



Mary Taylor, CPA
Auditor of State

**LAKE METROPARKS
LAKE COUNTY**

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**LAKE METROPARKS
LAKE COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2006**

Federal Grantor/ Program Title	Project Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<i>Direct Program:</i>			
Fund for the Improvement of Education	R215K020197	84.215K	\$ 123,565
Total U.S. Department of Education			<u>123,565</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
<i>Direct Program:</i>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	N/A	97.036	121,285
Total U.S. Department of Homeland Security			<u>121,285</u>
<u>U.S. DEPARTMENT OF COMMERCE</u>			
<i>Direct Program:</i>			
Coastal Zone Management Administration Awards	NA04NOS4190179	11.419	256,800
Coastal Zone Management Administration Awards	NA06NOS4190265	11.419	290,113
Total U.S. Department of Commerce			<u>546,913</u>
Total Federal Award Expenditures			<u>\$ 791,763</u>

See the accompanying notes to the Schedule of Federal Award Expenditures

**LAKE METROPARKS
LAKE COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED DECEMBER 31, 2006**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the Park District's federal award programs. The schedule has been prepared on the cash basis of accounting.

CFDA – Catalog of Federal Domestic Assistance



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Lake Metroparks
Lake County
11211 Spear Road
Concord, Ohio 44077

To the Board of Park Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lake Metroparks, Lake County, Ohio, (the Park District) as of and for the year ended December 31, 2006, which collectively comprise the Park District's basic financial statements and have issued our report thereon dated June 1, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Park District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Park District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Park District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Park District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Park District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Park District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted a certain matter that we reported to the Park District's management in a separate letter dated June 1, 2007.

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Compliance and Other Matters

As part of reasonably assuring whether the Park District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note a certain noncompliance or other matter that we reported to the Park District's management in a separate letter dated June 1, 2007.

We intend this report solely for the information and use of the audit committee, management, Board of Park Commissioners, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

June 1, 2007



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Lake Metroparks
Lake County
11211 Spear Road
Concord, Ohio 44077

To the Board of Park Commissioners:

Compliance

We have audited the compliance of Lake Metroparks, Lake County, Ohio, (the Park District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to its major federal program for the year ended December 31, 2006. The summary of auditor's results section of the accompanying schedule of findings identifies the Park District's major federal program. The Park District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the Park District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Park District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Park District's compliance with those requirements.

In our opinion, Lake Metroparks, Lake County, Ohio, complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2006.

Internal Control Over Compliance

The Park District's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Park District's internal control over compliance with requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Federal Awards Expenditures Schedule

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Lake Metroparks, Lake County, Ohio, as of and for the year ended December 31, 2006, and have issued our report thereon dated June 1, 2007. Our audit was performed to form opinions on the financial statements that collectively comprise the Park District's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, Board of Park Commissioners, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

June 1, 2007

**LAKE METROPARKS
LAKE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2006**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Coastal Zone Management Administration Awards #11.419
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

Lake Metroparks, Ohio

2006



*Comprehensive Annual Financial Report
For The Year Ended December 31, 2006*

LAKE METROPARKS, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2006

prepared by the Finance Division



PARK OFFICIALS AS OF DECEMBER 31, 2006

Judge Ted Klammer
Lake County Probate Judge
Term Expires 2-09-09

Board of Park Commissioners

Ellen Foley Kessler
Term Expires 12-31-07

Richard D. DiCicco
Term Expires 12-31-08

Frank J. Polivka
Term Expires 12-31-09

Executive Director

David A. Noble

Legal Counsel

Joseph Gibson
Russell J. Meraglio, Jr.

Administrative Services Director

Kenneth E. Kleppel, CPA

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**LAKE METROPARKS, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2006**

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The background of the page is a classic marbled paper pattern, featuring a complex, organic design of swirling, interlocking shapes in various shades of gray, white, and light brown. This pattern is contained within a double-lined black border that frames the entire page.

Introductory Section



June 1, 2007

To the Citizens of Lake County
To the Honorable Judge Ted Klammer
To the Board of Park Commissioners:
Ellen Foley Kessler
Richard D. DiCicco
Frank J. Polivka

**ADMINISTRATIVE
OFFICES**
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Lake County Probate Judge
Ted Klammer

**Board of Park
Commissioners**
Richard D. DiCicco
Ellen Foley Kessler
Frank J. Polivka

Executive Director
David A. Noble

Deputy Director
Stephen W. Madewell

Formal Letter of Transmittal

We are pleased to submit the 17th Comprehensive Annual Financial Report (CAFR) for Lake Metroparks (hereafter, also referred to as the "Park District"). This report conforms to Generally Accepted Accounting Principles (GAAP) and provides full and complete disclosure of the financial position and operations of the Park District for the year ended December 31, 2006. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Park District's management. To the best of our knowledge and beliefs, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position of the entity as a whole and results of operations of the various funds of the Park District. All disclosures necessary to enable the reader to gain an understanding of the Park District's financial activities have been included.

Report Presentation

Financial statements of governmental organizations differ somewhat from the statements prepared for profit-oriented organizations in that governmental organizations prepare statements on a fund basis. In governmental accounting, the term "fund" is used to identify a separate accounting entity with its own assets, liabilities, revenues, and expenditures or expenses, as appropriate.

The Park District has established various funds to segregate activities to comply with legal requirements for segregation, to better facilitate management control, or to satisfy the requirements of GAAP. The presentation of this report and the financial statements contained herein are in conformance with principles established by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA) through its various pronouncements.

The CAFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the Government Finance Officers Association (GFOA) Certificate of Achievement, our organizational chart, and a list of principal officials. The financial section includes the Independent Accountants' Report, Management's Discussion and Analysis, the basic financial statements, notes, the required supplementary information, and the individual fund budget-to-actual schedules. This letter of transmittal is designed to complement the Management's Discussion and Analysis letter and should be read in conjunction with it. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

Park District Profile

The Park District was created in 1958 under the authority of Chapter 1545 of the Ohio Revised Code. The Park District consists of 30 parks and facilities with a total of 6,129 owned acres of land, 669 leased acres of land and holds 607 acres of conservation easements. Its boundaries are coterminous with the boundaries of Lake County, Ohio, located immediately east of Cuyahoga County. The southern shoreline of Lake Erie forms the northern boundary of the Park District. The Park District is operated by a three-member board appointed by the Judge of the Lake County Probate Court for three-year alternating terms. In March of each year, the Board of Park Commissioners appoints an Executive Director who serves as the chief executive officer for the Park District. The Board of Park Commissioners also retains a Legal Counsel and Prosecutor.

Individual funds of the Park District are grouped into three generic fund types (governmental funds, proprietary funds, and a fiduciary fund) in the accompanying financial statements. (Refer to the Notes to Basic Financial Statements for a discussion of all of the generic fund types presently prescribed by GAAP.)

Economic Condition and Outlook

Lake County, geographically the smallest county in the State of Ohio, is considered part of the Greater Cleveland metropolitan area. The industrial base of the county consists of chemical manufacturing and research, textile products, wire and wire mesh products, rock salt mining, plastic and plastic products, metal stamping, tooling, and custom machinery. The western half of the county is highly developed with industrial and commercial corporations and residential properties. In the eastern half of the county, nursery businesses provide significant economic contributions. The eastern and southeastern portions of the county are experiencing increased residential development. This trend is expected to continue. As of December 31, 2006, Lake County's unemployment rate was 4.7%, the national rate was 4.3%, and the state rate was 5.4%.

Major Initiatives 2006

Fiscal year 2006 found us selling a five million dollar tax anticipation bond for the purpose of financing park acquisition and improvements. Major capital improvements at both golf courses were initiated. We were also able to acquire a 110-acre property that will be converted for use as an Outdoor Skills Center. We also received notice that we would receive an estate bequest of nearly \$900,000 to fund the creation of a bird sanctuary within the greater Painesville area. We encumbered funds sufficient to buy the Cooper property in Concord Township and the Gulley Brook property in Willoughby and Willoughby Hills in 2007. Both acquisitions will receive assistance from federal funding sources. A major flood event in July required many major park improvements largely covered by reimbursement through the Federal Emergency Management Authority.

With the help of a consultant, we were able to review all job descriptions for full-time people and create a new performance based compensation plan. We redesigned our internet website greatly increasing our accessibility via the internet to program registration and facility rental as well as general park information.

Outlook for 2007

In the Capital Improvement Fund we anticipate spending \$3,300,000 made up of residual bond funds totaling \$1,875,914 and a General Fund transfer of \$1,500,000. Of this expenditure total, we recommend earmarking \$2,600,000 for the construction of the Environmental Learning Center. We would hope that we are able to complete construction this year on this project but more than likely it will be the 2008 school year before we are able to open this facility. We hope to acquire the former Warner Nursery property located on the Chagrin River this year.

