



Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

Peninsula Metropolitan Park District

(PenMet Parks)

For the period January 1, 2019 through December 31, 2020

Published May 16, 2022

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

May 16, 2022

Board of Commissioners
PenMet Parks
Gig Harbor, Washington

Report on Financial Statements

Please find attached our report on PenMet Parks's financial statements.

We are issuing this report in order to provide information on the District's financial condition.

Sincerely,

A handwritten signature in black ink that reads "Pat McCarthy".

Pat McCarthy, State Auditor
Olympia, WA

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SCHEDULE OF AUDIT FINDINGS AND RESPONSES

PenMet Parks January 1, 2019 through December 31, 2020

2020-001 The District's internal controls were inadequate for ensuring accurate financial reporting.

Background

The District's governing body and management are responsible for designing, implementing and maintaining internal controls that provide reasonable assurance financial reporting is accurate and complete.

The District prepares its financial statements in accordance with the cash basis accounting method prescribed in the *Budgeting, Accounting and Reporting System* (BARS) manual.

Government Auditing Standards requires the State Auditor's Office to communicate material weaknesses in internal controls as a finding. The Applicable Laws and Regulations section below defines the standards for material weaknesses.

Description of Condition

Our audit found the following internal control deficiencies that represent a material weakness. The District did not establish control processes to:

- Identify and apply new accounting changes in the BARS manual for reporting the liability for postemployment benefits other than pensions (OPEB)
- Identify and eliminate intrafund activity when combining managerial funds for financial reporting purposes
- Perform an effective secondary review to detect errors in the financial statements submitted for audit

Cause of Condition

Employees responsible for preparing financial statements did not sufficiently research new accounting changes to understand the requirements for reporting and disclosing the District's OPEB liability.

The District used managerial funds to track financial activity in its general ledger. However, it did not have a consistent process to ensure it eliminated activity between those funds when combining them for financial reporting purposes.

Additionally, the District's secondary review of the financial statements was not sufficiently detailed to identify and correct errors before audit.

Effect of Condition

We found the following errors in the District's financial statements:

- 2019 and 2020 OPEB liabilities of \$642,956 and \$768,740, respectively, were omitted from the notes and the Schedules of Liabilities.
- 2020 Capital Projects fund transfers in and transfers out were each overstated by \$658,034.

The District subsequently corrected these errors in the financial statements.

Recommendations

We recommend the District strengthen internal controls over preparing financial statements to ensure the statements it submits for audit are accurate, complete and comply with BARS manual requirements. Specifically, we recommend the District dedicate sufficient resources to ensure:

- Employees responsible for preparing the financial statements understand and implement applicable BARS manual changes
- Intrafund activity is properly eliminated when managerial funds are combined for financial reporting purposes
- A knowledgeable person performs an effective secondary review of the financial statements to identify errors

District's Response

The Peninsula Metropolitan Park District appreciates the Auditor's thorough and thoughtful review and acknowledges the opportunity for improving its financial reporting as outlined in the finding related to the 2019-2020 calendar years.

Prior to the 2019-2020 audit, PenMet Parks became aware of a number of deficiencies and as a result made significant personnel changes in many areas including its finance and accounting related positions. Since those transitions,

PenMet Parks' current leadership has taken significant steps to ensure appropriate controls related to the preparation of financial statements and financial review are in place and implemented.

Beginning in 2021 and through the current year, PenMet Parks has started to segregate accounting duties, streamline and automate the accounting reporting system to ensure accuracy, increased utilization of PenMet Parks' financial software system, and contracted with a reputable and knowledgeable CPA firm to provide consulting and support where needed. All of these efforts should be evident when the Auditor conducts the 2022 audit.

PenMet Parks welcomes any additional suggestions the Auditor may have as we not only intend to meet our requirements, but to exceed them where possible.

Auditor's Remarks

We thank the District for its cooperation throughout the audit and the steps it is taking to address these concerns. We will review the status of the District's corrective action during our next audit.

Applicable Laws and Regulations

Government Auditing Standards, July 2018 Revision, paragraphs 6.40 and 6.41 establish reporting requirements related to significant deficiencies or material weaknesses in internal control, instances of fraud, and noncompliance with provisions of laws, regulations, contracts, or grant agreements.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 265, Communicating Internal Control Related Matters Identified in an Audit, paragraph 7.

RCW 43.09.200, Local government accounting – Uniform system of accounting, requires the state auditor to prescribe and install a uniform system of accounting and reporting for all local governments.

Budgeting, Accounting and Reporting System (BARS) manual, 3.1.3, Internal Control, requires each local government to establish and maintain an effective system of internal controls that provides reasonable assurance that the government will achieve its objectives.

Budgeting, Accounting, and Reporting System (BARS) manual, 4.14.13, Liabilities (Schedule 09), requires each local government to provide information about the liabilities of the government on the Schedule of Liabilities (Schedule 09). This includes other postemployment benefits in accordance with BARS manual section 3.4.16, Other Postemployment Benefits (OPEB).

INDEPENDENT AUDITOR'S REPORT

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

PenMet Parks January 1, 2019 through December 31, 2020

Board of Commissioners
PenMet Parks
Gig Harbor, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of PenMet Parks, as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated May 10, 2022.

We issued an unmodified opinion on the fair presentation of the District's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the District using accounting practices prescribed by state law and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

As discussed in Note 6 to the 2019 financial statements, during the year ended December 31, 2019, the District adopted new accounting guidance for presentation and disclosure of post-employment benefits other than pensions, as required by the BARS manual.

As discussed in Note 3 to the 2020 financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the District is unknown.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audits of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that

are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Audit Findings and Responses, we identified certain deficiencies in internal control that we consider to be material weaknesses

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Audit Findings and Responses as Finding 2020-001 to be a material weakness.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

DISTRICT'S RESPONSE TO FINDINGS

The District's response to the findings identified in our audit is described in the accompanying Schedule of Audit Findings and Responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

May 10, 2022

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

PenMet Parks January 1, 2019 through December 31, 2020

Board of Commissioners
PenMet Parks
Gig Harbor, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of PenMet Parks, for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's financial statements, as listed on page 14.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of state law and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, PenMet Parks has prepared these financial statements to meet the financial reporting requirements of state law using accounting practices prescribed by the State Auditor’s *Budgeting, Accounting and Reporting System* (BARS) manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and investments of PenMet Parks, and its changes in cash and investments, for the years ended December 31, 2020 and 2019, on the basis of accounting described in Note 1.

Basis for Adverse Opinion on U.S. GAAP

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. The effects on the financial statements of the variances between GAAP and the accounting practices the District used, as described in Note 1, although not reasonably determinable, are presumed to be material. As a result, we are required to issue an adverse opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of PenMet Parks, as of December 31, 2020 and 2019, or the changes in financial position or cash flows thereof for the years then ended, due to the significance of the matter discussed in the above “Basis for Adverse Opinion on U.S. GAAP” paragraph.

Matters of Emphasis

As discussed in Note 6 to the 2019 financial statements, in 2019, the District adopted new accounting guidance for presentation and disclosure of post-employment benefits other than pensions, as required by the BARS manual. Our opinion is not modified with respect to this matter.

