



**LORAIN COUNTY METROPOLITAN PARK DISTRICT
LORAIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001 & 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**LORAIN COUNTY METROPOLITAN PARK DISTRICT
LORAIN COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Lorain County Metropolitan Park District
Lorain County
12882 Diagonal Road
LaGrange, Ohio 44050

We have audited the accompanying financial statements of the Lorain County Metropolitan Park District, Lorain County, Ohio, (the Park District) as of and for the years ended December 31, 2001, and December 31, 2000. These financial statements are the responsibility of the Park 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 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 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 described in Note 1, the Park 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 of the Lorain County Metropolitan Park District as of December 31, 2001 and December 31, 2000, 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 September 13, 2002 on our consideration of the Park District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

This report is intended solely for the information and use of management, 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".

Jim Petro
Auditor of State

September 13, 2002

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**LORAIN COUNTY METROPOLITAN PARK DISTRICT
LORAIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

	General
Cash Receipts:	
Taxes	\$3,987,436
Intergovernmental	150,000
Licenses, Permits, and Fees	433,083
Donations and Gifts	1,803,582
Earnings on Investments	353,427
Other Revenue	579,080
 Total Cash Receipts	 7,306,608
Cash Disbursements:	
Current:	
Salaries and Benefits	2,235,452
Materials	198,602
Supplies	36,804
Equipment	232,959
Programs	46,477
Contracted Services	228,249
Travel Expenses	12,174
Advertising	115,743
Grants	125,913
Donations - Aquatic Center	2,741,091
Projects	52,591
Repairs	20,820
Rentals	1,680
Other Expenses	68,466
Land Acquisition	160,934
Capital Improvements	1,109,643
 Total Cash Disbursements	 7,387,598
 Total Receipts Over/(Under) Disbursements	 (80,990)
Other Financing Receipts/(Disbursements):	
Other Sources	238,545
 Total Other Financing Receipts/(Disbursements)	 238,545
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	 157,555
 Fund Cash Balance, January 1	 5,887,159
 Fund Cash Balance, December 31	 \$6,044,714

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

**LORAIN COUNTY METROPOLITAN PARK DISTRICT
LORAIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	General
Cash Receipts:	
Taxes	\$3,996,815
Intergovernmental	210,000
Licenses, Permits, and Fees	403,654
Donations and Gifts	2,564,492
Earnings on Investments	265,196
Other Revenue	820,598
Total Cash Receipts	8,260,755
 Cash Disbursements:	
Current:	
Salaries and Benefits	2,060,557
Materials	217,861
Supplies	34,386
Equipment	132,920
Programs	35,202
Contracted Services	200,197
Travel Expenses	9,548
Advertising	102,262
Grants	847,075
Projects	46,301
Repairs	18,320
Rentals	2,410
Other Expenses	81,097
Land Acquisition	1,201,456
Capital Improvements	705,238
Total Cash Disbursements	5,694,830
 Total Receipts Over/(Under) Disbursements	2,565,925
 Other Financing Receipts/(Disbursements):	
Other Sources	316,575
 Total Other Financing Receipts/(Disbursements)	316,575
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	2,882,500
 Fund Cash Balance, January 1	3,004,659
 Fund Cash Balance, December 31	\$5,887,159

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

**LORAIN COUNTY METROPOLITIAN PARK DISTRICT
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Lorain County Metropolitan Park District, Lorain County, (the Park District) was created by action of the Probate Court of Lorain County in 1957 under authority of Chapter 1545 of the Ohio Revised Code. The Park District is a separate subdivision of the State of Ohio and as such is not subservient to any local form of government such as a county or municipality. The Park District's operations include various leisure time activities, a golf course, and naturalist departments.

The Park District is governed by a three-member Board of Commissioners. The Commissioners are appointed by the Judge of the Probate Court. One Commissioner is appointed each year and serves for a period of three years. Commissioners serve without compensation.

The Board meets regularly once a month and at such other times when the press of business dictates. The Board establishes policy and grants approval on all land acquisition, park development, and park use and operations. Expenditure of funds can only be made upon the approval of the Board.

The Director-Secretary is the chief executive officer of the Lorain County Metropolitan Park District. The Director-Secretary is appointed by the Board of Park Commissioners and is responsible for executing the policies of the Park District's Board. The Director Secretary is authorized to establish administrative procedures as he deems necessary to execute the policies of the Board.

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

Component units are legally separate organizations for which the Park District is financially accountable. Component units may also include organizations that are fiscally dependent on the Park District in that the Park District approves their budget, the issuance of their debt or the levying of their taxes. The Park District has no component units.

The following entities, which perform activities within the Park District's boundaries for the benefit of its residents, are excluded from the accompanying financial statements because the Park District is not financially accountable for these entities nor are they fiscally dependent on the Park District.

The Friends of the Metro Parks in Lorain County, Inc., (Friends) is a federal tax-exempt, not for profit organization under Section 501 (a) of the Internal Revenue Code (the Code) and an organization described in Section 501 (c)(3) of the Code. The Friends is organized for charitable, educational and scientific purposes, including making distributions to organizations that qualify as exempt organizations under Section 501 (c) (3) of the Code. In addition, they are organized to maintain an association of persons interested in the Park District; to focus public attention on the Park District's uses and benefits; to cooperate and assist the Board of Park Commissioners and staff in developing, improving, and expanding and preserving the Park District; to promote and conduct activities to enhance park lands under the jurisdiction of the Park District; to receive and encourage gifts, endowments, and bequests to support the Park District; and to acquire land.