We will pay \$1,069,328 for debt service in the Bond Retirement Fund. The Health and Life Fund and the Drug Enforcement Fund will remain virtually unchanged. We will maintain health insurance contribution levels for employees at the same level as we have since 2005.

General Fund transfers will equal \$1,500,000. We anticipate receiving other revenue from state, federal and private sources but will only spend those monies if supplemental appropriations are made by the Board of Park Commissioners to obligate those funds. As we planned and communicated in our levy replacement campaign, we are making good on our promise to maintain a quality park system and to maintain our commitment to the preservation of the ever-shrinking available open space in Lake County.

Service Efforts and Accomplishments

In April of 2004, a customer opinion and attitude survey was conducted of voters in Lake County. The Park District was rated on the following:

-Providing an attractive park environment86% favorable
-Providing parks that are safe to use86% favorable
-Preserving parkland for wildlife, scenic views and open space83% favorable
-Serving all of the people in Lake County79% favorable
-Offering a wide variety of recreational opportunities79% favorable
-Keeping the public well informed73% favorable
-Making good use of the tax money they receive58% favorable

The results of the survey showed that 86% of those questioned have either a very favorable or favorable overall opinion of the Park District.

Financial Information

The Park District's day-to-day accounting and budgetary records are maintained on a basis other than GAAP (budgetary). For financial reporting purposes the accounting records are converted to a modified accrual basis for all governmental funds and the accrual basis for the proprietary funds and entity-wide reporting. A further discussion of the basis of accounting can be found in Note 1 (page 39) to the financial statements along with a reconciliation of budgetary to GAAP.

Budgetary appropriations for the operation of the Park District's divisions are established through the adoption of the annual appropriation resolution by the Board of Park Commissioners. Budgetary control is facilitated through the maintenance of an encumbrance system for purchase orders and through the use of the Park District's financial accounting system.

The Park District maintains budgetary control within the organizational unit and fund by not permitting expenditures and encumbrances to exceed appropriations. Administrative control is maintained through the establishment of object line item budgets. Various departments are subject to performance budget reviews. Funds appropriated may not be expended for purposes other than those designated in the appropriation resolution. Purchase requisitions are used for all purchases of materials, services and supplies that exceed \$50. Purchase requisitions that exceed \$500 must be signed by the Executive Director. All purchases over \$5,000 must be approved by the Board of Park Commissioners. The Park Board President reviews all contracts. Expenditures are approved by the Board of Park Commissioners at bi-monthly meetings. Monthly cash reports are sent to the Executive Director, Deputy Director, division heads, and the Board of Park Commissioners.

Internal Controls

The Park District's internal controls are reviewed annually as a part of an independent audit. In developing and revising the Park District's accounting and reporting control system, consideration is given to the adequacy of internal controls to provide reasonable but not absolute assurance regarding:

- safeguarding assets against loss from unauthorized use or disposition, and
- reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

- the cost of a control should not exceed the benefits likely to be derived, and
- the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. The Park District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Responsibility for budgetary control rests with individual divisions, which are given a printed budget report on a bi-monthly basis after the approval of expenditures by the Board of Park Commissioners. The Finance Division exercises budgetary control over the Debt Service and Hospitalization Funds. The Finance Division also performs internal cash audits at all park locations. Bank reconciliations are conducted on a monthly basis and petty cash funds are reconciled on a quarterly basis.

General Fund

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Activities accounted for in the Park District's General Fund include administration, Farmpark, financial, rangers, registration and recreation.

Special Revenue Fund

The Park District created the Drug Enforcement Fund to account for drug fines remitted by the courts. The funds are to be used for the prevention and detection of drug violations within the Park District.

Capital Funds

The Park District has two capital funds. One is the Improvement Fund, funded by grants and a \$1,830,215 transfer in 2006 from the General Fund. This fund supports land purchases and permanent improvements to the parks. The Park District also has a Capital Improvement Fund, which was funded by a \$2,000,000 revenue bond issued in July 2002, a \$5,000,000 general obligation bond in 2006, and a 2006 transfer from the General Fund of \$940,285. The Capital Improvement Fund is used to acquire land and land improvements. Both funds receive interest earnings as well as contributions. Total Improvement and Capital Improvement Fund level expenditures in 2006 were \$3,782,658, all of which were for capital expenditures.

Enterprise Fund

On January 1, 1993, the Park District began to account for golf operations as an Enterprise Fund. Prior to 1993, golf operations were accounted for as a Special Revenue Fund. The Park District operates two golf courses: Erie Shores Golf Course in Madison (eastern Lake County) and Pine Ridge Country Club, acquired in May 1993, located in Wickliffe (western Lake County). Erie Shores is an 18-hole course with a pro shop, driving range and snack bar. Pine Ridge Country Club is a full-service country-club style 18-hole course with amenities including catering, dining, pro shop and snack bar. Since 1998, the catering and dining functions were leased to an outside caterer for operations. In 2006, the Enterprise Fund received a \$1,889,500 transfer from the General Fund for capital improvements at Erie Shores Golf Course.

Internal Service Fund

In March 1990, the Park District began a self-insured hospitalization program. During 2006, billings for services to other funds and COBRA charges to participants represented 100% of the fund operating revenue or

\$935,813. During 2006, claims expenses were \$599,599 or 75.82% of expenses. Premiums for administration expense and stop-loss insurance, both in the aggregate and in the individual, were \$191,233 or 24.18% of expenses. The fund generated \$23,771 in non-operating interest. The individual stop-loss limit was \$70,000.

Debt Administration

In June 2002, the Park District issued a \$2,000,000 ten-year serial revenue bond with equal principal payments of \$200,000 per year. The above debt was a private placement. In June 2006, the Park District issued a \$5,000,000 eight-year serial bond with equal principal payments of \$625,000 a year starting in 2007. Debt service paid in 2006 was \$364,120.

Cash Management

The Treasurer utilizes cash management and forecasting techniques and procedures to provide for efficient and optimal use of the Park District's cash resources as permitted by applicable State of Ohio law. Among the Park District's investments, the Park District participates in the State Treasurer's Investment Pool of Ohio (STAROhio). The statewide investment pool was established in January 1986 for governmental entities in Ohio and is administered by the Treasurer of the State of Ohio. In addition to STAROhio, the Park District's Treasurer invests in short-term certificates of deposit and Federal Agency Securities. All of the Park District's investments are in compliance with the Park District's investment policy as passed by the Board of Park Commissioners.

Cash resources of a majority of individual funds are combined to form a pool of cash and investments to maximize possible returns. Certain monies of the Agency Fund and Internal Service Fund are deposited and maintained in segregated bank accounts with interest allocated to those funds. Investment income is allocated to the General Fund, the Special Revenue Fund, the Enterprise Fund, and the Capital Funds as prescribed by Ohio law and Board policy. Investment income for all Park District funds during 2006 was \$414,735 compared to \$86,233 in 2005, or an increase of 380.95%. This was due to the increase in interest rates as well as an increase in available funds.

Risk Management

The Park District provides safety training and safety equipment to its employees in order to control risks of injury. The Park District also maintains comprehensive coverage from private carriers for property, appointed officials, ranger liability and general liability insurance. Insurance premiums paid to private carriers during 2006 amounted to \$168,816. This compared to premiums for 2005 of \$173,360, a decrease of 2.6% because of a softening in the market and Lake Metroparks continuing emphasis on safety programs. During 2006, a continued major goal of the Finance Division was to prevent and reduce the severity and frequency of both on-the-job and visitor accidents and incidents. Efforts were concentrated on reducing exposure by continuous inspection and maintenance of all facilities and equipment and active participation and training of employees and volunteers. Personal protective equipment is standard for all employees. Training and vaccinations for bloodborne pathogens continue for all at-risk employees. Four employees are instructors and have conducted training for 139 employees on Cardiopulmonary Resuscitation (CPR) and Automated External Defibrillators (AED) and 61 employees on First Aid.

The Safety Leadership Committee consists of 14 employees that represent Lake Metroparks at every level and division in safety, health, and security matters. The Hearing Conservation Program has continued with over 70 employees receiving audiograms.

Drivers' licenses were checked for all new hires and for any volunteers who drive Lake Metroparks vehicles. Nearly 100 employees and volunteers with "unsupervised access to children" have been fingerprinted.

The Park District continued working with a certified electrician, Kirtland Fire Department and Park District employees involved in electrical inspections for special events. Lake Metroparks received a 4% discount on

Workers' Compensation premium for participation in the safety program with the Lake County Safety Council. Lake Metroparks employee injury claims were reduced by 45% over the past year. Training sessions were held at various locations where nearly 200 employees attended the "live" training.

