Metropark	49	45	44	43	45	48	48	47	51	53
Wolcott Mill Metropark	18	18	23	20	16	16	19	20	21	22
Indian Springs Metropark	23	23	24	25	24	22	22	24	26	26
Huron Meadows Metropark	12	12	12	12	11	11	12	14	17	18
Total	<u>489</u>	<u>500</u>	<u>499</u>	<u>467</u>	<u>443</u>	<u>458</u>	<u>464</u>	<u>475</u>	<u>506</u>	<u>523</u>

Huron-Clinton Metropolitan Authority
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
(Unaudited)

	2018	2017	2016	2015*	2014	2013	2012	2011	2010	2009
Number of Regional Parks	13	13	13	13	13	13	13	13	13	13
Vehicle Count	2,906,524	2,921,824	2,947,885	2,859,720						
Estimated Attendance***	7,266,310	7,304,560	7,369,713	7,149,300	7,939,916	8,420,298	8,866,125	8,434,169	9,203,225	9,174,119
Land (acres)										
All Land ****	24,508	24,508	24,521	24,521						
Encumbered for Recreation	14,761	14,761	14,761	14,761						
Leased for Farming	491	491	595	595						
Leased for Recreation	450	450	450	450						
Leased for Utilities	24	24	24	24						
General Grounds Maintenance - Acres Mowed Annually	3,691	3,691	3,691	3,099	3,099	2,261	2,261	2,281	2,694	2,699
Trails (miles)										
Nature/Hiking	59	59	58	58						
Paved/Shared Use	90	90	84	84						
Equestrian	36	36	36	36						
Cross Country Ski	64	64	64	64	81	80	80	80	75	75
Mountain Biking	19	19	19	19						
Maintenance Paths	81	81	81	81						
Aquatic Facilities										
Aquatic Centers **	5	5								
Spray Pads**	2	2	4	4	4	4	4	4	4	4
Pools **			4	4	4	4	4	4	4	4
Beaches	5	5	5	5	5	5	5	5	5	5
Boat Launches	50	50	50	50	46	44	44	44	44	44
Boat Rental Facilities-Metropark operated	4	4	6	6	5	6	6	6	5	5
Boat Rental Facilities-Concessionaire operated	3	2								
Fishing Platforms	16	16	16	16						
Marinas - Number of Boat Slips	393	393	393	393	498	509	509	553	553	505
Winter Facilities										
Ice Skating Areas	4	4	4	4						
Sledding Areas	8	8	8	8						
Infrastructure										
Buildings	484	484	489	489						
Roads (miles)	68	68	68	68						
Parking Spaces	19,332	19,332	19,332	19,332						

Huron-Clinton Metropolitan Authority
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
(Unaudited)

	2018	2017	2016	2015*	2014	2013	2012	2011	2010	2009
Great Lakes Shoreline (miles)	14	14	14	14						
Inland Lakes (acres)	3,634	3,634	3,634	3,634						
Recreation Facilities										
Regulation 18 Hole Courses	7	7	8	8	8	8	8	8	8	8
Number of Golf Rounds	174,580	176,231	190,527	191,605	169,157	182,333	187,868	184,837	204,839	206,271
Par 3 Courses	1	1	2	2	2	2	2	2	2	2
Number of Golf Rounds	6,784	4,249	14,025	14,257	12,971	17,238	19,829	17,879	24,858	32,920
Number of Foot Golf Rounds	324	784								
Driving Ranges	5	5	6	6	6	5	5	5	5	5
Disc Golf Courses	5	5	5	5						
Disc Golf Holes	135	135	135	135	126	123	123	120	120	123
Playgrounds	77	77	78	78	51	50	50	49	45	45
Picnic Shelters	86	86	87	87	91	91	91	92	87	86
Picnic Areas			70	70	88	88	89	90	85	85
Tennis Courts	4	8	9	9	8	8	8	8	8	8
Pickelball Courts	3	3								
Basketball Courts	15	15	15	15	18	19	19	19	19	19
Sand Volleyball Courts	39	39	38	38						
Baseball Fields	21	22	28	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	3	3	3	1	1	1	1	1	1	1
Number of Visitors	1,503,582	1,487,666	1,470,541	1,382,962	1,459,000	1,549,800	1,657,759	1,681,737	1,761,071	1,757,499
Number of Interpretive Programs	5,944	5,553	5,520	7,580	7,175	7,478	9,706	10,181	10,106	10,458
Special Event Facilities	6	6	6	6						
Excursion Boat	1	1	1	1	1	1	1	1	1	1
Public Safety										
Number of Patrol Vehicles	36	36	36	36	36	36	39	39	37	37
Number of Law Violations										
Arrests	40	50	25	30	24	20	19	13	28	41
Traffic Violations	330	193	333	295	225	221	175	232	305	366
Other Violations	87	82	129	167	75	49	56	129	120	148