As discussed in Note 3 to the 2020 financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the District is unknown. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary and Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements taken as a whole. The Schedules of Liabilities are presented for purposes of additional analysis, as required by the prescribed BARS manual. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Pat McCarthy, State Auditor

Olympia, WA

May 10, 2022

PenMet Parks
January 1, 2019 through December 31, 2020

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2020
Fund Resources and Uses Arising from Cash Transactions – 2019
Notes to Financial Statements – 2020
Notes to Financial Statements – 2019

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2020
Schedule of Liabilities – 2019

**Peninsula Metropolitan Park District
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020**

		<u>Total for All Funds (Memo Only)</u>	<u>001 General Expense Fund</u>	<u>201 Debt Service Fund</u>	<u>202 Debt Contingency Fund</u>
Beginning Cash and Investments					
308	Beginning Cash and Investments	12,342,570	2,464,367	-	600,000
388 / 588	Net Adjustments	3,000	3,000	-	-
Revenues					
310	Taxes	7,242,274	7,242,274	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	307,706	3,176	-	-
340	Charges for Goods and Services	350,918	350,918	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	222,695	200,030	-	-
Total Revenues:		<u>8,123,593</u>	<u>7,796,398</u>	<u>-</u>	<u>-</u>
Expenditures					
570	Culture and Recreation	3,011,870	3,011,737	-	-
Total Expenditures:		<u>3,011,870</u>	<u>3,011,737</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) Revenues over Expenditures:		5,111,723	4,784,661	-	-
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	4,691,312	-	543,000	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	35,368	35,368	-	-
Total Other Increases in Fund Resources:		<u>4,726,680</u>	<u>35,368</u>	<u>543,000</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	1,379,911	-	-	-
591-593, 599	Debt Service	543,300	300	543,000	-
597	Transfers-Out	4,691,312	4,091,312	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	(565)	(565)	-	-
Total Other Decreases in Fund Resources:		<u>6,613,958</u>	<u>4,091,047</u>	<u>543,000</u>	<u>-</u>
Increase (Decrease) in Cash and Investments:		<u>3,224,445</u>	<u>728,982</u>	<u>-</u>	<u>-</u>
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	144,965	-	-	-
50841	Committed	-	-	-	-
50851	Assigned	12,476,957	248,256	-	600,000
50891	Unassigned	2,948,094	2,948,094	-	-
Total Ending Cash and Investments		<u>15,570,016</u>	<u>3,196,350</u>	<u>-</u>	<u>600,000</u>

**Peninsula Metropolitan Park District
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2020**

		300 Capital Projects	365 Equipment Replacement Fund	701 Unrestricted Endowment	750 Restricted Endowment Fund
Beginning Cash and Investments					
308	Beginning Cash and Investments	7,885,718	973,678	273,842	144,965
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	304,530	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	20,000	-	2,665	-
Total Revenues:		324,530	-	2,665	-
Expenditures					
570	Culture and Recreation	-	-	133	-
Total Expenditures:		-	-	133	-
Excess (Deficiency) Revenues over Expenditures:		324,530	-	2,532	-
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	4,043,237	105,075	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		4,043,237	105,075	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	1,299,912	79,999	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	600,000	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		1,299,912	679,999	-	-
Increase (Decrease) in Cash and Investments:		3,067,855	(574,924)	2,532	-
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	144,965
50841	Committed	-	-	-	-
50851	Assigned	10,953,573	398,754	276,374	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		10,953,573	398,754	276,374	144,965

Peninsula Metropolitan Park District
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2019

		<u>Total for All Funds (Memo Only)</u>	<u>001 General Fund</u>	<u>201 Debt Service Fund</u>	<u>202 Bond Debt Contingency Fund</u>
Beginning Cash and Investments					
30810	Reserved	1,344,965	-	-	600,000
30880	Unreserved	10,375,534	2,066,280	-	-
388 / 588	Net Adjustments	100	100	-	-
Revenues					
310	Taxes	6,789,520	6,789,520	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	211,593	6,593	-	-
340	Charges for Goods and Services	600,464	600,464	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	425,448	393,425	-	-
Total Revenues:		<u>8,027,025</u>	<u>7,790,002</u>	<u>-</u>	<u>-</u>
Expenditures					
570	Culture and Recreation	2,756,263	2,755,791	-	-
Total Expenditures:		<u>2,756,263</u>	<u>2,755,791</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) Revenues over Expenditures:		5,270,762	5,034,211	-	-
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	4,636,424	-	536,650	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 382, 395, 398	Other Resources	1,191,580	200	-	-
Total Other Increases in Fund Resources:		<u>5,828,004</u>	<u>200</u>	<u>536,650</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	5,303,721	-	-	-
591-593, 599	Debt Service	536,650	-	536,650	-
597	Transfers-Out	4,636,424	4,636,424	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581, 582	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		<u>10,476,795</u>	<u>4,636,424</u>	<u>536,650</u>	<u>-</u>
Increase (Decrease) in Cash and Investments:		621,971	397,987	-	-
Ending Cash and Investments					
5081000	Reserved	1,344,965	-	-	600,000
5088000	Unreserved	10,997,605	2,464,367	-	-
Total Ending Cash and Investments		12,342,570	2,464,367	-	600,000

**Peninsula Metropolitan Park District
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2019**

	301 Capital Project Fund	365 Equipment Replacement Fund	701 Endowment Fund	750 Restricted Endowment Fund
Beginning Cash and Investments				
30810	Reserved	-	600,000	-
30880	Unreserved	7,730,518	313,850	264,886
388 / 588	Net Adjustments	-	-	-
				144,965
Revenues				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	205,000	-	-
340	Charges for Goods and Services	-	-	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	22,595	-	9,428
	Total Revenues:	227,595	-	9,428
Expenditures				
570	Culture and Recreation	-	-	472
	Total Expenditures:	-	-	472
	Excess (Deficiency) Revenues over Expenditures:	227,595	-	8,956
Other Increases in Fund Resources				
391-393, 596	Debt Proceeds	-	-	-
397	Transfers-In	4,026,115	73,659	-
385	Special or Extraordinary Items	-	-	-
386 / 389	Custodial Activities	-	-	-
381, 382, 395, 398	Other Resources	1,191,380	-	-
	Total Other Increases in Fund Resources:	5,217,495	73,659	-
Other Decreases in Fund Resources				
594-595	Capital Expenditures	5,289,890	13,831	-
591-593, 599	Debt Service	-	-	-
597	Transfers-Out	-	-	-
585	Special or Extraordinary Items	-	-	-
586 / 589	Custodial Activities	-	-	-
581, 582	Other Uses	-	-	-
	Total Other Decreases in Fund Resources:	5,289,890	13,831	-
	Increase (Decrease) in Cash and Investments:	155,200	59,828	8,956
Ending Cash and Investments				
5081000	Reserved	-	600,000	-
5088000	Unreserved	7,885,718	373,678	273,842
	Total Ending Cash and Investments	7,885,718	973,678	273,842
				144,965



Peninsula Metropolitan Park District

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MCAG NO. 2865

NOTES TO FINANCIAL STATEMENTS JANUARY 1, 2020 THROUGH DECEMBER 31, 2020

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES

The Peninsula Metropolitan Park District was formed by a special election certified on May 28, 2004 and operates under the laws of the State of Washington applicable to metropolitan park districts. The Peninsula Metropolitan Park District is a general-purpose government and provides for the management, control, improvement, maintenance and acquisition of parks, and recreational facilities. The Peninsula Metropolitan Park District uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

The Peninsula Metropolitan Park District (PenMet Parks) reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) manual. The manual is prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are presented using classifications that are similar to the ending balance classification in GAAP.

A. Fund Accounting

Financial transactions of the district are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The Peninsula Metropolitan Park District's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following fund types are used by the Peninsula Metropolitan Park District:

GOVERNMENTAL FUND TYPES:

General Fund

This fund is the primary operating fund of the Peninsula Metropolitan Park District. It accounts for all financial resources except those required or elected to be accounted for in another fund.

Special Revenue Funds

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the Peninsula Metropolitan Park District.