**LORAIN COUNTY METROPOLITAN PARK DISTRICT
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Description of the Entity (Continued)

The Friends is governed by a board of trustees consisting of eleven members elected from the general membership. In addition, the Director-Secretary of the Park District appoints a staff member to participate as a non-voting member of the board of trustees. The Friends can borrow money, issue, sell, and pledge its notes, bonds or other evidences of indebtedness; and secure its obligations by mortgage, pledge or deed of trust by authority and action of its board of trustees.

The Park District received \$28,000 during the fiscal period January 1, through December 31, 2000 and \$17,500 during the fiscal period January 1, through December 31, 2001 from the Friends. The total cash assets (unaudited) of The Friends of the Metro Parks in Lorain County, Inc., at December 31, 2001 was \$17,960. Financial statements can be obtained from the Treasurer at 1316 2nd St., Lorain, Ohio 44052.

North Coast Regional Council of Park Districts was established on July 8, 1998, under Ohio Revised Code 167 and is exempt from state sales tax and federal tax. The North Coast Regional Council of Park Districts (NCRCPD) was formed in part to designate sites within the jurisdiction of the members of the council to be acquired, improved, restored, enhanced, administered and/or preserved with funds received under the In Lieu Fee Agreement (ILFA). The ILFA allows the development of certain wetlands provided the developers contribute certain sums of money which are then used as described above. The NCRCPD is a jointly governed organization which currently includes four members. Each member shall have two representatives on the Board, consisting of the appointed director of such member and the Chairman of the Board of Park Commissioners. The Lorain County Metropolitan Park District made no contributions to the NCRCPD during 2001 or 2000. Financial statements can be obtained from the Treasurer at 12882 Diagonal Road, LaGrange, Ohio 44050.

The Lorain County Metropark Endowment Fund of the Community Foundation of Greater Lorain County was created to benefit and assist the endeavors of the Park District, including but not limited to the general public and statutory purposes of the preservation and conservation of the environment and all natural resources within the jurisdiction of the Park District. This fund was created November 18th 1993 by agreement of both parties. The Community Foundation of Greater Lorain County (CFGLC) is made up of over 200 separate funds each one created for its specific purpose. The CFGLC was organized under Section 501 (c) (3) of the Internal Revenue Code. The Park District received no distribution of funds during 2000 or 2001. The Fund balance as of December 31, 2001 was \$45,203. Audited financial statements can be obtained from the CFGLC at 1865 North Ridge Road East, Suite A, Lorain, Ohio 44055.

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.

**LORAIN COUNTY METROPOLITIAN PARK DISTRICT
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(CONTINUED)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Cash and Investments

The Park District's assets are held in cash and certificates of deposit. Certificates of deposit are valued at cost.

D. Fund Accounting

The Park District uses fund accounting to segregate cash and investments that are restricted as to use. The General Fund is the general operating fund. It is used to account for all financial resources.

E. Budgetary Process

The Ohio Revised Code requires that the General Fund be budgeted annually.

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Park District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

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 basis of accounting used by the Park District.

**LORAIN COUNTY METROPOLITIAN PARK DISTRICT
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(CONTINUED)**

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Park District maintains a cash and investments pool. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	12/31/01	12/31/00
Demand deposits	\$270,802	\$40,012
Certificates of deposit	<u>5,773,912</u>	<u>5,847,147</u>
Total deposits	<u>\$6,044,714</u>	<u>\$5,887,159</u>

Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2001 and December 31, 2000 follows:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	<u>\$7,545,153</u>	<u>\$7,545,153</u>	<u>\$0</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	<u>\$13,432,312</u>	<u>\$7,387,598</u>	<u>\$6,044,714</u>

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	<u>\$8,577,330</u>	<u>\$8,577,330</u>	<u>\$0</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	<u>\$11,581,989</u>	<u>\$5,694,830</u>	<u>\$5,887,159</u>

**LORAIN COUNTY METROPOLITIAN PARK DISTRICT
LORAIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(CONTINUED)**

4. 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 Park 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 Park District.

5. RETIREMENT SYSTEMS

The Park 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 2001 and 2000, members of PERS and PERS Law Enforcement plan members contributed 8.5% and 9.0%, respectively, of their gross salaries. The Park District contributed an amount equal to 13.55% and 16.70% of participants' gross salaries. PERS temporarily reduced employer contributions to 8.13% effective July 1, 2000 through December 31, 2000. The District has paid all contributions required through December 31, 2001.

6. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles;
- Electronic Data Processing;
- Errors and omissions; and
- Police Professional Liability.

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

Lorain County Metropolitan Park District
Lorain County
12882 Diagonal Road
LaGrange, Ohio 44050

We have audited the financial statements of Lorain County Metropolitan Park District, Lorain County, Ohio, (the Park District) as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated September 13, 2002. 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.

Compliance

As part of obtaining reasonable assurance about whether the Park 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 Park 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 Park District in a separate letter dated September 13, 2002.

Lorain County Metropolitan Park District
Lorain County
Report 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 stylized with a large, looping initial "J" and a horizontal line extending to the right.

Jim Petro
Auditor of State

September 13, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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LORAIN COUNTY METROPOLITAN PARK DISTRICT

LORAIN 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 7, 2002**