Huron-Clinton Metropolitan Authority
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
(Unaudited)

	2018	2017	2016	2015*	2014	2013	2012	2011	2010	2009
Land (acres) Developed					4,890	5,800	5,800	5,800	5,800	5,800
Land (acres) Undeveloped					18,960	18,355	18,355	18,355	18,310	18,310
Land (acres) Under Recreational Lease to Other Agencies					1,045	600	600	600	600	600
Number of Buildings Maintained					320	321	321	321	319	319
Square Footage of Buildings Maintained					703,120	705,395	705,395	703,120	697,520	697,520
Equestrian Trails - Number of Miles					53	53	53	53	53	53
Hike/ Bike Trails (paved) - Number of Miles of Paved Trails					66	61	61	61	55	55
Miles of Shoreline					94	94	94	94	100	100
Nature Trails - Number of Miles					75	75	75	75	56	56
Outdoor Dance Centers					2	2	2	2	1	1
Parking Lots - Square Yards Maintained					768,191	768,191	796,191	794,691	833,428	833,428
Road System - Number of Lane Miles Maintained					165	162	162	162	166	166
Skate Parks					1	1	1	1	1	1
Ice Skating Rinks					7	7	7	7	9	9
Sledding/Toboggan Hills					19	19	18	18	18	18

* 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.

** During the year ending December 31, 2017 the Authority's Planning Department reevaluated the aquatic facility categories reported. It was concluded to present a new category of Aquatic Center which may include multiple types of facilities previously reported separately.

*** 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 Improvements	Equipment	Land Acquisition	Major Maintenance	General Administration	Park Operations	Supplemental Major Maintenance Fund	Capital Projects Fund	Total
2009	\$ 9,347,177	\$ 1,821,169	\$ 1,603,169	\$ 1,442,499	\$ 6,958,695	\$ 32,062,270	\$ 309,183	\$ -	\$ 53,544,162
2010	4,494,392	1,972,142	10,423	1,131,938	7,088,861	32,131,822	190,332	-	47,019,910
2011	3,456,892	965,066	565,997	1,106,658	7,075,619	31,717,979	1,078,344	-	45,966,555
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	28,820	704,328	6,990,592	28,829,491	292,196	-	43,445,850
2014	4,879,504	1,225,463	269,846	1,435,517	7,640,052	29,119,023	382,460	-	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
2016	4,159,886	3,089,427	5,056	1,926,210	7,371,706	32,622,292	-	-	49,174,577
2017	7,523,357	2,801,066	10,900	2,270,033	9,122,348	33,299,256	-	-	55,026,960
2018	-	1,836,785	-	2,546,141	9,254,259	32,843,656	-	2,130,516	48,611,357