Debt Service Funds

These funds account for the financial resources that are restricted, committed or assigned to expenditures for principal, interest and related costs on general long-term debt.

Capital Projects Funds

These funds account for financial resources which are restricted, committed or assigned for the acquisition or construction of capital facilities or other capital assets.

Permanent Funds

These funds account for financial resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support programs for the benefit of the government or its citizenry.

FIDUCIARY FUND TYPES:

Custodial Funds

These funds are used to account for assets that the Peninsula Metropolitan Park District holds on behalf of others in a custodial capacity.

B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received, and expenditures are recognized when paid.

In accordance with state law the Peninsula Metropolitan Park District also recognizes expenditures paid during the twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Cash and Investments

See Note 5 – *Deposits and Investments*.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$25,000 and an estimated useful life in excess of ten years. Capital assets are long-lived assets of the Peninsula Metropolitan Park District and are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be accumulated up to 240 hours and is payable upon separation or retirement.

Sick leave may be accumulated up to 960 hours. Upon death or retirement employees receive 25% payment for unused sick leave

The total value of accrued vacation and eligible sick leave hours for employees is \$121,358.23.

F. Long Term Debt

See Note 4 -*Debt Service Requirements*

G. Reserve Fund Balance

Beginning and Ending Cash and Investments are reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the Board of Commissioners. When expenditures that meet restrictions are incurred, the Peninsula Metropolitan Park District intends to use reserved resources first before using unreserved amounts.

The current service policy as adopted by the Board of Commissioners is:
The General Fund's targeted unreserved fund balance will be a minimum of 25 percent of expenditures, excluding capital expenditures.

The current balance in the general fund reserve account is \$2,938,951.91 and the Peninsula Metropolitan Park District is in compliance with current policies.

Restricted, assigned, and committed Ending Cash and Investments consist of a restricted endowment for Sehmel Homestead Park of \$144,965.00 This restricted Endowment Fund is intended to fund maintenance at the park was established with two different donations. In 2007, the fund was established with a check from Great Peninsula Conservancy and another private donation was made to the fund in 2009.

Ending Cash and Investments also consists of the following assigned amounts by the Board of Commissioners:

– Bond Debt Contingency Fund	\$ 600,000.00
– Capital Fund	\$ 10,953,572.60
– Recreation Revolving Fund	\$ 248,255.91
– Unrestricted Endowment Fund	\$ 276,373.82
– Equipment Replacement Fund	\$ 398,754.00

H. Non-Expenditures

The Peninsula Metropolitan Park District's "Non-Expenditures" consist of transfers in and out between funds and intergovernmental payments.

NOTE 2 – BUDGET COMPLIANCE

Budgets

The Peninsula Metropolitan Park District adopts annual appropriated budgets for the general, debt service, debt service contingency, capital projects, equipment replacement, recreation revolving, fiduciary and endowment funds.

Annual appropriated budgets are adopted at the fund level except the general fund, where budgets are adopted at the department level. The budgets constitute the legal authority for expenditures at that level. Annual appropriations for the general fund lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The Executive Director is authorized to transfer budgeted amounts between departments within any fund with the exception of the legislative department; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the Board.

The appropriated and actual expenditures for the legally adopted budgets were as follows:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Remaining
<u>General Fund</u>			
<u>Legislative Department</u>			
Compensation	\$61,440	\$50,168	\$11,272
Benefits	\$5,652	\$4,204	\$1,448
Office & Operating Supplies	\$800	\$3,468	-\$2,668
Printing and Advertising	\$375	\$0	\$375
Professional Services	\$93,000	\$6,750	\$86,250
Travel	\$5,455	\$0	\$5,455
Memberships & Training	\$1,818	\$1,700	\$118
Rentals	\$6,490	\$1,260	\$5,230
Elections	\$0	\$19,204	-\$19,204
<u>Debt Service Department</u>			
Bond Service Costs	\$300	\$300	\$0
<u>Executive Department</u>			
Salaries - Exec	\$130,000	\$125,000	\$5,000
Wages - Regular	\$135,012	\$125,376	\$9,636
Benefits	\$110,494	\$103,656	\$6,838
Marketing	\$2,573	\$2,504	\$69
Supplies	\$18,400	\$7,092	\$11,308
Printing	\$64,700	\$37,338	\$27,362
Professional Services	\$26,506	\$19,906	\$6,600
Office Lease	\$109,824	\$101,504	\$8,320
Dues & Training	\$8,695	\$4,307	\$4,388

Executive-Professional Services	\$174,725	\$133,939	\$40,786
Executive - Travel	\$21,700	\$5,855	\$15,845
Legal - Professional Services	\$30,000	\$66,784	-\$36,784
Office and Operating Supplies	\$7,000	\$5,851	\$1,149
Minor Equipment	\$0	\$1,059	-\$1,059
Professional Services - Computers	\$28,500	\$30,698	-\$2,198
Administration - Travel	\$500	\$0	\$500
Operating Rentals and Leases	\$5,460	\$7,652	-\$2,192
Insurance - General Liability	\$78,988	\$76,822	\$2,166
Miscellaneous / Events	\$1,500	\$603	\$897
Postage	\$1,300	\$1,123	\$177
Computer Hardware	\$5,000	\$12,366	-\$7,366
Computer Software	\$11,000	\$6,331	\$4,669
Telephone	\$29,634	\$24,273	\$5,361
Internet	\$9,000	\$21,831	-\$12,831
Sales Tax	\$5,000	\$1,203	\$3,797
Leasehold Excise Taxes	\$10,000	\$5,077	\$4,923
<u>Budget & Finance Department</u>			
Wages - Regular	\$147,991	\$145,587	\$2,404
Personnel Benefits	\$57,094	\$52,089	\$5,005
Supplies	\$1,140	\$0	\$1,140
Financial Services	\$600	\$600	\$0
Computers - Finance	\$10,000	\$8,047	\$1,953
Professional Services	\$27,860	\$27,603	\$257
Bank Charges	\$600	\$464	\$136
Travel	\$980	\$0	\$980
Memberships & Training	\$0	\$150	-\$150
<u>Recreational Services Department</u>			
Wages - Administration	\$125,737	\$86,844	\$38,893
Benefits - Administration	\$59,625	\$43,396	\$16,229
Conferences	\$5,340	\$906	\$4,434
<u>Parks & Grounds Department</u>			
Wages - Regular	\$589,056	\$445,964	\$143,092
Benefits	\$267,964	\$195,546	\$72,418
Operating Supplies	\$0	\$2,639	-\$2,639
Toilet Paper/Paper Towels	\$5,230	\$1,170	\$4,060
Soap/Cleaning Products	\$2,615	\$2,170	\$445
Signs	\$5,000	\$9,510	-\$4,510
Garbage Bags	\$4,325	\$1,200	\$3,125
Dog Bags	\$18,762	\$7,000	\$11,762
Fertilizer	\$9,000	\$0	\$9,000
COVID/Medical	\$4,230	\$4,742	-\$512
Plumbing/Heating	\$5,000	\$2,318	\$2,682
Pesticide	\$1,000	\$2,066	-\$1,066
Rubber	\$3,000	\$0	\$3,000