Independent Audit

Included in this report is an unqualified audit opinion rendered on the Park District's financial operations as well as its assets and liabilities at year-end 2006 by our independent auditors, the Auditor of the State of Ohio, Mary Taylor, CPA. The Park District's management intends to continue to subject the financial statements to an annual independent audit as part of the preparation of this CAFR. An annual audit serves to maintain and strengthen the Park District's accounting and budgetary controls.

Park District Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Park District for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2005. This was the sixteenth year the Park District received this prestigious award, the first/only park district to receive this award sixteen consecutive years. In order to be awarded a Certificate of Achievement, the Park District published an easy-to-read, efficiently organized Comprehensive Annual Financial Report. This report satisfies both Generally Accepted Accounting Principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. It is believed the current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program requirements. It is being submitted to the GFOA to determine its eligibility for another certificate.

The Park District received the following awards from the Lake County Safety Council:

- 100% Award - presented to each company/organization that worked the entire year without a lost time injury
- Achievement Award - presented to each company/organization that reduced its accident rate by 25% or more over the previous year
- Group Award - presented to each company/organization with the best safety record in their industry group (Public Service and Educational Group)

Additionally, the Park District won the Northern Region Boating Education Advancement Award, which advanced the agency to the finals and resulted in receiving the National Boating Education Advancement Award presented by the National Safe Boating Council.

The Park District submitted ten nominations for the Ohio Parks and Recreation Association's Annual Awards of Distinction and achieved the following recognitions:

- Outstanding (1 award): Marketing and New/Electronic Media
- Meritorious (5 awards): Adult Programs/Events; Family Programs/Events; Special Populations Programs/Events; Park Law Enforcement; Print Publications
- Honorable Mention (4 certificates): Youth Programs/Events; Senior Programs/Events; Marketing via Broadcast Media; Management Innovations/Special Project

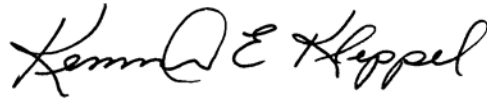
This CAFR represents a continuing commitment by the Finance Division and the management of the Park District to provide prudent financial information of Park District resources and to demonstrate stewardship of the funds granted to the Park District by the voters of Lake County.

We would like to acknowledge support of the entire staff of the Park District, especially the Finance Division, for the tireless effort in developing this report. We would like to thank Edward Zupancic, Lake County Auditor, and his office for assistance in developing the statistical section.

We ask for continuing support in this project and in our efforts to provide financial stewardship and quality public service for the residents of Lake County.



David A. Noble
Executive Director



Kenneth E. Kleppel, CPA
Administrative Services Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lake Metroparks Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

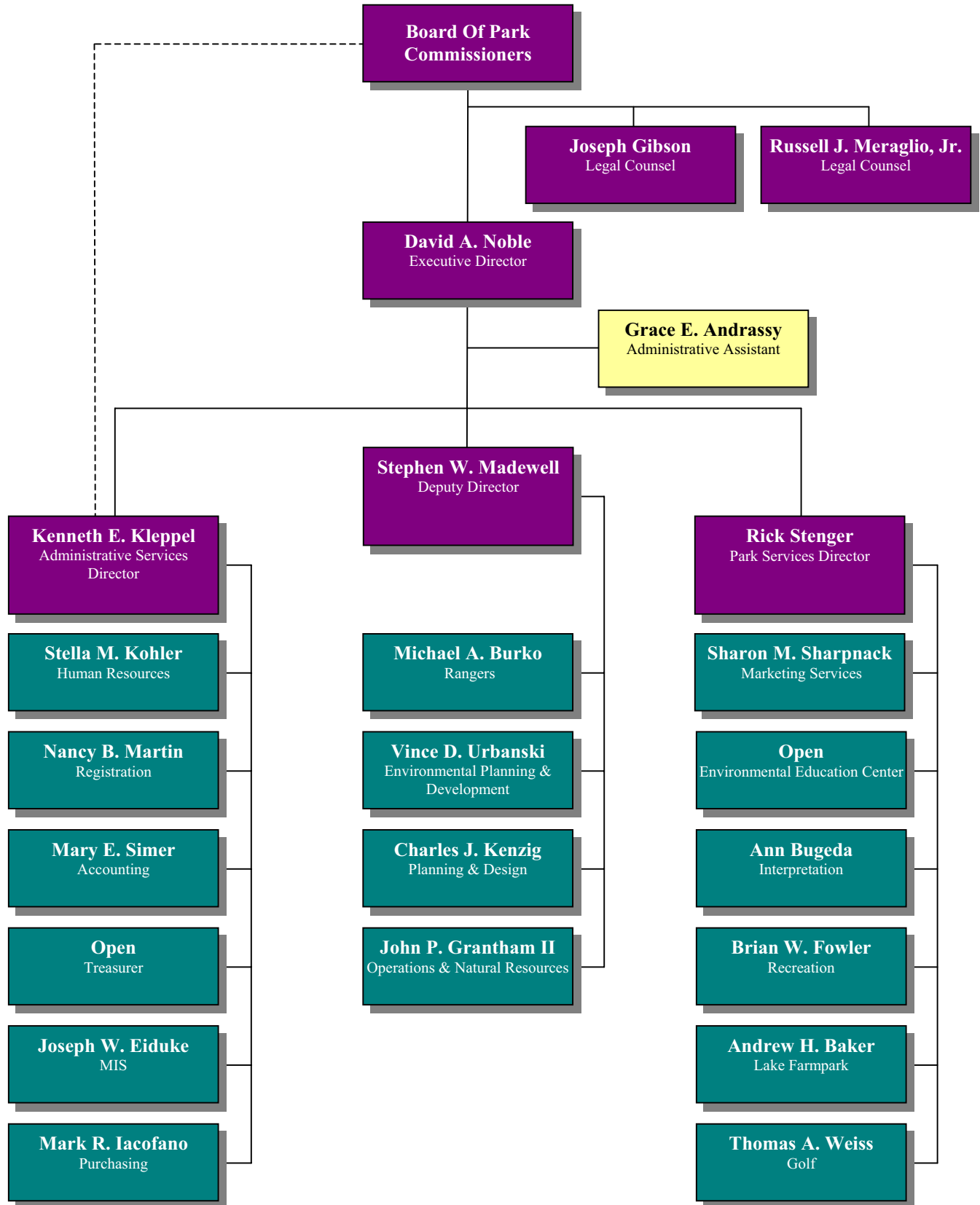


President

Executive Director

Lake Metroparks Organizational Chart

April 2007



Lake Metroparks
List of Principal Officials
December 31, 2006

Elected Official
Lake County Probate Judge

Honorable Judge Ted Klammer

Board of Park Commissioners

Frank J. Polivka, President
Richard D. DiCicco, Vice President
Ellen Foley Kessler, Vice President

Executive Director

David A. Noble

Deputy Director

Stephen W. Madewell

Legal Counsel

Joseph Gibson
Russell J. Meraglio, Jr.

Administrative Services Director

Kenneth E. Kleppel, CPA

Park Services Director

Rick Stenger

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Financial Section



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Lake Metroparks
Lake County
11211 Spear Road
Concord, Ohio 44077

To the Board of Park Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lake Metroparks, Lake County, Ohio, (the Park District) as of and for the year ended December 31, 2006, which collectively comprise the Park District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Park District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lake Metroparks, Lake County, Ohio, as of December 31, 2006, and the respective changes in financial position and where applicable, cash flows, thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2007, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis and the budgetary comparison for the General Fund are not a required part of the basic financial statements but are supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the Park District's basic financial statements. The introductory section, individual fund schedules, and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the individual fund schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

June 1, 2007

Management's Discussion and Analysis of Lake Metroparks' financial performance provides an overview of the Park District's financial activities for the fiscal year ended December 31, 2006. Please read it in conjunction with the Park District's basic financial statements, which begin on page 27.

Financial Highlights

- The results of the Park District's net assets were an increase in net assets in business-type and an increase in governmental activities. Net assets of our business-type activities increased by \$1,670,049 or 26.2%. Net assets of our governmental activities increased by \$4,142,056 or 16.1%.
- Total cost of all of the Park District's programs was \$14,016,536 in 2005 compared to \$14,981,452 in 2006, an increase of 6.9%.
- During the year, net capital assets increased in governmental activities by \$2,279,309 and in business-type activities by \$955,533.

Using This Annual Report

This annual report consists of a series of financial statements. The *Statement of Net Assets* and the *Statement of Activities* (on pages 27 and 28-29) provide information about the activities of the Park District as a whole and present a longer-term view of the Park District's finances. Fund financial statements start on page 30. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Park District's operations in more detail than the government-wide statements by providing information about the Park District's most financially significant funds.