Huron-Clinton Metropolitan Authority
Metropark General Governmental Expenditures by Park
Last Ten Fiscal Years
(Unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total (a)
Capital Projects Fund											
Administrative Office	\$ -	\$ -	\$ -	\$ -	\$ 15,070	\$ 45,000	\$ -	\$ 112,999	\$ 88,600	\$ -	\$ 261,669
Lake St. Clair Metropark	3,070,170	779,453	164,896	501,752	3,388,101	247,053	252,381	1,236,529	3,877,088	253,892	13,771,315
Kensington Metropark	3,907,319	991,397	2,417,637	275,844	123,195	2,008,956	452,571	299,491	727,346	231,173	11,434,929
Dexter-Delhi Metropark	45,269	21,066	129,214	25,859	14,659	34,885	-	-	-	-	270,952
Lower Huron/Willow/Oakwoods Metropark	1,213,040	842,785	274,389	269,893	516,245	66,796	156,782	51,322	593,005	93,124	4,077,381
Hudson Mills Metropark	103,637	324,848	158,655	97,746	525,153	303,410	110,901	36,544	56,897	40,895	1,758,686
Stony Creek Metropark	216,901	344,335	135,328	1,182,503	125,936	237,809	1,405,205	1,820,937	1,361,602	1,193,394	8,023,950
Lake Erie Metropark	221,474	714,069	118,017	36,280	55,787	351,366	27,186	223,999	408,973	34,586	2,191,737
Wolcott Mill Metropark	110,013	29,399	14,417	35,032	78,544	60,035	389,335	363,060	230,446	95,491	1,405,772
Indian Springs Metropark	373,191	312,175	41,265	37,288	167,628	325,956	371,525	15,005	155,170	4,674	1,803,877
Huron Meadows Metropark	86,163	134,865	3,074	29,246	58,173	1,198,238	46,969	-	24,230	183,287	1,764,245
Cost Share Other Agencies	-	-	-	-	-	-	-	-	-	-	-
Total	9,347,177	4,494,392	3,456,892	2,491,443	5,068,491	4,879,504	3,212,855	4,159,886	7,523,357	2,130,516	46,764,513
Equipment											
Central Pool Equipment	56,383	167,493	274,595	107,813	172,763	630,121	231,321	313,470	157,070	200,530	2,311,559
Lake St. Clair Metropark	97,496	236,282	113,685	213,150	109,896	142,484	206,783	235,466	275,544	134,871	1,765,657
Kensington Metropark	288,600	453,310	140,575	318,761	230,212	149,257	207,324	585,804	613,122	290,650	3,277,615
Lower Huron/Willow/Oakwoods Metropark	485,485	188,961	260,665	132,884	94,976	69,759	139,967	497,397	742,245	263,752	2,876,091
Hudson Mills Metropark	133,418	85,560	40,422	12,656	117,115	82,700	36,814	156,368	29,781	125,884	820,718
Stony Creek Metropark	131,759	282,333	67,235	257,776	282,583	46,107	332,084	634,571	511,883	340,088	2,886,419
Willow/Oakwoods Metroparks	272,597	72,601	189,437	57,047	32,710	1,320	-	-	-	-	625,712
Lake Erie Metropark	147,267	111,636	16,638	1,250	358,709	10,558	66,180	316,289	221,945	159,697	1,410,169
Wolcott Mill Metropark	60,477	19,071	22,966	8,906	11,095	35,050	41,751	169,864	86,887	128,129	584,196
Indian Springs Metropark	304,666	77,778	28,285	94,408	91,409	17,537	85,280	78,549	62,471	39,689	880,072
Huron Meadows Metropark	115,618	349,718	-	22,500	63,174	41,890	22,874	101,649	100,118	153,495	971,036
Total	1,821,169	1,972,142	965,066	1,170,104	1,531,932	1,225,463	1,370,378	3,089,427	2,801,066	1,836,785	17,783,532
Land Acquisition											
Lake St. Clair Metropark	-	-	-	-	19,456	72,859	177,591	5,056	-	-	274,962
Kensington Metropark	-	-	-	-	2,950	-	-	-	-	-	2,950
Wolcott Mill Metropark	5,650	8,400	287,884	2,350	6,414	196,737	-	-	-	-	507,435
Indian Springs Metropark	1,593,769	23	273,813	-	-	-	-	-	-	-	1,867,605
Huron Meadows	2,800	2,000	-	-	-	-	-	-	10,900	-	15,700
Other Metroparks	950	-	4,300	-	-	250	-	-	-	-	5,500
Total	1,603,169	10,423	565,997	2,350	28,820	269,846	177,591	5,056	10,900	-	2,674,152

