



**ERIE METROPARKS
ERIE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**ERIE METROPARKS
ERIE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Erie MetroParks
Erie County
3910 Perkins Avenue
Huron, Ohio 44839-1059

To the Board of Park Commissioners:

We have audited the accompanying financial statements of Erie MetroParks, Erie County, Ohio, (the District) as of and for the years ended December 31, 1999 and December 31, 1998. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the District prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the District as of December 31, 1999 and December 31, 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2000 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of management, the Board of Park Commissioners, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

October 19, 2000

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**ERIE METROPARKS
ERIE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Type	
	General	Special Revenue
Cash Receipts:		
General Property Tax - Real Estate	\$1,038,530	
Grants	151,516	\$19,273
Investment Income	20,385	
Gifts and Donations		
Fees	103,313	
Other Receipts	1,961	
	<u>1,315,705</u>	<u>19,273</u>
Total Cash Receipts		
Cash Disbursements:		
Current:		
Salaries - Employees	756,769	27,773
Supplies, Materials and Equipment	79,873	
Contracts	170,716	
Grants	1,000	
Land Acquisition	20,125	
Capital Outlay	81,441	
Debt:		
Payment of Principal		
Payment of Interest		
Other	158,210	
	<u>1,268,134</u>	<u>27,773</u>
Total Cash Disbursements		
Total Receipts Over/(Under) Disbursements	<u>47,571</u>	<u>(8,500)</u>
Other Financing Receipts/(Disbursements):		
Transfers-In		10,920
Transfers-Out	(34,286)	
Other Sources	20,340	
	<u>(13,946)</u>	<u>10,920</u>
Total Other Financing Receipts/(Disbursements)		
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	33,625	2,420
Fund Cash Balances, January 1	<u>354,584</u>	<u>1,758</u>
Fund Cash Balances, December 31	<u>\$388,209</u>	<u>\$4,178</u>
Reserves for Encumbrances, December 31	<u>\$113,671</u>	<u>\$54</u>

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

<u>Governmental Fund Type</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
			\$1,038,530
			170,789
		\$1,421	21,806
		37,928	37,928
			103,313
			1,961
		39,349	1,374,327
			784,542
			79,873
			170,716
			1,000
			20,125
			81,441
\$15,500			15,500
8,137			8,137
		32,380	190,590
23,637		32,380	1,351,924
(23,637)		6,969	22,403
23,366			34,286
			(34,286)
			20,340
23,366			20,340
(271)		6,969	42,743
271	\$30,000	16,003	402,616
	\$30,000	\$22,972	\$445,359
		\$11,480	\$125,205

**ERIE METROPARKS
ERIE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Governmental Fund Type	
	General	Special Revenue
Cash Receipts:		
General Property Tax - Real Estate	\$1,011,417	
Intergovernmental	154,823	\$22,596
Investment Income	21,786	
Gifts and Donations		
Fees	102,831	
Other Receipts	2,065	
	1,292,922	22,596
Total Cash Receipts		
Cash Disbursements:		
Current:		
Salaries - Employees	705,797	27,343
Supplies, Material and Equipment	118,564	
Grants	43,728	
Contracts	149,266	
Land Acquisition	160,067	
Capital Outlay	119,947	
Debt:		
Payment of Principal		
Payment of Interest		
Other	120,312	
	1,417,681	27,343
Total Cash Disbursements		
Total Receipts Over/(Under) Disbursements	(124,759)	(4,747)
Other Financing Receipts/(Disbursements):		
Proceeds from Sale of Public Debt:		
Sale of Notes	155,271	
Transfers-In		2,731
Transfers-Out	(105,942)	
Other Sources	58,872	
	108,201	2,731
Total Other Financing Receipts/(Disbursements)		
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(16,558)	(2,016)
Fund Cash Balances, January 1	371,142	3,774
Fund Cash Balances, December 31	\$354,584	\$1,758
Reserves for Encumbrances, December 31	\$53,495	

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

<u>Governmental Fund Type</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
			\$1,011,417
			177,419
		\$698	22,484
		15,129	15,129
			102,831
			2,065
		15,827	1,331,345
			733,140
			118,564
			43,728
			149,266
			160,067
			119,947
\$70,000			70,000
2,940			2,940
		\$15,308	135,620
72,940		15,308	1,533,272
(72,940)		519	(201,927)
73,211	\$30,000		155,271
			105,942
			(105,942)
			58,872
73,211	30,000		214,143
271	30,000	519	12,216
		15,484	390,400
\$271	\$30,000	\$16,003	\$402,616
			\$53,495

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**ERIE METROPARKS
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Erie MetroParks, Erie County, (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a three-member Board of Commissioners appointed by the probate judge of Erie County. The county auditor and treasurer are responsible for fiscal control of the resources of the District which are maintained in the funds described below. Services provided by the District include acquiring, planning, developing, protecting, maintaining or improving lands and facilities for parks, parkways and forest reservations.