Reporting the Park District as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the Park District as a whole begins on page 14. One of the most important questions asked about the Park District's finances is, "Is the Park District as a whole better off or worse off as a result of the year's activities?" The *Statement of Net Assets* and the *Statement of Activities* report information about the Park District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Park District's net assets and changes in them. You can think of the Park District's net assets as the difference between assets, what the citizens own, and liabilities, what the citizens owe, as one way to measure the Park District's financial health or financial position. Over time increases or decreases in the Park District's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors such as changes in the Park District's property tax base and the condition of the Park District's capital assets (roads, buildings, trails) to assess the overall health of the Park District.

In the *Statement of Net Assets* and the *Statement of Activities* we divide the Park District into two kinds of activities:

- **Governmental Activities:** Most of the Park District's basic services are reported here, including parks and recreation and general administration. Property taxes and state and federal grants finance most of these activities.
- **Business-type Activities:** The Park District charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Park District's golf courses are reported here.

Reporting the Park District's Most Significant Funds

Fund Financial Statements

Our analysis of the Park District's major funds begins on page 17. The fund financial statements begin on page 30 and provide detailed information about the most significant funds—not the Park District as a whole. Some funds are required to be established by state law. However, the Park Board establishes other funds to help it control and manage money for particular purposes (example: Capital Improvement Fund). The Park District's three kinds of funds, governmental, proprietary and fiduciary, use different accounting approaches.

Governmental funds: Most of the Park District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Park District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Park District's programs. We describe the relationship (or differences) between governmental activities (reported in the *Statement of Net Assets* and the *Statement of Activities*) and governmental funds in a reconciliation beside the fund financial statements.

Proprietary funds: When the Park District charges customers for the full cost of the services it provides whether to outside customers or to other units of the Park District, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the *Statement of Net Assets* and the *Statement of Activities*. In fact, the Park District's Enterprise Fund (a component of proprietary funds) is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. We use an internal service fund, the Hospitalization Fund, (the other component of proprietary funds) to report activities that provide hospitalization to the Park District's employees working under other programs.

Fiduciary fund: The Park District employees an Agency Fund to record amounts held by the Park District as a fiduciary for other governments and agencies.

The Park District as a Whole

The Park District's total governmental assets changed from a year ago, increasing from \$43,603,584 to \$51,535,837. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Park District's governmental and business-type activities.

	Table 1					
	Net Assets					
	Governmental		Business-type		Total	
	2006	2005	2006	2005	2006	2005
Other Assets	\$23,734,572	\$18,081,628	\$1,660,298	\$383,959	\$25,394,870	\$18,465,587
Capital Assets and Goodwill	27,801,265	25,521,956	7,086,938	6,138,413	34,888,203	31,660,369
Total Assets	51,535,837	43,603,584	8,747,236	6,522,372	60,283,073	50,125,956
Long-term Liabilities						
Outstanding	7,412,337	2,534,242	--	--	7,412,337	2,534,242
Other Liabilities	14,258,069	15,345,967	693,219	138,404	14,951,288	15,484,371
Total Liabilities	21,670,406	17,880,209	693,219	138,404	22,363,625	18,018,613
Net Assets						
Invested in Capital Assets						
Net of Debt	21,601,265	24,121,956	7,086,938	6,138,413	28,688,203	30,260,369
Restricted	2,312,693	628,599	--	--	2,312,693	628,599
Unrestricted	5,951,473	972,820	967,079	245,555	6,918,552	1,218,375
Total Net Assets	\$29,865,431	\$25,723,375	\$8,054,017	\$6,383,968	\$37,919,448	\$32,107,343

Net assets of the Park District's governmental activities increased by \$4,142,056, (\$29,865,431 at December 31, 2006 compared to \$25,723,375 at December 31, 2005). Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, increased by \$4,978,653, (at December 31, 2006, \$5,951,473 compared to \$972,820 at December 31, 2005). Restricted net assets, those restricted mainly for capital projects, increased by \$1,684,094, (\$2,312,693 at December 31, 2006 compared to \$628,599 at December 31, 2005). The investment in capital assets, net of debt category, decreased by \$2,520,691, (\$21,601,265 at December 31, 2006 compared to \$24,121,956 at December 31, 2005).

The net assets of our business-type activities increased by \$1,670,049, (\$8,054,017 at December 31, 2006 compared to \$6,383,968 at December 31, 2005). The Park District generally commits these net assets to finance the continuing operations of the Golf Fund.

Financial Ratios

The financial ratios following should be used to assess the financial stability of the Park District over an extended period of time.

The *Ratios of Working Capital* and *Days Cash and Investment in Reserve* demonstrate the ability to finance operations with cash. The stability of the *Current Ratio* and the *Liabilities to Net Asset* demonstrate the fact that the Park District's retirement of long-term debt exceeded its issuance of long-term debt in the year 2006.

Lake Metroparks
Management's Discussion and Analysis
December 31, 2006 (Unaudited)

Working Capital is the amount by which current assets exceed current liabilities. The **Current Ratio**, which compares current assets to current liabilities, is an indicator of the ability to pay current obligations.

Working Capital	1999	2000	2001	2002	2003	2004	2005	2006
Entity Wide								
Summary	\$1,485,688	\$2,600,689	\$1,044,000	\$916,551	\$1,732,608	\$1,025,380	\$2,494,445	\$5,025,779
Governmental	1,255,828	2,356,815	705,849	617,534	1,337,316	786,123	2,248,890	4,058,700
Business-type	229,860	243,874	338,151	299,017	395,292	239,257	245,555	967,079
Current Ratio								
Entity Wide								
Summary	1.19	1.21	1.08	1.07	1.14	1.09	1.16	1.34
Governmental	1.10	1.19	1.06	1.05	1.10	1.07	1.15	1.28
Business-type	3.12	2.72	3.86	3.11	4.04	2.97	2.77	2.40

Days Cash and Investments in Reserve represents the number of days normal operations could continue with no revenue collection.

Days Cash and Investment	1999	2000	2001	2002	2003	2004	2005	2006
Entity Wide								
Summary	N/A	86	47	33	56	29	45	104
Governmental	N/A	87	40	26	48	24	41	70
Business-type	N/A	82	101	89	121	75	73	382

Liabilities to Net Assets indicates the extent of borrowing.

Liabilities to Net Assets	1999	2000	2001	2002	2003	2004	2005	2006
Entity Wide								
Summary	59%	60%	54%	57%	55%	46%	56%	59%
Governmental	75%	79%	70%	73%	70%	58%	70%	73%
Business-type	2%	2%	2%	2%	2%	2%	2%	9%

Return on Assets from Operations illustrates to what extent there will be sufficient funds to replace assets in the future.

Return on Assets	1999	2000	2001	2002	2003	2004	2005	2006
Entity Wide								
Summary	N/A	1%	4%	1%	--%	(1%)	3%	10%
Governmental	N/A	1%	5%	2%	1%	(1%)	4%	8%
Business-type	N/A	(1%)	1%	(2%)	(3%)	(3%)	(4%)	19%

Lake Metroparks
Management's Discussion and Analysis
December 31, 2006 (Unaudited)

	Table 2					
	Governmental		Change in Net Assets Business-type		Total	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program Revenues:						
Charges for Services	\$1,479,970	\$1,503,645	\$1,478,126	\$1,468,153	\$2,958,096	\$2,971,798
Operating Grants and Contributions	79,348	141,844	4,400	3,100	83,748	144,944
Capital Grants and Contributions	640,125	651,676	--	--	640,125	651,676
General Revenues:						
Property Tax	13,813,258	9,616,123	--	--	13,813,258	9,616,123
Local Government	2,769,883	2,058,117	--	--	2,769,883	2,058,117
Interest	356,456	75,299	58,219	2,908	414,675	78,207
Miscellaneous	112,984	33,904	788	10,934	113,772	44,838
Transfer In	--	--	1,889,500	--	1,889,500	--
Total Revenues and Transfer In	19,252,024	14,080,608	3,431,033	1,485,095	22,683,057	15,565,703
Program Expenses:						
Parks and Recreation	13,038,937	12,205,566	--	--	13,038,937	12,205,566
Interest on Long-term Debt	181,531	71,100	--	--	181,531	71,100
Transfer Out	1,889,500	--	--	--	1,889,500	--
Golf	--	--	1,760,984	1,739,870	1,760,984	1,739,870
Total Expenses and Transfer Out	15,109,968	12,276,666	1,760,984	1,739,870	16,870,952	14,016,536
Increase (Decrease) in Net Assets	\$4,142,056	\$1,803,942	\$1,670,049	(\$254,775)	\$5,812,105	\$1,549,167

The increase in net assets governmental activities was due to an increase in property tax. The increase in net assets business-type activities was attributed to the transfer from the General Fund.

General Governmental Functions by Individual Fund

The following schedules present individual governmental funds revenues and the percentage of total for the year ended December 31, 2006, as well as the expenditures and the percentage of total for the year ended December 31, 2006.