Huron-Clinton Metropolitan Authority
Metropark General Governmental Expenditures by Park
Last Ten Fiscal Years
(Unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total (a)
Major Maintenance											
Administrative Office - Engineering/											
General Planning	\$ 179,437	\$ 69,367	\$ 166,374	\$ 76,319	\$ 90,486	\$ 74,754	\$ 8,044	\$ 17,116	\$ 43,718	\$ 2,532	\$ 728,147
Lake St. Clair Metropark	129,104	37,271	177,368	67,827	170,388	226,800	198,938	180,587	733,523	162,313	2,084,119
Kensington Metropark	169,523	101,468	321,623	127,031	31,511	282,058	411,571	421,900	159,149	1,087,154	3,112,988
Lower Huron/Willow/Oakwoods Metropark	378,249	89,350	160,134	429,468	38,958	454,770	338,346	252,139	497,763	564,178	3,203,355
Hudson Mills Metropark	235,922	55,458	19,178	338,736	-	38,651	42,342	129,663	53,080	95,746	1,008,776
Stony Creek Metropark	164,651	570,546	83,260	236,918	38,138	228,158	269,969	634,683	212,106	121,281	2,559,710
Lake Erie Metropark	185,613	76,122	110,656	125,456	248,430	4,250	17,962	91,900	91,547	216,278	1,168,214
Wolcott Mill Metropark	-	-	40,458	45,053	18,572	126,076	264,173	111,436	132,151	40,838	778,757
Indian Springs Metropark	-	6,632	26,645	48,053	63,979	-	99,502	71,109	346,996	210,853	873,769
Huron Meadows Metropark	-	125,724	964	58,243	3,866	-	135,427	15,677	-	44,968	384,869
Total	1,442,499	1,131,938	1,106,658	1,553,104	704,328	1,435,517	1,786,274	1,926,210	2,270,033	2,546,141	15,902,704
General Administration											
Administrative Office	6,958,695	7,088,861	7,075,619	7,538,185	6,990,592	7,640,052	7,516,737	7,371,706	9,122,348	9,254,289	76,557,084
Park Operations											
Lake St. Clair Metropark	4,064,908	3,951,050	3,784,910	3,500,206	3,518,212	3,476,787	3,955,554	4,045,798	4,193,050	4,220,224	38,710,699
Kensington Metropark	6,443,579	6,529,008	6,486,029	6,163,819	5,942,347	6,009,375	6,487,747	6,792,494	6,936,915	6,986,445	64,777,758
Lower Huron/Willow/Oakwoods Metropark	5,422,245	5,790,454	5,740,732	5,370,279	5,314,881	5,241,451	5,954,585	6,142,630	6,388,626	5,809,366	57,175,249
Dexter/Delhi/Hudson Mills Metroparks	2,794,242	2,747,588	2,981,726	2,741,822	2,463,982	2,444,480	2,531,077	2,525,080	2,493,050	2,737,335	26,460,382
Stony Creek Metropark	4,195,573	4,230,227	4,058,406	3,959,094	3,816,608	3,896,686	4,450,218	5,041,688	4,907,561	4,701,122	43,257,183
Lake Erie Metropark	3,591,422	3,425,448	3,379,534	3,356,082	3,393,851	3,313,518	3,366,875	3,263,730	3,696,984	3,755,286	34,542,730
Wolcott Mill Metropark	1,737,968	1,755,269	1,775,100	1,604,023	1,398,932	1,548,474	1,645,858	1,790,519	1,537,099	1,530,676	16,323,918
Indian Springs Metropark	2,116,133	2,194,572	2,052,636	1,844,228	1,825,913	1,924,048	2,018,613	1,972,292	2,048,351	2,013,440	20,010,226
Huron Meadows Metropark	1,144,033	1,199,291	1,055,361	837,024	855,213	943,075	1,079,578	1,022,826	1,074,884	1,067,884	10,279,169
Central Warehouse/Garage/Other	552,167	308,915	403,546	330,115	299,552	321,129	28,517	25,235	22,736	21,848	2,313,760
Total	32,062,270	32,131,822	31,717,979	29,706,692	28,829,491	29,119,023	31,518,622	32,622,292	33,299,256	32,843,626	313,851,073
Supplemental Major Maintenance Fund											
Kensington Metropark	19,580	152,040	716,501	1,712,310	53,180	-	-	-	-	-	2,653,611
Lower Huron Metropark	(83,175)	-	-	-	-	-	-	-	-	-	(83,175)
Stony Creek Metropark	17,771	33,752	361,844	218,602	239,016	382,460	94,579	-	-	-	1,348,024
Oakwoods Metropark	355,007	4,540	-	-	-	-	-	-	-	-	359,547
Total	309,183	190,332	1,078,344	1,930,912	292,196	382,460	94,579	-	-	-	4,278,007
Total Expenditures	\$ 53,544,162	\$ 47,019,910	\$ 45,966,555	\$ 44,392,790	\$ 43,445,850	\$ 44,951,865	\$ 45,677,036	\$ 49,174,577	\$ 55,026,960	\$ 48,611,357	\$477,811,065