The District's management believes these financial statements present all activities for which the District is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

In accordance with Ohio Revised Code, the District's cash is held and invested by the Erie County Treasurer, who acts as custodian for the District's monies. The District's assets are held in the County's cash and investment pool, and are valued at the Treasurer's reported carrying amount.

D. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**ERIE METROPARKS
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Fund

This fund was used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditures for specific purposes. The District had the following significant Special Revenue Fund:

C.O.P.S. Fast Grant Fund - This fund receives federal grant money to help pay the salary of one of the park rangers.

3. Debt Service Funds

The debt service funds are used to accumulate resources for the payment of bonds and note indebtedness:

General Bond Retirement Fund - This fund received transfers from the General Fund to make the annual payment of principle and interest due on the Park Acquisition Notes discussed in Note 5.

Pool Construction Debt Fund - This fund received transfers from the General Fund to make the annual payment of principle and interest due on the Pool Construction Bonds.

4. Capital Project Fund

This fund was used to account for receipts that are restricted for the acquisition or construction of major capital projects. The District had the following significant Capital Project Fund:

Replacement Fund - This fund received transfers from the General Fund to set aside funds to replace, restore or improve any park property that is destroyed, partially destroyed or unfit to serve its purpose and residents.

5. Fiduciary Funds (Trust Fund)

Trust funds are used to account for resources restricted by legally binding trust agreements. The District had the following significant fiduciary fund:

Donation Fund - This fund receives money that is donated to the District through the Probate Court.

**ERIE METROPARKS
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 1999 and 1998 budgetary activity appears in Note 2.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the District.

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and December 31, 1998 follows:

**ERIE METROPARKS
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

2. BUDGETARY ACTIVITY (Continued)

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,322,335	\$1,336,045	\$13,710
Special Revenue	26,260	30,193	3,933
Debt Service	23,366	23,366	
Capital Projects	14,000		(14,000)
Fiduciary	37,677	39,349	1,672
Total	<u>\$1,423,638</u>	<u>\$1,428,953</u>	<u>\$5,315</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,675,076	\$1,416,091	\$258,985
Special Revenue	28,018	27,827	191
Debt Service	23,637	23,637	
Capital Projects	30,000		30,000
Fiduciary	53,680	43,860	9,820
Total	<u>\$1,810,411</u>	<u>\$1,511,415</u>	<u>\$298,996</u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,400,393	\$1,507,065	\$106,672
Special Revenue	31,075	25,327	(5,748)
Debt Service	73,500	73,211	(289)
Capital Project		30,000	30,000
Fiduciary	1,600	15,827	14,227
Total	<u>\$1,506,568</u>	<u>\$1,651,430</u>	<u>\$144,862</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,612,806	\$1,577,118	\$35,688
Special Revenue	31,055	27,343	3,712
Debt Service	72,940	72,940	
Capital Project			
Fiduciary	17,084	15,308	1,776
Total	<u>\$1,733,885</u>	<u>\$1,692,709</u>	<u>\$41,176</u>

**ERIE METROPARKS
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Park Commissioners. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the District.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the District.

4. DEBT

Debt outstanding at December 31, 1999:

	Principal	Interest Rate
General Obligation Bonds	\$139,500	5.25%

The District issued a General Obligation Park Acquisition Bond on July 1, 1998, in the amount of \$155,000 at 5.25% for a term of ten years to improve the parks and to acquire additional park land. Interest and principal payments are due annually to the Citizen's Banking Company. The Bonds are collateralized by the taxing authority of the District.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	General Obligation Bonds
1999	\$23,638
2000	22,824
2001	22,010
2002	21,196
2003	20,383
Subsequent	89,706
Total	\$199,756

**ERIE METROPARKS
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

5. RETIREMENT SYSTEM

The District's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PERS contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries. The District has paid all contributions required through December 31, 1999.

6. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- Municipal general liability
- Public officials' liability
- Municipal automobile
- Municipal property

The District also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

7. CONTINGENT LIABILITIES

The District is a defendant in two lawsuits. Although the outcome of these suits is not presently determinable, counsel believes that the resolution of these matters will not materially adversely affect the District's financial condition.



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Erie MetroParks
Erie County
3910 Perkins Avenue
Huron, Ohio 44839-1059

To the Board of Park Commissioners:

We have audited the accompanying financial statements of the Erie MetroParks, Erie County, Ohio, (the District) as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated October 19, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated October 19, 2000.

Erie MetroParks
Erie County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of management and the Board of Park Commissioners, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

October 19, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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ERIE METROPARKS

ERIE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 14, 2000**