General Fund

Revenue Source	2006 Amount	Percent of Total	2005 Amount	Increase (Decrease) From 2005	Percent Increase (Decrease)
Property Taxes	\$12,666,827	73.1%	\$8,321,742	\$4,345,085	52.2%
Intergovernmental	2,835,709	16.4%	2,080,112	755,597	36.3%
Fees and Admissions	1,098,254	6.3%	1,094,668	3,586	.3%
Merchandise Sales	373,278	2.2%	401,545	(28,267)	(7.0%)
Interest	164,343	.9%	65,414	98,929	151.2%
Fines and Forfeits	2,130	.1%	2,230	(100)	(4.5%)
Contributions	78,083	.4%	105,439	(27,356)	(25.9%)
Miscellaneous	100,614	.6%	32,404	68,210	210.5%
Total Revenue	\$17,319,238	100.0%	\$12,103,554	\$5,215,684	43.1%

Lake Metroparks
Management's Discussion and Analysis
December 31, 2006 (Unaudited)

General Fund (continued)

Expenditures	2006 Amount	Percent of Total	2005 Amount	Increase (Decrease) From 2005	Percent Increase (Decrease)
Parks and Recreation	\$11,563,071	71.0%	\$11,139,888	\$423,183	3.8%
Capital Outlay	64,741	.4%	84,398	(19,657)	(23.3%)
Transfer Out	4,660,000	28.6%	420,000	4,240,000	1009.5%
Total Expenditures and Transfer Out	\$16,287,812	100.0%	\$11,644,286	\$4,643,526	39.9%

The change in fund balance increased by \$1,031,426 due to an increase in property taxes. Property taxes increased due to the passage of a replacement levy in 2005.

Drug Enforcement

Revenue Source	2006 Amount	Percent Of Total	2005 Amount	Increase (Decrease) From 2005	Percent Increase (Decrease)
Interest	\$227	9.8%	\$159	\$68	42.8%
Fines and Forfeits	2,081	90.2%	900	1,181	131.2%
Total Revenue	\$2,308	100.0%	\$1,059	\$1,249	117.9%

Expenditures	2006 Amount	Percent Of Total	2005 Amount	Increase (Decrease) From 2005	Percent Increase (Decrease)
Capital Outlay	\$1,177	100.0%	\$3,850	(\$2,673)	(69.4%)
Total Expenditures	\$1,177	100.0%	\$3,850	(\$2,673)	(69.4%)

The fund balance increased by \$1,131 due to a decrease in expenditures.

Capital Improvement

Revenue Source	2006 Amount	Percent Of Total	2005 Amount	Increase (Decrease) From 2005	Percent Increase (Decrease)
Intergovernmental	\$549,028	8.3%	\$--	\$549,028	--%
Interest	151,209	2.3%	1,705	149,504	--%
Miscellaneous	8,404	.1%	--	8,404	--%
Transfer In	940,285	14.1%	--	940,285	--%
Sale of Bond	5,000,000	75.2%	--	5,000,000	--%
Total Revenue, Transfer In, and Sale of Bond	\$6,648,926	100.0%	\$1,705	\$6,647,221	--%

Expenditures	2006 Amount	Percent Of Total	2005 Amount	Increase (Decrease) From 2005	Percent Increase (Decrease)
Capital Outlay	\$2,522,014	100.0%	\$43,883	\$2,478,131	--%
Total Expenditures	\$2,522,014	100.0%	\$43,883	\$2,478,131	--%

The fund balance increased by \$4,126,912 due to the sale of a bond. Sale of a bond was for the purchase of land and land improvements.

Improvement Fund

Revenue Source	2006 Amount	Percent of Total	2005 Amount	Increase (Decrease) From 2005	Percent Increase (Decrease)
Intergovernmental	\$25,271	1.3%	\$651,676	(\$626,405)	(96.1%)
Fees and Admissions	4,227	.2%	4,302	(75)	(1.7%)
Interest	16,966	.9%	2,119	14,847	700.7%
Contributions	1,265	.1%	14,410	(13,145)	(91.2%)
Miscellaneous	3,966	.2%	1,500	2,466	164.4%
Transfer in	1,830,215	97.3%	420,000	1,410,215	335.8%
Total Revenue and Transfer In	\$1,881,910	100.0%	\$1,094,007	\$787,903	72.0%

Expenditures	2006 Amount	Percent of Total	2005 Amount	Increase (Decrease) From 2005	Percent Increase (Decrease)
Capital Outlay	\$1,260,644	100.0%	\$1,082,621	\$178,023	16.4%
Total Expenditures	\$1,260,644	100.0%	\$1,082,621	\$178,023	16.4%

The fund balance was increased by \$621,266 due to a transfer from the General Fund.

Debt Service

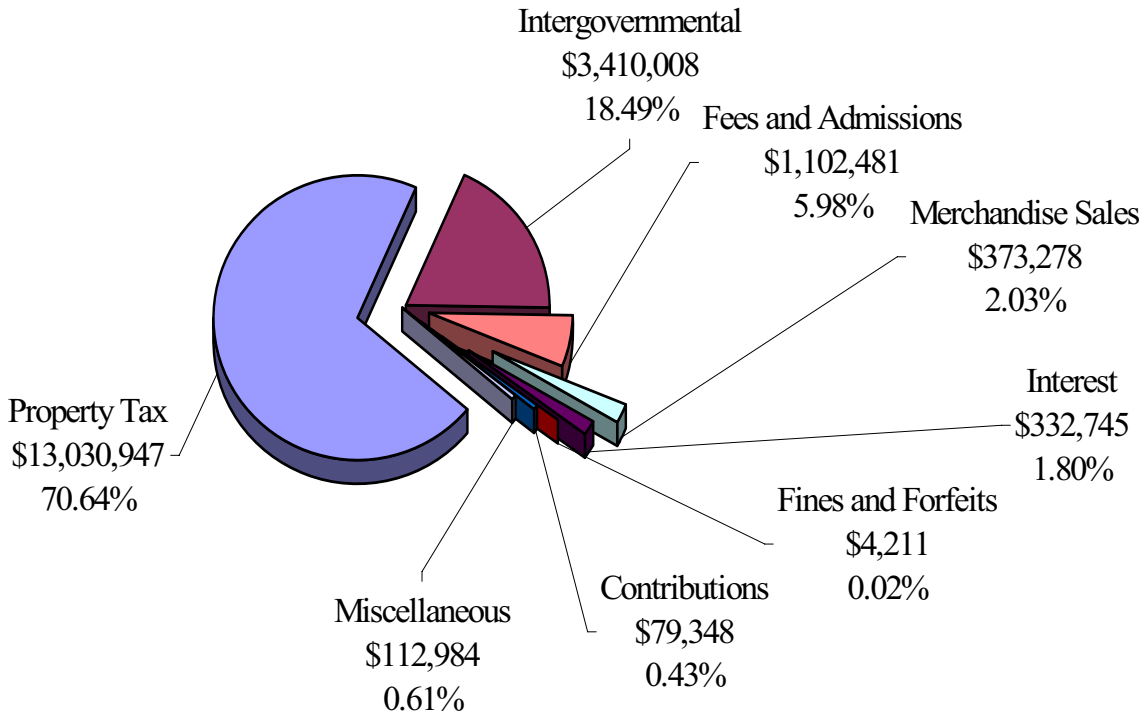
Revenue Source	2006 Amount	Percent of Total	2005 Amount	Increase (Decrease) From 2005	Percent Increase (Decrease)
Property Taxes	\$364,120	100.0%	\$271,000	\$93,120	34.4%
Total Revenue	\$364,120	100.0%	\$271,000	\$93,120	34.4%

Expenditures	2006 Amount	Percent of Total	2005 Amount	Increase (Decrease) From 2005	Percent Increase (Decrease)
Principal Retirement Interest and Fiscal Charges	\$200,000	54.9%	\$200,000	\$--	--%
Total Expenditures	\$364,120	100.0%	\$271,100	\$93,020	34.3%

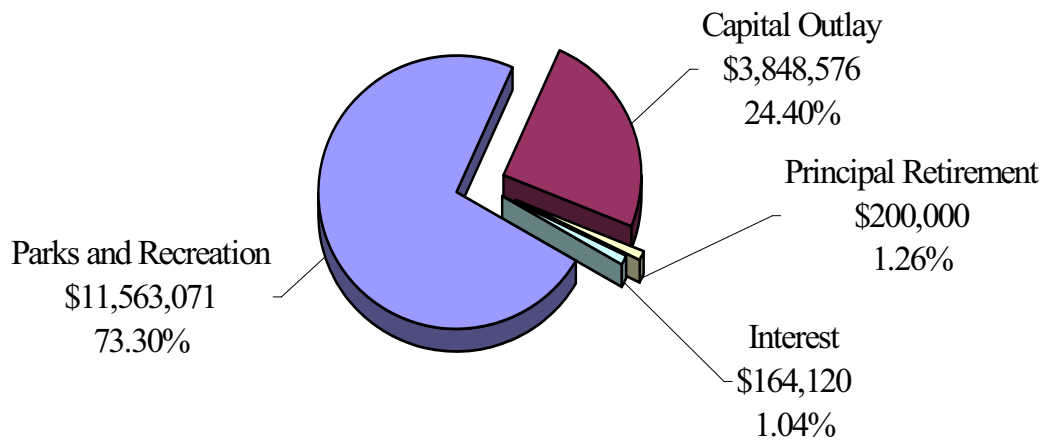
The fund balance remained the same.