Sand/Seed	\$8,200	\$2,923	\$5,277
Paint	\$10,000	\$5,485	\$4,515
Infield Mix	\$1,000	\$1,980	-\$980
Bark	\$1,550	\$1,461	\$89
Hardware/Fasteners	\$3,100	\$4,040	-\$940
Lights	\$5,000	\$1,643	\$3,357
Gravel	\$1,550	\$3,066	-\$1,516
Uniforms	\$5,000	\$6,690	-\$1,690
Vehicle/Trailer	\$7,000	\$5,488	\$1,512
Supply Oil	\$600	\$0	\$600
Fuel	\$0	\$134	-\$134
Diesel	\$8,000	\$3,250	\$4,750
Fuel Oil	\$500	\$0	\$500
Gasoline	\$9,000	\$8,581	\$419
Propane	\$500	\$0	\$500
Small Tools & Minor Equipment	\$39,401	\$24,305	\$15,096
Extraordinary Park Repairs	\$700	\$0	\$700
Professional Services	\$0	\$22,163	-\$22,163
Fire Alarm Inspection	\$3,500	\$9,356	-\$5,856
Septic Inspection	\$8,000	\$3,268	\$4,732
Backflow Assembly	\$700	\$544	\$156
Septic Tank Pumping	\$11,000	\$3,309	\$7,691
Asphalt Repair	\$6,300	\$0	\$6,300
Plumbing	\$0	\$1,728	-\$1,728
Auto Services	\$8,000	\$0	\$8,000
Locks & Deadbolts	\$0	\$3,135	-\$3,135
Sani Cans	\$20,700	\$10,860	\$9,840
Security	\$8,500	\$15,793	-\$7,293
Travel	\$0	\$0	\$0
Bridge Tolls	\$1,200	\$332	\$868
Meals	\$500	\$0	\$500
Mileage Reimbursement	\$500	\$0	\$500
Scissor Lift	\$1,700	\$0	\$1,700
Boom	\$2,000	\$1,926	\$74
Demo Hammer	\$150	\$66	\$84
Excavators	\$2,000	\$0	\$2,000
Copier	\$1,100	\$898	\$202
Septic Excavation	\$1,400	\$1,383	\$17
Cleaning	\$650	\$0	\$650
Surface Water/Noxious Weed Tax	\$3,500	\$3,497	\$3
Electric	\$32,830	\$35,256	-\$2,426
Water	\$9,500	\$12,614	-\$3,114
Garbage	\$21,000	\$16,348	\$4,652
Trash - Dump Runs	\$6,200	\$276	\$5,924
Natural Gas	\$3,500	\$3,894	-\$394

Buildings	\$5,000	\$0	\$5,000
Equipment	\$20,000	\$4,475	\$15,525
Vandalism	\$2,000	\$3,224	-\$1,224
Structures	\$3,000	\$546	\$2,454
Memberships & Training	\$9,400	\$1,198	\$8,202

Capital Department

Wages - Regular	\$249,584	\$188,194	\$61,390
Benefits	\$103,798	\$67,221	\$36,577
Supplies	\$5,000	\$1,510	\$3,490
Small Equipment	\$1,600	\$0	\$1,600
Travel	\$2,750	\$599	\$2,151
Facility Rentals	\$15,000	\$0	\$15,000
Memberships & Training	\$2,217	\$750	\$1,467

Non-Expenditures Department

Intergovernmental - Fire Protect	\$5,247	\$8,343	-\$3,096
<u>Total General Fund</u>	\$3,233,117	\$2,546,966	\$686,152

Debt Service Fund

G.O. Bond Principal Payment	\$410,000	\$410,000	\$0
Interest Long Term G.O. Bonds	\$133,000	\$133,000	\$0
<u>Total Debt Service Fund</u>	\$543,000	\$543,000	\$0

Capital Projects Fund

Capital Exp. - Supplies	\$0	\$304	-\$304
Capital Exp. - Computers	\$1,500	\$1,403	\$97
Capital Exp. - Prof Services	\$2,846,000	\$730,082	\$2,115,918
Capital Exp. - Printing	\$0	\$210	-\$210
Capital Exp. - Land & Land Imp.	\$0	\$12,476	-\$12,476
Capital Exp - Structures	\$646,839	\$396,676	\$250,163
Cap Exp -Fields/Bridges/Signs	\$27,500	\$18,436	\$9,064
Capital Exp.- Construction	\$0	\$140,325	-\$140,325
<u>Total Capital Projects Fund</u>	\$3,521,839	\$1,299,912	\$2,221,927

Equipment Replacement Fund

Capital Exp. - Equipment	\$138,720	\$73,468	\$65,252
Capital Exp. - Replacement Computers	\$31,416	\$6,531	\$24,885
<u>Total Equipment Replacement Fund</u>	\$170,136	\$79,999	\$90,137

Recreation Revolving Fund

Wages - Recreation Program	\$232,560	\$180,125	\$52,435
Benefits - Recreation Program	\$85,942	\$64,694	\$21,248
Office & Operating Supplies	\$48,850	\$37,095	\$11,755
Minor Equipment	\$1,000	\$1,490	-\$490
Sports & Professional Fees	\$182,581	\$140,552	\$42,029

Travel	\$1,200	\$1,080	\$120
Printing & Advertising	\$500	\$0	\$500
Rentals	\$22,418	\$16,554	\$5,864
Utilities	\$0	\$610	-\$610
Memberships & Training	\$0	-\$38	\$38
Sales & Use Taxes	\$6,018	\$5,045	\$973
Special Events	\$41,854	\$28,052	\$13,802
<u>Total Recreation Revolving Fund</u>	\$622,923	\$475,260	\$147,663

Unrestricted Endowment Fund

Investment Fees - Endowment	\$475	\$133	\$342
<u>Total Unrestricted Endowment Fund</u>	\$475	\$133	\$342

Title for Disclosure	Details for Disclosure
General Fund	
Transfer Out to Recreation Revolving Fund	\$180,900
Transfer Out to Capital Equipment Fund	\$105,075
Transfer Out to Capital Project Fund	\$3,443,237
Transfer Out to Debt Service Fund	\$543,000
Reserve Fund	
Transfer out to Capital Fund - Turf Replacement	\$600,000

NOTE 3 – COVID-19 Pandemic Disclosure Details

The COVID-19 pandemic currently is affecting many parts of the world, including the State, the County, and the Peninsula Metropolitan Park District. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 a national emergency. On February 29, 2020, Washington’s Governor declared a state of emergency due to the number of confirmed cases of COVID-19 in the State, directing State agencies to use all resources necessary to prepare for and respond to the outbreak. The State Governor has issued a series of proclamations designed to limit social interactions, including orders requiring or encouraging individuals, governments and businesses to take certain precautionary measures designed to prevent the spread of COVID-19. On March 23, 2020, the State Governor issued a statewide “Stay Home, Stay Healthy” proclamation, requiring individuals to stay home except for essential activities, banning social and other gatherings, and closing all businesses with certain exceptions for essential businesses. Washington State has adjusted its re-opening approach over time, and currently is using an approach that groups counties into regions.

As a result of the spread of COVID-19 and various government mandates limiting public gatherings, in the Spring of 2020 the Peninsula Metropolitan Park District cancelled all

programming and closed facilities except for limited essential functions. As a result, most spring and early summer events, sports, programs, and facility rentals were cancelled. To offset the loss in revenue, the Peninsula Metropolitan Park District reduced the hours of recreation staff and laid off all part-time staff, froze all non-essential spending, and cancelled large-scale special events. In the Summer of 2020, the Peninsula Metropolitan Park District held limited summer camps and other programs at reduced numbers. Despite all the cuts to services and revenue, the Peninsula Metropolitan Park District finished 2020 with an overall revenue surplus due to a variety of factors, including its aggressive response. The Peninsula Metropolitan Park District is currently operating on a limited basis with small group recreation programs and field rentals. The ongoing maintenance of its parks, and all finance and administrative functions are operating normal. The County is currently in the process of cautiously reopening under the Governor’s evolving regulations. Full-time staff have been busy and are working toward reopening and resuming all programming as regulations permit.