(a) Includes General Fund and Capital Projects Fund.

Huron-Clinton Metropolitan Authority
Metropark General Governmental Revenue by Source
Last Ten Fiscal Years
(Unaudited)

Year	Property Tax	Park Operations	Interest	Grants	Gifts	Miscellaneous	Other Financing Sources	Supplemental Major Maintenance	Capital Projects Fund	Total (a)
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
2016	29,246,499	20,130,849	287,928	76,182	130,674	339,905	319,165	131,845	-	50,663,047
2017	30,658,374	19,340,845	449,196	284,871	245,687	351,495	643,421	129,437	-	52,103,326
2018	31,675,974	19,328,560	707,124	976,902	230,832	791,122	473,716	174,459	89,585	54,448,274

(a) Includes General Fund and Capital Projects Fund.

Huron-Clinton Metropolitan Authority
Metropark Operating Revenues by Park
Last Ten Fiscal Years
(Unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Lake St. Clair Metropark	\$ 1,605,390	\$ 1,767,070	\$ 1,639,040	\$ 1,677,510	\$ 1,605,222	\$ 1,753,366	\$ 2,161,319	\$ 2,461,013	\$ 2,315,553	\$ 2,443,651	\$ 19,429,134
Kensington Metropark	2,608,246	2,896,630	2,802,315	2,959,722	3,007,259	3,481,846	3,996,669	4,552,476	4,741,963	4,523,073	35,570,199
Lower Huron Metropark	1,236,339	1,496,553	1,544,161	1,577,205	1,299,958	1,465,153	2,682,224	3,071,759	2,760,379	2,794,920	19,928,651
Dexter/Delhi/Hudson Mills Metroparks	964,219	969,111	887,294	826,820	867,709	964,791	1,044,048	1,082,519	1,116,862	1,111,316	9,834,689
Stony Creek Metropark	2,334,081	2,514,918	2,535,163	2,846,775	2,989,230	3,362,441	3,574,513	4,153,817	4,091,310	3,927,203	32,329,451
Willow/Oakwoods Metroparks	1,004,439	1,131,561	804,158	1,028,790	931,113	1,064,566	-	-	-	-	5,964,627
Lake Erie Metropark	1,601,021	1,576,391	1,572,925	1,553,867	1,395,317	1,521,141	1,627,750	1,772,447	1,668,012	1,764,715	16,053,586
Wolcott Mill Metropark	485,383	471,291	469,845	588,431	534,381	539,505	558,710	625,982	297,922	251,092	4,822,542
Indian Springs Metropark	895,761	870,566	811,109	904,808	953,775	1,079,093	1,122,183	1,237,868	1,107,336	1,184,415	10,166,914
Huron Meadows Metropark	822,933	807,926	760,210	702,974	689,334	773,048	856,215	910,351	905,093	899,953	8,128,037
Resident House/Land Leases											
Other	185,012	177,489	170,522	190,986	198,093	195,165	-	-	-	-	1,117,267
Administrative Office	21,244	36,321	154,983	169,355	48,481	116,061	270,106	262,617	336,415	428,222	1,843,805
Total	\$ 13,764,068	\$ 14,715,827	\$ 14,151,725	\$ 15,027,243	\$ 14,519,872	\$ 16,316,176	\$ 17,893,737	\$ 20,130,849	\$ 19,340,845	\$ 19,328,560	\$ 165,188,902