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2006 Governmental Funds Revenue



2006 Governmental Funds Expenditures



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Proprietary Funds

The Park District's Enterprise Fund is the Golf Fund. The basic financial statement is included in this report. The Park District also has an Internal Service Fund, the Hospitalization Fund. The basic financial statement is also included in this report. Because the focus on proprietary funds is a cost of service measurement or capital maintenance, we have included these funds in the table, which demonstrates return on ending assets and return on ending net assets. The table is at the end of this section.

Golf fees and charges are reviewed on a yearly basis and changes are recommended to the Board of Park Commissioners for passage. During 2006, there was no increase to greens fees. Hospitalization fees are adjusted via the budget and there were no increases in rates during 2006. Total golf charges for services increased by 1% due to a slight increase in rounds. The hospitalization net assets increased by \$168,752 in the year 2006 due to decreased claims. The Park District purchased stop-loss insurance in the amount of \$70,000 individual and aggregate of approximately \$1,200,000.

	Golf	Hospitalization
Total Assets	\$8,747,236	\$659,324
Net Assets	8,054,017	481,343
Change in Net Assets	1,670,049	168,752
Return on Ending Total Assets	19.1%	25.6%
Return on Ending Net Assets	20.7%	35.1%

Capital Asset and Debt Administration

Capital Assets

At the end of 2006, the Park District had \$34,773,731 invested in a broad range of capital assets net of accumulated depreciation including land, buildings, vehicles, equipment, livestock, trails, bridges and parking lots. (See table below.) This amount represents a net increase (including additions and deductions) of \$3,234,842 or an increase of 10.3% from last year.

	Capital Assets at Year-end (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$16,082,850	\$13,515,880	\$2,707,181	\$2,707,181	\$18,790,031	\$16,223,061
Buildings	8,636,131	8,626,147	2,678,525	2,678,525	11,314,656	11,304,672
Furniture/Fixtures	717,529	713,624	174,811	172,566	892,340	886,190
Land Improvements	--	--	1,947,043	1,947,043	1,947,043	1,947,043
Machinery/Equipment	2,782,206	2,723,637	975,493	886,992	3,757,699	3,610,629
Livestock	31,569	26,574	--	--	31,569	26,574
Vehicles	2,568,523	2,383,827	211,527	202,936	2,780,050	2,586,763
Construction in Progress	35,689	186,074	1,123,762	--	1,159,451	186,074
Leasehold Improvement	1,212,318	1,212,318	--	--	1,212,318	1,212,318
Infrastructure	5,841,269	5,652,044	--	--	5,841,269	5,652,044
Accumulated Depreciation	(10,106,819)	(9,518,169)	(2,845,876)	(2,578,310)	(12,952,695)	(12,096,479)
Total	\$27,801,265	\$25,521,956	\$6,972,466	\$6,016,933	\$34,773,731	\$31,538,889

This year's major additions include the following governmental improvements: purchased land and improvements to existing parks. Business-type improvements include a major two-year renovation to Erie

Lake Metroparks
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Shores Golf Course to be concluded in 2007. The improvements include a maintenance building, improvements to the irrigation tiles, and a paving upgrade. More detailed information about the Park District's capital assets is presented in Note 5 to Basic Financial Statements.

Debt

At year-end the Park District had \$6,200,000 in bonds outstanding versus \$1,400,000 last year, an increase of \$4,800,000 as a result of a new \$5,000,000 issue and the principal retirement of \$200,000 from the 2002 issue. All bonds are general obligations of the Park District and are shown as governmental activities. More detailed information about the Park District's long-term debt obligations is presented in Note 6 to Basic Financial Statements.

Economic Factors and Next Year's Budget

Lake Metroparks is a park district (special purpose government) operating under the authority of Chapter 1545 of the Ohio Revised Code encompassing and providing park and recreation opportunities to the citizens of Lake County. The County is sharing in the slow economic recovery in Ohio as evidenced by its unemployment rate of 4.8% compared to the state of 5.5% and national average of 4.6%. Because the Park District derives 71.7% of its governmental activities revenue from property taxes, below is a listing of the ten largest property taxpayers for the last six years in Lake County by type of property tax.

Name of Taxpayer	Nature of Business	2001	2002	2003	2004	2005	2006
Real, Excluding Public Utility							
Simon Property Group LP	Developer of Great Lakes Mall	--	0.38%	0.41%	0.41%	0.41%	0.41%
Lubrizol Corporation	Chemical additives for fuels, lubricants	0.19%	0.20%	0.19%	0.20%	0.19%	0.29%
First Interstate	Developer of Willoughby Commons, Creekside Commons Shopping Centers	0.13%	0.17%	0.13%	0.13%	0.22%	0.23%
Avery Dennison Corporation	Pressure-sensitive adhesive, papers, foils and films	0.16%	0.21%	0.20%	0.21%	0.21%	0.22%
Inland Southeast	Retail developer	--	--	--	0.14%	0.20%	0.20%
Steris Corporation	Provider of infection, contamination prevention systems and products	0.13%	0.14%	0.14%	0.15%	0.14%	0.15%
Points East Enterprises	Developer of Points East Shopping Center	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%
Cleveland Clinic	Medical care provider	--	--	0.12%	--	--	0.10%
Osborne, Jerome T.	Contractor and developer	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Viviani Family	Retail developer	--	--	--	--	--	0.09%
Wal Mart Real Estate	Retail developer	--	--	--	0.09%	0.09%	--
Millstein, Norman	Developer, apartment complexes	0.09%	0.09%	--	0.09%	0.08%	--
Trustee							
Willoughby Hills Shopping	Retail Developer	--	--	0.13%	--	--	--
Ratner, Albert B.	Developer, Shoregate Shopping Center and Madison Mall	0.11%	0.11%	0.11%	--	--	--
Edens and Avant Holdings	Holding company for Tops Friendly Supermarkets	0.09%	0.09%	--	--	--	--

Name of Taxpayer	Nature of Business	2001	2002	2003	2004	2005	2006
Tangible Personal, Excluding Public Utility							
Avery Dennison Corporation	Pressure-sensitive adhesives, papers, foils, and films	0.49%	0.44%	0.45%	0.40%	0.60%	0.38%
Lubrizol Corporation	Chemical additives for fuels and lubricants	0.51%	0.53%	0.57%	0.51%	0.47%	0.36%
GE Quartz PCC Airfoils	Manufacturer of light bulbs	--	0.32%	0.20%	0.18%	0.22%	0.23%
	Manufacturer of blades, vanes & vane segments for airline turbine engines	--	--	0.20%	0.18%	0.17%	0.10%
Steris Corporation	Provider of infection, contamination prevention systems and products	0.10%	0.12%	0.11%	0.10%	0.09%	0.09%
Parker Hannifin Corporation	Manufacturer of fluid hose products, fittings	0.14%	0.12%	0.12%	0.10%	0.10%	0.09%
ABB Automation, Inc.	Computer systems for electrical power plants, industrial processes and shipboard automations	0.23%	0.15%	0.14%	0.13%	0.16%	0.08%
Swagelok Semiconductor Services Company	Manufacturer of Semiconductors	--	--	--	--	0.11%	0.07%
Jim Brown Chevrolet, Inc.	Automobile dealership	--	--	--	--	--	0.07%
Swagelok Mfg. Company	Fluid system components	--	--	--	--	0.16%	0.05%
Nupro Company	Manufacturer of commercial valves, filters, billows, chick and metering valves and inline filters	0.38%	0.44%	0.15%	0.13%	--	--
Morton International, Inc.	Salt mines	--	--	--	--	0.07%	--
Caraustar Custom Packaging	Manufacturer of custom packaging materials, tubes, cores and composite containers	--	--	0.09%	0.08%	--	--
Comcast of Massachusetts	Cable television	--	--	0.06%	0.05%	--	--
Media One of Ohio, Inc.	Cable television	--	0.12%	--	--	--	--
Signature Energy Supply	Fuel rods for Perry Nuclear Power Plant	--	0.10%	--	--	--	--
OES Fuel Incorporated	Fuel rods for Perry Nuclear Power Plant	0.26%	0.13%	--	--	--	--