NOTE 4 – DEBT SERVICE REQUIREMENTS

Debt Service

The accompanying Schedule of Long-Term Debt (09) provides more details of the outstanding debt and liabilities of the Peninsula Metropolitan Park District and summarizes the Peninsula Metropolitan Park District’s debt transactions for the year ended 2020. The debt service requirements, including interest, are as follows:

Debt Service Requirements				
Year	Principal	Interest	Compensated Absences	Total
2020	\$410,000	\$133,000	\$121,358	\$664,385
2021	\$425,000	\$116,600		\$541,600
2022	\$445,000	\$99,600		\$544,600
2023	\$460,000	\$81,800		\$541,800
2024	\$480,000	\$63,400		\$543,400
2025	\$355,000	\$44,200		\$399,200
2026	\$370,000	\$30,000		\$400,000
2027	\$380,000	\$15,200		\$395,200
Total	\$3,325,000	\$583,800	\$121,358	\$4,030,185

Pursuant to Resolution R2005-005 signed by the Board of Commissioners on June 13, 2005, \$6,530,000 of 2005 Limited Tax General Obligation Bonds were issued to pay the cost of acquiring and improving Peninsula Metropolitan Park District facilities. Pursuant to Resolution R2012-014 signed by the Board of Commissioners on April 14, 2012, \$4,925,000 of 2005 Limited Tax General Obligation Bonds were authorized to be reissued. A total of \$5,610,000 of Limited Tax General Obligation Refunding Bonds were issued for the purpose of refunding a portion of the Peninsula Metropolitan Park

District’s outstanding general debt for debt service savings and prepay a portion of a promissory note issued to acquire certain real property for park and recreation purposes.

NOTE 5 – DEPOSITS & INVESTMENTS

The Peninsula Metropolitan Park District’s investments are insured, registered or held by Pierce County or its agent in the Peninsula Metropolitan Park District’s name.

It is the Peninsula Metropolitan Park District’s policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

Deposits and Investments in Pierce County investment pool)

The Peninsula Metropolitan Park District is a voluntary participant in the Pierce County treasury pool, an external Local Government Investment Pool operated by the Washington State Treasurer’s Office. The pool is not rated or registered with the SEC. Rather; oversight is provided by the Local Government Investment Pool Advisory Committee. The Peninsula Metropolitan Park District reports its investment in the pool at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals/disclose any liquidity fees or redemption gates.

Deposits and investments by type at December 31, 2020 are as follows:

Type of Deposit or Investment	District's own deposits & investments	Deposits & investments held by the District as custodian for other local governments, individuals, or private organizations.	Combined
Bank Deposits	\$150,772	\$9,142	\$159,914
Pierce County Cash Deposits	\$5,378,845		\$5,378,845
Local Government Investment Pool	\$10,417,273		\$10,417,273
Petty Cash	\$900		\$900
<i>Totals</i>	\$15,947,789	\$9,142	\$15,956,931

General Fund investments of \$9,996,784.56 are being held in the Pierce County State investment treasury pool as of 12/31/2020.

Endowment Fund investments of \$420,487.99 are being held in the Pierce County State investment treasury pool as of 12/31/2020.

NOTE 6 – PENSION PLANS

Substantially all of the Peninsula Metropolitan Park District’s full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans.

The Peninsula Metropolitan Park District participates in the following retirement plans: PERS Plan 2 & PERS Plan 3.

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems
 Communications Unit
 PO Box 48380
 Olympia, WA 98504-8380

Also, the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

At June 30, 2020 the Peninsula Metropolitan Park District proportionate share of the collective total pension liability as reported on the Schedule 09, was as follows:

Plan Type	Employer Contributions	Allocation Percentage	Plan Liability / Asset
PERS 1		0.65940000%	\$232,804
PERS 2/3	\$152,984	0.85560000%	\$109,426
<i>Totals</i>			\$ 342,230

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The District is a participating employer in the state’s Public Employees Benefits Board (PEBB) program, a defined benefit plan administered by the Washington State Health Care Authority. The plan provides medical, dental, and life insurance benefits for public employees and retirees and their dependents on a pay-as-you-go basis. The plan provides OPEB benefits through both explicit and implicit subsidies. The explicit subsidy is a set dollar amount that lowers the monthly premium paid by members over the age of 65 enrolled in Medicare Parts A and B. PEBB determines the amount of the explicit subsidy annually. The implicit subsidy results from the inclusion of active and non-Medicare eligible retirees in the same pool when determining premiums. There is an implicit subsidy from active employees since the premiums paid by retirees are lower than they would have been if the retirees were insured separately.

The District had 17 active plan members and 3 retired plan members as of December 31, 2020. As of December 31, 2020, the District’s total OPEB liability was \$768,740 as calculated using the alternative measurement method. The District reported \$13,776 in contributions to the plan for the calendar year 2020.

NOTE 8 – PROPERTY TAXES

The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Collections are distributed after the end of each month.

Property tax revenues are recognized when cash is received by the Peninsula Metropolitan Park District. Delinquent taxes are considered fully collectible because a lien affixes to the property after taxes are levied.

The Peninsula Metropolitan Park District’s regular levy for the year 2020 was \$.723835049668 per \$1,000 on an assessed valuation of \$9,436,202,023 for a total regular levy of \$6,830,253.76.

PROPERTY TAX COLLECTIONS

Levy Year	Ad Valorem Tax Levy	Tax Collections	
		Percent Collected in the Year of the Levy	Percent Collected as of January 31, 2021
2020	\$ 6,830,254	98.84%	98.99%
2019	6,376,225	98.85	99.64
2018	5,955,117	98.75	99.82
2017	4,372,120	98.77	100.06
2016	3,702,250	98.59	99.95
2015	2,793,507	98.80	100.00

NOTE 9 – RISK MANAGEMENT

2020 Financial Note to Enduris Member Financial Statements

Risk Management

The Peninsula Metropolitan Park District is a member of Enduris Washington (“Enduris”). Chapter 48.62 RCW provides the exclusive source of local government entity authority to individually or jointly self-insure risks, jointly purchase insurance or reinsurance, and to contract for risk management, claims, and administrative services. Enduris was formed July 10, 1987 pursuant to the provisions of chapter 48.62 RCW, Chapter 200-100 WAC, and chapter 39.34 RCW. As of April 8, 2020, there were 544 Enduris members representing a broad array of special purpose districts throughout the State.

Enduris members share in the self-insured retention, jointly purchase excess and/or reinsurance coverage and provide risk management services and other related administrative services. Members make an annual contribution to fund Enduris and share in the self-insured retention of the jointly purchased excess and/or reinsurance coverage. The self-insured retention is: \$1,000,000 deductible on liability loss - the member is responsible for the first \$1,000 of the deductible amount of each claim, while Enduris is responsible for the remaining \$999,000 on a liability loss. \$250,000 deductible on property loss – the member is responsible for the first

\$25,000 of the deductible amount of each claim, while Enduris is responsible for the remaining \$225,000 on a property loss.

Enduris acquires reinsurance from unrelated insurance companies on a “per occurrence” basis to cover all losses over the deductibles as shown on the policy maximum limits. Liability coverage is for all lines of liability coverage including Public Official’s Liability. The Property coverage is written on an “all risk,” blanket basis using current Statement of Values. The Property coverage includes but is not limited to mobile equipment, boiler and machinery, electronic data processing equipment, business interruption, course of construction and additions, property in transit, fine arts, and automobile physical damage to insured vehicles. Liability coverage limit is \$20 million per occurrence and property coverage limit is \$1 billion per occurrence. Enduris offers crime coverage up to a limit of \$1 million per occurrence.

Insurance carriers cover all losses over the deductibles as shown to the policy maximum limits. Since Enduris is a cooperative program, there is a joint liability among the participating members.