Huron-Clinton Metropolitan Authority
Metropark Operating Revenues by Type
Last Ten Fiscal Years
(Unaudited)

Type of Revenue	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
Food Service (b)	\$ 814,336	\$ 803,573	\$ 778,782	\$ 730,059	\$ 774,520	\$ 1,201,877	\$ -	\$ -	\$ -	\$ -	\$ 5,103,147
Aquatic	1,112,798	1,418,185	1,572,314	1,508,333	1,317,560	1,443,720	2,010,251	2,156,789	1,763,802	2,023,328	16,327,081
Dockage/ Boat Storage	373,705	390,105	396,478	371,748	366,101	362,701	383,575	394,197	372,635	332,845	3,744,090
Boat Rentals	2,732,120	275,897	326,887	338,251	357,399	389,421	460,095	476,722	436,904	419,298	6,212,994
Excursion Boat	37,532	38,555	44,441	44,668	49,598	49,634	44,102	17,098	55,502	49,785	430,915
Cross Country Skiing	41,744	45,513	55,021	26,076	48,047	86,234	62,642	32,959	37,810	55,945	491,991
Toll Collection	4,796,269	5,690,581	5,358,278	5,722,407	5,547,951	6,991,270	7,471,802	9,167,954	9,452,371	8,936,788	69,135,670
Sundries (b)	120,056	125,336	104,699	119,669	115,538	109,392	-	-	-	-	694,690
Games/Equipment Rental (b)	41,141	38,712	4,375	17,463	28,875	32,390	-	-	-	-	162,955
Activity Center	120,408	122,608	132,997	145,918	123,194	127,407	210,988	245,014	114,004	227,522	1,570,060
Shelter Reservations	320,730	342,550	338,830	351,044	405,270	369,415	373,751	377,988	313,010	376,057	3,568,645
Golf Course	4,930,968	4,636,348	4,041,661	4,518,659	4,332,837	4,137,391	5,345,559	5,695,553	5,033,276	5,221,081	47,893,333
Adventure/ Disc Golf	187,062	202,599	172,470	183,330	185,184	167,969	221,241	211,653	205,616	175,706	1,912,830
Special Events	21,141	25,760	48,829	41,301	83,653	56,331	157,462	220,531	102,998	16,501	774,508
Resident House/Land/Leases	118,857	107,025	113,597	131,925	137,138	127,157	131,640	130,127	136,301	224,469	1,358,236
Livestock Sales (b)	52,685	49,695	96,137	135,185	96,875	104,436	-	-	-	-	535,013
Hay Rides (b)	38,047	37,794	37,803	34,612	42,069	48,301	-	-	-	-	238,626
Site Location Fee (b)	29,155	18,785	24,980	16,269	30,760	38,244	-	-	-	-	158,193
Interpretive	177,548	184,658	217,775	252,338	268,279	257,623	603,271	635,268	717,556	650,706	3,965,022
Intergovernmental (b)	-	-	-	-	-	-	206,713	197,395	200,946	203,787	808,841
Miscellaneous (b)	136,780	155,911	136,454	115,851	42,020	145,239	106,265	70,521	115,187	137,828	1,162,056
Other Park Revenues (a)	19,886	5,637	148,918	222,138	167,004	70,024	104,380	101,080	282,927	276,914	1,398,908
Total	\$ 16,222,968	\$ 14,715,827	\$ 14,151,726	\$ 15,027,244	\$ 14,519,872	\$ 16,316,176	\$ 17,893,737	\$ 20,130,849	\$ 19,340,845	\$ 19,328,560	\$ 167,647,804

(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.