Lake Metroparks
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Name of Taxpayer	Nature of Business	2001	2002	2003	2004	2005	2006
Public Utility (Real and Tangible Personal)							
Cleveland Electric Illuminating	Electric utility	8.90%	5.34%	5.77%	5.03%	4.91%	4.28%
Ohio Edison Company	Electric utility	1.74%	0.85%	0.84%	0.84%	0.97%	0.94%
First Energy Generation	Electric utility	--	--	0.23%	0.22%	0.23%	0.69%
Ameritech	Telephone utility	0.52%	0.54%	0.54%	0.49%	0.48%	0.38%
American Transmission	Electric utility	--	0.42%	0.40%	0.34%	0.31%	0.29%
Aqua Ohio, Inc.	Water utility	--	--	--	--	0.26%	0.28%
Pennsylvania Power	Electric utility	0.73%	0.22%	0.22%	0.20%	0.21%	0.19%
East Ohio Gas	Natural gas utility	0.34%	0.11%	0.12%	0.10%	0.11%	0.10%
Western Reserve Telephone Co.	Telephone utility	0.11%	0.11%	0.11%	0.09%	0.09%	0.07%
CEI Company	Electric utility	--	--	--	0.06%	0.05%	0.05%
Consumers Ohio	Water utility	0.21%	0.24%	0.27%	0.24%	--	--
CSX Transportation, Inc.	Railroad	0.05%	0.05%	--	--	--	--
Toledo Edison	Electric utility	1.09%	0.85%	1.16%	--	--	--

As demonstrated by the above and the Assessed and Estimated Actual Value of Taxable Property (page 83), property tax collections in 2001, 2002, 2003, 2004, 2005 and 2006 were \$8,496,489, \$8,796,623, \$9,070,877, \$9,170,282, \$9,482,606 and \$13,920,811 respectively, or an increase of 63.8% from 2001 to present.


2006-2007 Budgetary Highlights

The Executive Director proposed and the Board of Park Commissioners adopted an original budget for the year 2007. The budget called for General Fund expenditures and transfer of \$17,045,758 compared to the final adjusted budget in 2006 of \$17,045,758, an increase of 5.1%.

The original 2006 General Fund budget was \$16,793,758. The increase was largely due to an increase in transfers of \$200,000.

Contacting the Park District's Financial Management

This financial report is designed to provide our citizens, taxpayers, patrons and creditors with a general overview of the Park District's finances and to show the Park District's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact the Administrative Services Director, Lake Metroparks, 11211 Spear Road, Concord Twp., Ohio 44077 or call (440) 639-9877.



Basic Financial Statements

Lake Metroparks
Statement of Net Assets
December 31, 2006

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and Cash Equivalents	\$2,367,723	\$1,566,065	\$3,933,788
Taxes Receivable	14,433,630	--	14,433,630
Accounts Receivable	32,642	3,793	36,435
Interest Receivable	44,675	8,421	53,096
Due From Other Governments	955,858	--	1,074,371
Inventories at Cost	249,711	55,637	305,348
Prepaid Items	232,530	26,382	140,399
Restricted Cash	5,417,803	--	5,417,803
Nondepreciable Capital Assets (Note 5)	16,150,108	3,830,943	19,981,051
Depreciable Capital Assets - Net (Note 5)	11,651,157	3,141,523	14,792,680
Net Goodwill	--	114,472	114,472
<i>Total Assets</i>	<u>\$51,535,837</u>	<u>\$8,747,236</u>	<u>\$60,283,073</u>
Liabilities			
Accounts Payable	\$161,776	\$548,655	\$710,431
Claims Payable	177,981	--	177,981
Due To Other Governments	137,044	12,530	149,574
Accrued Liabilities	30,549	8,625	39,174
Accrued Wages	149,512	10,966	160,478
Interest Payable	17,411	--	17,411
Compensated Absences Payable	--	112,443	112,443
Deferred Revenue	13,583,796	--	13,583,796
Noncurrent Liabilities:			
Due Within One Year	1,266,890	--	1,266,890
Due In More Than One Year	6,145,447	--	6,145,447
<i>Total Liabilities</i>	<u>21,670,406</u>	<u>693,219</u>	<u>22,363,625</u>
Net Assets			
Invested in Capital Assets Net of Related Debt	21,601,265	7,086,938	28,688,203
Restricted for:			
Capital Projects	2,307,650	--	2,307,650
Debt Services	165	--	165
Drug Enforcement	4,878	--	4,878
Unrestricted	5,951,473	967,079	6,918,552
<i>Total Net Assets</i>	<u>29,865,431</u>	<u>8,054,017</u>	<u>37,919,448</u>
<i>Total Liabilities and Net Assets</i>	<u>\$51,535,837</u>	<u>\$8,747,236</u>	<u>\$60,283,073</u>

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

Lake Metroparks
Statement of Activities
For the Year Ended December 31, 2006

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Governmental Activities				
Parks and Recreation	\$13,038,937	\$1,479,970	\$79,348	\$640,125
Interest on Long-term Debt	181,531	--	--	--
<i>Total Governmental Activities</i>	<u>13,220,468</u>	<u>1,479,970</u>	<u>79,348</u>	<u>640,125</u>
Business-type Activities				
Golf	1,760,984	1,478,126	4,400	--
<i>Total Business-type Activities</i>	<u>1,760,984</u>	<u>1,478,126</u>	<u>4,400</u>	<u>--</u>
<i>Total Primary Government</i>	<u>\$14,981,452</u>	<u>\$2,958,096</u>	<u>\$83,748</u>	<u>\$640,125</u>

General Revenues

Property Tax
Local Governmental, Unrestricted
Interest
Miscellaneous
Total General Revenues

Transfers

Total General Revenues and Transfers
Change in Net Assets
Net Assets - Beginning
Net Assets - Ending

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

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-type Activities	Total
(\$10,839,494)	\$--	(\$10,839,494)
(181,531)	--	(181,531)
<u>(11,021,025)</u>	<u>--</u>	<u>(11,021,025)</u>
--	(278,458)	(278,458)
--	(278,458)	(278,458)
<u>(\$11,021,025)</u>	<u>(\$278,458)</u>	<u>(\$11,299,483)</u>
\$13,813,258	\$--	\$13,813,258
2,769,883	--	2,769,883
356,456	58,219	414,675
112,984	788	113,772
<u>17,052,581</u>	<u>59,007</u>	<u>17,111,588</u>
(1,889,500)	1,889,500	--
<u>15,163,081</u>	<u>1,948,507</u>	<u>17,111,588</u>
4,142,056	1,670,049	5,812,105
25,723,375	6,383,968	32,107,343
<u>\$29,865,431</u>	<u>\$8,054,017</u>	<u>\$37,919,448</u>

Lake Metroparks
Balance Sheet
Governmental Funds
December 31, 2006

	General Fund	Improvement Fund	Capital Improvement	Debt Service
Assets				
Cash and Cash Equivalents	\$2,367,723	\$624,617	\$4,134,371	\$165
Receivables				
Taxes	13,364,302	--	--	1,069,328
Accounts	32,642	--	--	--
Interest	13,377	3,378	22,368	--
Due From Other Governments	955,858	--	--	--
Inventories at Cost	249,711	--	--	--
Prepaid Items	114,017	118,513	--	--
<i>Total Assets</i>	<u>\$17,097,630</u>	<u>\$746,508</u>	<u>\$4,156,739</u>	<u>\$1,069,493</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$101,882	\$59,894	\$--	\$--
Due To Other Governments	137,044	--	--	--
Accrued Liabilities	30,549	--	--	--
Accrued Wages	149,512	--	--	--
Deferred Revenue	14,320,160	--	--	1,069,328
<i>Total Liabilities</i>	<u>14,739,147</u>	<u>59,894</u>	<u>--</u>	<u>1,069,328</u>
Fund Balances				
Reserved for Encumbrances	155,300	205,221	--	--
Reserved for Inventory	249,711	--	--	--
Reserved for Prepaids	114,017	--	--	--
Reserved for Contracts	27,857	72,025	2,258,457	--
Unreserved	1,811,598	409,368	1,898,282	165
Unreserved for Special Revenue Funds	--	--	--	--
<i>Total Fund Balances</i>	<u>2,358,483</u>	<u>686,614</u>	<u>4,156,739</u>	<u>165</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$17,097,630</u>	<u>\$746,508</u>	<u>\$4,156,739</u>	<u>\$1,069,493</u>