The contract requires members to continue membership for a period of not less than one (1) year and must give notice 60 days before terminating participation. The Master Agreement (Intergovernmental Contract) is automatically renewed after the initial one (1) full fiscal year commitment. Even after termination, a member is still responsible for contribution to Enduris for any unresolved, unreported and in-process claims for the period they were a signatory to the Master Agreement. Enduris is fully funded by its member participants. Claims are filed by members with Enduris and are administered in-house.

Type of Risk	Self -insured (Y/N)	Not Applicable (Y/N)	Or Name of Insurer
Property & Liability			Enduris
Health & Welfare			Health Care Authority
Unemployment Compensation (ESD)			Employment Security Dept.
Workers Compensation (L&I)			Labor & Industries
Other			

NOTE 10 – Major Capital Projects

COMMUNITY RECREATION CENTER

Rated as one of the most livable communities—the Gig Harbor Peninsula is known for its distinctive characteristics, natural topography, and unparalleled waterfront access. Peninsula Metropolitan Park District (PenMet Parks) is honored to contribute its services to over 50,000 residents and visitors worldwide. We are committed to providing top-level park and recreation services that make the Gig Harbor Peninsula a fantastic place to live, work, and play.

Having closed the Indoor Soccer Center in November of 2018, Peninsula Metropolitan Park District has taken a bold step to create an essential new park and facility. Several properties and construction options were considered new parks and recreation facilities. Peninsula Metropolitan Park District ultimately purchased the former driving range adjacent to Highway 16, located at 2416 14th Ave NW, Gig Harbor, WA, in December of 2019.

The design team – led by BLRB Architects and Barker Rinker Seacat Architecture (BRS), began work on the Feasibility, Concept Design, and Proforma report in the summer of 2020. The public was engaged throughout the process, which included a series of open meetings and a Steering Committee comprised of community members. The study includes an operational analysis and business planning proforma of expenses and revenue potential. This study’s outcome is that there is a high level of confidence that Peninsula Metropolitan Park District can support a new community recreation center with the program outlined in this report.

Design for Peninsula Metropolitan Park Districts’ future Community Recreation Center is underway. Currently in the schematic design phase, the project’s vision is to create an inclusive facility that supports the well-being of the whole community; a place where memorable experiences will be created. The approximately 64,000 square foot Center is anticipated to provide indoor recreation opportunities such as a turf field, multi-purpose courts, and a walk/jog track, along with community spaces and the Peninsula Metropolitan Park District administrative offices. Outdoors, the Cushman trail will be extended through the site, which features an activity lawn. The design will accommodate future potential expansion of the Center.

The total budget for this Capital Improvement Project is \$34,700,000. Funding sources include the proceeds of Peninsula Metropolitan Park District bonds expected to be issued in 2021 in the amount of \$16 million, donations, Peninsula Metropolitan Park District revenues and other sources of available funds.

HALE PASS ARLETTA SCHOOL HOUSE RENOVATION

The Peninsula Metropolitan Park District owns the Hale Pass Park Community Center (Arletta School House), located at 9218 - 36th St NW & Ray Nash Drive, Gig Harbor. The facility is a 2400 sq. ft. (1400 main floor and 1000 basement) 1938 WPA building on the Historic Register.

The building received an assessment in 2020 and a plan was developed to address upgrades for several systems and elements including:

- a. Electrical
- b. Plumbing
- c. Restroom layout
- d. Seismic
- e. Septic system including drain field location
- f. Hazardous materials (researching for extent of existing assessment)
- g. ADA requirements considering historic significance and related aspects
- h. Kitchen upgrades including appliances, cabinets, etc.
- i. Underground tank
- j. Water seepage into basement (potentially add sump)
- k. Power requirements
- l. Chimney status

A designer began in 2020 to determine what renovation is needed, the estimated cost, and a potential timeline. Permitting and construction are planned for spring-summer, 2021.

Additionally, a new well will be drilled on the property.

The 2021 budget for this Capital Improvement Project is \$1,191,796.

SEHMEL HOMESTEAD PARK TURF REPLACEMENT

This project will fund replacing the synthetic turf playing surface at Sehmel Homestead Park's soccer/football/lacrosse multipurpose field, Phase 2 in the overall upgrade project (10123 78th Ave NW, Gig Harbor). Phase 1 involved the addition of lighting to this field in 2019-20. The turf was installed in 2010, and is within a year, at most two years, of its functional lifespan.

The field is showing wear issues typical of fields this age. The turf fibers exhibit wear and are lying flat in many areas, which makes it difficult for staff to add additional infill to maintain a safe cushioning level. The field drains very slowly; often standing water is present during heavier rains, causing events to be halted or postponed. Visual inspections from staff and outside consultants have failed to identify a cause, but it is likely associated with either the deterioration over time of the infill (a typical occurrence on fields this age) or an issue with the subsurface drainage system. There are existing patched areas where the turf was damaged by repetitive use, an issue typically found on fields this age.

Replacing the turf surface will address most of these issues, and the project will resolve the drainage problem which is included in the scope of work for this project.

Youth sports and their respective seasons include fall soccer, regular and flag football, winter soccer, spring soccer and lacrosse, spring flag football, and summer camps.

The estimated cost for this project is \$987,466. The current fund balance for this Capital Improvement Project is \$600,000. Park Improvement Funds of approximately \$387,446 are

available to fund the balance of this project in 2021. RCO reimbursement is expected to be around \$350,000 if the project is funded by the State Legislature during the spring of 2021.

NOTE 11 – SUBSEQUENT EVENT

Per the official statement dated April 8, 2021, and amended April 15, 2021, the District issued Limited Tax General Obligation Bonds (LTGO) bonds, series A at \$9,000,000 and series B at \$6,145,000. These bonds have the following maturity dates and interest rates:

PENINSULA METROPOLITAN PARK DISTRICT PIERCE COUNTY, WASHINGTON					
\$9,000,000					
LIMITED TAX GENERAL OBLIGATION BONDS, 2021A					
Maturity Year (December 1)	Principal Amounts	Interest Rates	Yields	Prices	CUSIP⁽¹⁾ Nos. (70713M)
2038	\$ 540,000	3.000%	1.700% ⁽²⁾	111.478	BR2
2039	555,000	3.000	1.760 ⁽²⁾	110.916	BS0
2040	570,000	3.000	1.800 ⁽²⁾	110.543	BT8
2046	680,000	3.000	2.130 ⁽²⁾	107.521	BZ4
<p>\$570,000, 3.000%, Term Bond due December 1, 2037, yield of 1.630%⁽²⁾, priced 112.137, CUSIP⁽¹⁾ No. 70713MBQ4</p> <p>\$3,125,000, 3.000%, Term Bond due December 1, 2045, yield of 2.030%⁽²⁾, priced 108.427, CUSIP⁽¹⁾ No. 70713MBY7</p> <p>\$1,150,000, 3.000%, Term Bond due December 1, 2050⁽³⁾, yield of 2.180%⁽²⁾, priced 107.072, CUSIP⁽¹⁾ No. 70713MCC4</p> <p>\$1,810,000, 4.000%, Term Bond due December 1, 2050⁽³⁾, yield of 1.800%⁽²⁾, priced 119.330, CUSIP⁽¹⁾ No. 70713MCD2</p>					
\$6,145,000					
LIMITED TAX GENERAL OBLIGATION BONDS, 2021B (TAXABLE)					
Maturity Year (December 1)	Principal Amounts	Interest Rates	Yields	Prices	CUSIP⁽¹⁾ Nos. (70713M)
2023	\$ 400,000	0.447%	0.447%	100.000	CE0
2024	405,000	0.717	0.717	100.000	CF7
2025	405,000	1.046	1.046	100.000	CG5
2026	410,000	1.296	1.296	100.000	CH3
2027	415,000	1.674	1.674	100.000	CJ9
2028	425,000	1.824	1.824	100.000	CK6
2029	430,000	1.992	1.992	100.000	CL4
2030	440,000	2.092	2.092	100.000	CM2
2031	450,000	2.192	2.192	100.000	CN0
<p>\$2,365,000, 2.642%, Term Bond due December 1, 2036, yield of 2.642%, priced 100.000, CUSIP⁽¹⁾ No. 70713MCT7</p>					

As also noted above in Note 10 – Major Capital Projects, the purpose of these bonds are to support the design, construction and development of the Peninsula Metropolitan Park Districts’ future Community Recreation Center. The approximately 64,000 square foot Center is anticipated to provide indoor recreation opportunities such as a turf field, multi-purpose courts, and a walk/jog track, along with community spaces and the Peninsula Metropolitan Park District administrative offices. Outdoors, the Cushman trail will be extended through the site, which features an activity lawn. The design will accommodate future potential expansion of the Center.



Peninsula Metropolitan Park District

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MCAG NO. 2865

NOTES TO FINANCIAL STATEMENTS JANUARY 1, 2019 THROUGH DECEMBER 31, 2019

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES

The Peninsula Metropolitan Park District (PenMet Parks) reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) manual. The manual is prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications defined in GAAP.

The Peninsula Metropolitan Park District was formed by a special election certified on May 28, 2004 and operates under the laws of the State of Washington applicable to metropolitan park districts. The Peninsula Metropolitan Park District is a general purpose government and provides for the management, control, improvement, maintenance and acquisition of parks, and recreational facilities. The Peninsula Metropolitan Park District uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

a. Fund Accounting

Financial transactions of the district are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The Peninsula Metropolitan Park District's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following fund types are used by the Peninsula Metropolitan Park District:

GOVERNMENTAL FUND TYPES:

General Fund

This fund is the primary operating fund of the Peninsula Metropolitan Park District. It accounts for all financial resources except those required or elected to be accounted for in another fund.

Special Revenue Funds

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the Peninsula Metropolitan Park District.

Debt Service Funds

These funds account for the financial resources that are restricted, committed or assigned to expenditures for principal, interest and related costs on general long-term debt.

Capital Projects Funds

These funds account for financial resources which are restricted, committed or assigned for the acquisition or construction of capital facilities or other capital assets.

Permanent Funds

These funds account for financial resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support programs for the benefit of the government or its citizenry.

b. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

In accordance with state law the District also recognizes expenditures paid during the twenty days after the close of the fiscal year for claims incurred during the previous period.

c. Capital Assets

Capital assets are assets with an initial individual cost of more than \$25,000 and an estimated useful life in excess of ten years. Capital assets are long-lived assets of the Peninsula Metropolitan Park District and are recorded as capital expenditures when purchased.

d. Compensated Absences

Vacation leave may be accumulated up to 240 hours and is payable upon separation or retirement. The total value of accrued vacation hours at the end of fiscal year 2019 is \$58,459.97.

Sick leave may be accumulated up to 960 hours. Upon death or retirement employees receive 25% payment for unused sick leave. The total value of accrued sick leave hours for eligible employees is \$8,938.18.

e. Reserve Fund Balance

Beginning and Ending Cash and Investments are reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the Board of Commissioners. When expenditures that meet restrictions are incurred, the District intends to use reserved resources first before using unreserved amounts.

The current service policy as adopted by the Board of Commissioners is:
 The General Fund’s targeted unreserved fund balance will be a minimum of 15 percent of expenditures, excluding capital expenditures.

The current balance in the general fund reserve account is \$2,198,911 and the District is in compliance with current policies.

Reservations of Ending Cash and Investments consist of a restricted endowment for Sehmel Homestead Park of \$144,965 and an assignment of \$600,000 for bond debt contingency and an assignment of \$600,000 for Major Capital Equipment.

- f. Other Financing Sources Or Uses
 The Peninsula Metropolitan Park District’s “Other Financing Sources or Uses” consist of transfers in and out between funds.

NOTE 2 – BUDGET COMPLIANCE

Budgets

The District adopts annual appropriated budgets for the general, special revenue, debt service, capital projects and permanent funds.

Annual appropriated budgets are adopted at the fund level except the general fund, where budgets are adopted at the department level. The budgets constitute the legal authority for expenditures at that level. Annual appropriations for the general fund lapse at the fiscal period end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The Executive Director is authorized to transfer budgeted amounts between departments within any fund with the exception of the legislative department; however any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the Board.

The appropriated and actual expenditures for the legally adopted budgets were as follows:

2019 Budget

Fund/Department	2019 Final Appropriated Amounts - Without Fund Transfers	Actual Expenditures	Variance
General Fund:			
Legislative Department	\$140,739	\$92,565	\$48,174
Executive Department	\$737,876	\$905,618	-\$167,742
Finance Department	\$183,520	1. \$172,732	\$10,788

Recreation Department	\$121,076	\$89,820	\$31,256
Facilities Department	\$217,874	\$164,728	\$53,146
Maintenance Department	\$821,384	\$732,993	\$88,392
Total General Fund	\$2,222,470	\$2,158,456	\$64,014

Capital Funds:	2019 Appropriation & Transfers In	Actual Expenditures & Transfers Out	Variance
Schmel Homestead Fund	\$605,000	\$131,159	\$473,841
Capital Grants Fund	\$25,000	\$2,237	\$22,763
Hales Pass	\$31,986	\$94	\$31,893
Community Recreation Center	\$1,250,869	\$840,783	\$410,086
Service Options	\$50,000	\$19,406	\$30,594
Building Fund	\$100,905	\$0	\$100,905
Park Improvement Fund	\$11,604,953	\$4,789,316	\$6,815,636
Total Capital Fund	\$13,668,713	\$5,782,995	\$7,885,718

Equipment Replacement Fund	\$387,509	\$13,830	\$373,679
Restricted Major Equipment Replacement Fund	\$600,000	\$0	\$600,000

Debt Service Fund	\$536,650	\$536,650	\$0
Restricted Debt Service Fund	\$600,000	\$0	\$600,000

Recreation Revolving Fund	\$862,788	\$597,332	\$265,456
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Endowment	\$274,313	\$471	\$273,842
Restricted Endowment Fund	\$144,965	\$0	\$144,965

NOTE 3 – DEBT SERVICE REQUIREMENTS

Debt Service

The accompanying Schedule of Long-Term Debt (09) provides more details of the outstanding debt and liabilities of the Peninsula Metropolitan Park District and summarizes the Peninsula Metropolitan Park District’s debt transactions for the year ended 2019. The debt service requirements, including interest, are as follows:

Debt Service Requirements				
Year	Principal	Interest	Compensated Absences	Total
2019	\$390,000	\$146,650	\$67,398	\$604,048
2020	\$410,000	\$133,000		\$543,000
2021	\$425,000	\$116,600		\$541,600
2022	\$445,000	\$99,600		\$544,600
2023	\$460,000	\$81,800		\$541,800
2024	\$480,000	\$63,400		\$543,400
2025	\$355,000	\$44,200		\$399,200
2026	\$370,000	\$30,000		\$400,000
2027	\$380,000	\$15,200		\$395,200
Total	\$3,715,000	\$730,450	\$67,398	\$4,512,848

Pursuant to Resolution R2005-005 signed by the Board of Commissioners on June 13, 2005, \$6,530,000 of 2005 Limited Tax General Obligation Bonds were issued to pay the cost of acquiring and improving District facilities. Pursuant to Resolution R2012-014 signed by the Board of Commissioners on April 14, 2012, \$4,925,000 of 2005 Limited Tax General Obligation Bonds were authorized to be reissued. A total of \$5,610,000 of Limited Tax General Obligation Refunding Bonds were issued for the purpose of refunding a portion of the District’s outstanding general debt for debt service savings and prepay a portion of a promissory note issued to acquire certain real property for park and recreation purposes.

NOTE 4 – DEPOSITS & INVESTMENTS

Deposits

The Peninsula Metropolitan Park District deposits and certificates of deposits are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission. All investments are insured registered or held by Pierce County or its agent in the Peninsula Metropolitan Park District’s name.

Investments

The Peninsula Metropolitan Park District’s investments are insured, registered or held by Pierce County or its agent in the Peninsula Metropolitan Park District’s name.

It is the Peninsula Metropolitan Park District’s policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

General Fund investments of \$11,431,583.11 are being held in the Pierce County State Investment Pool as of 12/31/2019.

Endowment Fund investments of \$417,956.39 are being held in the Pierce County State Investment Pool as of 12/31/2019.

NOTE 5 – PENSION PLANS

Substantially all of the Peninsula Metropolitan Park District’s full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans.

The District participates in the following retirement plans: PERS Plan 2 & PERS Plan 3.

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems
Communications Unit
PO Box 48380
Olympia, WA 98504-8380

Also, the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

At June 30, 2019 the Peninsula Metropolitan Park District proportionate share of the collective total pension liability as reported on the Schedule 09, was as follows:

	Allocation %	Liability (Asset)
PERS 1	.006669%	\$256,447
PERS 2 & 3	.008616%	\$83,691

NOTE 6 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The District is a participating employer in the state’s Public Employees Benefits Board (PEBB) program, a defined benefit plan administered by the Washington State Health Care Authority. The plan provides medical, dental, and life insurance benefits for public employees and retirees and their dependents on a pay-as-you-go basis. The plan provides

OPEB benefits through both explicit and implicit subsidies. The explicit subsidy is a set dollar amount that lowers the monthly premium paid by members over the age of 65 enrolled in Medicare Parts A and B. PEBB determines the amount of the explicit subsidy annually. The implicit subsidy results from the inclusion of active and non-Medicare eligible retirees in the same pool when determining premiums. There is an implicit subsidy from active employees since the premiums paid by retirees are lower than they would have been if the retirees were insured separately.

The District implemented this change per the State Auditor's Office BARS manual effective for fiscal year-end 2019 adding a liability of \$642,956; as calculated using the alternative measurement method, to the schedule 09 in addition to this note disclosure. The District had 17 active plan members and 3 retired plan members as of December 31, 2019. The District reported \$16,495 in contributions to the plan for the calendar year 2019.

NOTE 7 – PROPERTY TAXES

The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Collections are distributed after the end of each month.

Property tax revenues are recognized when cash is received by the Peninsula Metropolitan Park District. Delinquent taxes are considered fully collectible because a lien affixes to the property after taxes are levied.

The Peninsula Metropolitan Park District's regular levy for the year 2019 was \$.734117915231 per \$1,000 on an assessed valuation of \$8,685,559,469 for a total regular levy of \$6,376,224.81.

NOTE 8 – RISK MANAGEMENT

Risk Management

2019 Financial Note to Enduris Member Financial Statements

Peninsula Metropolitan Park District is a member of Enduris. Chapter 48.62 RCW provides the exclusive source of local government entity authority to individually or jointly self-insure risks, jointly purchase insurance or reinsurance, and to contract for risk management, claims, and administrative services. The Pool was formed July 10, 1987 pursuant to the provisions of Chapter 48.62 RCW, Chapter 200-100 WAC, and Chapter 39.34 RCW when two counties and two cities in the State of Washington joined together by signing an interlocal governmental agreement to fund their self-insured losses and jointly purchase insurance and administrative services. As of August 31, 2019, there are 547 Enduris members representing a broad array of special purpose districts throughout the state. Enduris provides property and liability coverage as well as risk management services and other related administrative services.

Members make an annual contribution to fund the Pool and share in the self-insured retention. The self-insured retention is:

- \$1,000,000 self-insured retention on liability loss - the member is responsible for the first \$1,000 of the amount of each claim, while Enduris is responsible for the remaining \$999,000 on a liability loss.
- \$250,000 self-insured retention on property loss - the member is responsible for the first \$1,000 of the amount of each claim, while Enduris is responsible for the remaining \$249,000 on a property loss. For property losses related to boiler and machinery Enduris is responsible for the first \$4,000 of the claim.

Enduris acquires reinsurance from unrelated insurance companies on a “per occurrence” basis to cover all losses over the self-insured retentions as shown on the policy maximum limits.

Liability coverage is for all lines of liability coverage including Public Official’s Liability. The

Property coverage is written on an “all risk”, blanket basis using current Statement of Values.

The Property coverage includes but is not limited to mobile equipment, boiler and machinery, electronic data processing equipment, business interruption, course of construction and additions, property in transit, fine arts, cyber and automobile physical damage to insured vehicles. Liability coverage limit is \$20 million per occurrence and property coverage limit is \$1 billion per occurrence. Enduris offers crime coverage up to a limit of \$1 million per occurrence.

Since Enduris is a cooperative program, there is joint liability among the participating members.

The contract requires members to remain in the Pool for a minimum of one year and must give notice 60 days before terminating participation. The Master Agreement (Intergovernmental Contract) is automatically renewed after the initial one (1) full fiscal year commitment. Even after termination, a member is still responsible for contribution to Enduris for any unresolved, unreported and in-process claims for the period they were a signatory to the Master Agreement.

Enduris is fully funded by its member participants. Claims are filed by members with the Pool and are administered in house.

The Pool is governed by a Board of Directors which is comprised of seven board members. The Pool’s members elect the Board and the positions are filled on a rotating basis. The Board meets quarterly and is responsible for conducting the business affairs of Enduris.

**Peninsula Metropolitan Park District
Schedule of Liabilities
For the Year Ended December 31, 2020**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.12	Reissued LTGO Bonds 2012	12/1/2027	3,325,000	-	410,000	2,915,000
	Total General Obligation Debt/Liabilities:		3,325,000	-	410,000	2,915,000
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences - Vacation/Sick Leave		67,398	53,960	-	121,358
264.30	Net Pension Liability		340,138	2,085	-	342,223
264.40	2020 OPEB Liability		642,956	125,784	-	768,740
	Total Revenue and Other (non G.O.) Debt/Liabilities:		1,050,492	181,829	-	1,232,321
	Total Liabilities:		4,375,492	181,829	410,000	4,147,321

**Peninsula Metropolitan Park District
Schedule of Liabilities
For the Year Ended December 31, 2019**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.12	Reissued LTGO Bonds 2012	12/1/2027	3,715,000	-	390,000	3,325,000
	Total General Obligation Debt/Liabilities:		3,715,000	-	390,000	3,325,000
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences - Vacation/Sick Leave	12/31/2018	58,629	8,769	-	67,398
264.30	Net Pension Liability	12/31/2018	469,416	-	129,278	340,138
264.40	2019 OPEB Liability		-	642,956	-	642,956
	Total Revenue and Other (non G.O.) Debt/Liabilities:		528,045	651,725	129,278	1,050,492
	Total Liabilities:		4,243,045	651,725	519,278	4,375,492

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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Other ways to stay in touch

- Main telephone:
(564) 999-0950
- Toll-free Citizen Hotline:
(866) 902-3900
- Email:
webmaster@sao.wa.gov