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

Lake Metroparks
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2006

Other Governmental/ Drug Enforcement Fund	Total Governmental Funds		
		Total Governmental Funds Balances	\$7,206,879
\$4,849	\$7,131,725	<i>Amounts reported for governmental activities in the Statement of Net Assets are different because:</i>	
--	14,433,630	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	27,801,265
--	32,642		
29	39,152		
--	1,074,371		
--	249,711	Long-term assets that are not available to pay current period expenditures and therefore are deferred in the fund.	1,805,692
--	114,017		
<u>\$4,878</u>	<u>\$23,075,248</u>		
		Interest on bonds payable is not accrued in the funds.	(17,411)
\$--	\$161,776		
--	137,044	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(7,412,337)
--	30,549		
--	149,512		
--	15,389,488		
<u>--</u>	<u>15,868,369</u>	Internal Service Funds are not reported in the funds statement but are governmental activities in the Statement of Net Assets.	<u>481,343</u>
--	360,521		
--	249,711	Net Assets of Governmental Activities	<u>\$29,865,431</u>
--	114,017		
--	2,358,339		
--	4,119,413		
4,878	4,878		
<u>4,878</u>	<u>7,206,879</u>		
<u>\$4,878</u>	<u>\$23,075,248</u>		

Lake Metroparks
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2006

	General Fund	Improvement Fund	Capital Improvement	Debt Service
Revenues				
Property Tax	\$12,666,827	\$--	\$--	\$364,120
Intergovernmental	2,835,709	25,271	549,028	--
Fees and Admissions	1,098,254	4,227	--	--
Merchandise Sales	373,278	--	--	--
Interest	164,343	16,966	151,209	--
Fines and Forfeits	2,130	--	--	--
Contributions	78,083	1,265	--	--
Miscellaneous	100,614	3,966	8,404	--
<i>Total Revenues</i>	<u>17,319,238</u>	<u>51,695</u>	<u>708,641</u>	<u>364,120</u>
Expenditures				
Parks and Recreation	11,563,071	--	--	--
Capital Outlay	64,741	1,260,644	2,522,014	--
Debt Service				
Principal Retirement	--	--	--	200,000
Interest	--	--	--	164,120
<i>Total Expenditures</i>	<u>11,627,812</u>	<u>1,260,644</u>	<u>2,522,014</u>	<u>364,120</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>5,691,426</u>	<u>(1,208,949)</u>	<u>(1,813,373)</u>	<u>--</u>
Other Financing Sources (Uses)				
Sale of Bond	--	--	5,000,000	--
Transfers In	--	1,830,215	940,285	--
Transfers Out	(4,660,000)	--	--	--
<i>Total Other Financing Sources (Uses)</i>	<u>(4,660,000)</u>	<u>1,830,215</u>	<u>5,940,285</u>	<u>--</u>
<i>Net Change in Fund Balances</i>	1,031,426	621,266	4,126,912	--
<i>Fund Balances - Beginning of the Year</i>	1,300,602	65,348	29,827	165
<i>Increase (Decrease) in Reserve for Inventories</i>	<u>26,455</u>	<u>--</u>	<u>--</u>	<u>--</u>
<i>Fund Balances - End of the Year</i>	<u>\$2,358,483</u>	<u>\$686,614</u>	<u>\$4,156,739</u>	<u>\$165</u>

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

Lake Metroparks
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2006

Other Governmental/ Drug Enforcement Fund	Total Governmental Funds		
		Net Changes in Fund Balances - Total Governmental Funds	\$5,780,735
		<i>Amounts reported for Governmental Activities in the Statement of Activities are different because:</i>	
\$--	\$13,030,947		
--	3,410,008		
--	1,102,481		
--	373,278		
227	332,745	Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	2,279,309
2,081	4,211		
--	79,348		
--	112,984	Repayment of bond principal is an expenditure in the governmental funds. But the repayment reduces long-term liabilities in the Statement of Net Assets.	200,000
2,308	18,446,002		
--	11,563,071	In the Statement of Activities interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(17,411)
1,177	3,848,576		
--	200,000		
--	164,120	Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(78,095)
1,177	15,775,767		
1,131	2,670,235		
--	5,000,000	Internal service activity is not reported in governmental funds but is reported as governmental activities in the Statement of Activities.	168,752
--	2,770,500		
--	(4,660,000)	Proceeds from debt issues are in other financing sources in the governmental funds but are debt issue increases in long-term liabilities in the Statement of Net Assets.	(5,000,000)
--	3,110,500		
1,131	5,780,735		
3,747	1,399,689	Increase in inventory is reported as an addition to expense on the governmental-wide statements and not reported in net change in fund balance.	26,455
--	26,455		
\$4,878	\$7,206,879	Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	782,311
		Change in Net Assets of Governmental Activities	\$4,142,056

Lake Metroparks
Statement of Net Assets
Proprietary Funds
December 31, 2006

	Business-type Activities	Governmental Activities
	Golf	Hospitalization - Internal Service
Assets		
Current Assets		
Cash and Cash Equivalents	\$1,566,065	\$653,801
Interest Receivable	8,421	5,523
Accounts Receivable	3,793	--
Inventories at Cost	55,637	--
Prepaid Items	26,382	--
Total Current Assets	<u>1,660,298</u>	<u>659,324</u>
Noncurrent Assets		
Net Capital Assets	6,972,466	--
Net Goodwill	114,472	--
Total Noncurrent Assets	<u>7,086,938</u>	<u>--</u>
<i>Total Assets</i>	<u><u>\$8,747,236</u></u>	<u><u>\$659,324</u></u>
Liabilities		
Current Liabilities		
Accounts Payable	\$548,655	\$--
Claims Payable	--	177,981
Due To Other Governments	12,530	--
Accrued Liabilities	8,625	--
Accrued Wages	10,966	--
Compensated Absences Payable	112,443	--
<i>Total Liabilities</i>	<u>693,219</u>	<u>177,981</u>
Net Assets		
Invested in Capital Assets	7,086,938	--
Unrestricted	967,079	481,343
<i>Total Net Assets</i>	<u>8,054,017</u>	<u>481,343</u>
<i>Total Liabilities and Net Assets</i>	<u><u>\$8,747,236</u></u>	<u><u>\$659,324</u></u>

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

Lake Metroparks
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Year Ended December 31, 2006

	Business-type Activities	Governmental Activities
	Golf	Hospitalization - Internal Service
Operating Revenues		
Billings to Departments	\$--	\$929,591
Charges for Services	1,478,126	6,222
Contributions	4,400	--
Miscellaneous	788	--
<i>Total Operating Revenues</i>	<u>1,483,314</u>	<u>935,813</u>
Operating Expenses		
Salaries	674,752	--
Fringes	192,036	--
Commodities	327,212	--
Contractual Services	292,410	--
Claims	--	599,599
Premiums	--	191,233
Depreciation	267,566	--
Amortization	7,008	--
<i>Total Operating Expenses</i>	<u>1,760,984</u>	<u>790,832</u>
<i>Operating (Loss)</i>	<u>(277,670)</u>	<u>144,981</u>
Non-Operating Revenues		
Interest	58,219	23,771
Transfers In	1,889,500	--
<i>Total Non-Operating Revenues</i>	<u>1,947,719</u>	<u>23,771</u>
<i>Change in Net Assets</i>	1,670,049	168,752
<i>Total Net Assets - Beginning of the Year</i>	<u>6,383,968</u>	<u>312,591</u>
<i>Total Net Assets - End of the Year</i>	<u><u>\$8,054,017</u></u>	<u><u>\$481,343</u></u>

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

Lake Metroparks
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2006

	Business-type Activities	Governmental Activities	
	Golf	Hospitalization - Internal Service	Total
Cash Flows from Operating Activities			
Cash Received for Premiums within the Park District	\$--	\$929,591	\$929,591
Cash Received from Charges for Services	1,482,629	6,222	1,488,851
Cash Paid to Employees for Services	(849,034)	--	(849,034)
Cash Paid for Operating Contracts and Supplies	(626,588)	--	(626,588)
Cash Paid for Claims, Premiums	--	(689,951)	(689,951)
<i>Net Cash Provided by Operating Activities</i>	<u>7,007</u>	<u>245,862</u>	<u>252,869</u>
Cash Flows from Capital and Related Financing Activities			
Payment for Capital Acquisitions	(677,236)	--	(677,236)
Transfers In	1,889,500	--	1,889,500
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>1,212,264</u>	<u>--</u>	<u>1,212,264</u>
Cash Flows from Investing Activities			
Interest Received	51,037	20,104	71,141
<i>Net Cash Provided by Investing Activities</i>	<u>51,037</u>	<u>20,104</u>	<u>71,141</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	1,270,308	265,966	1,536,274
<i>Cash and Cash Equivalents at the Beginning of the Year</i>	<u>295,757</u>	<u>387,835</u>	<u>683,592</u>
<i>Cash and Cash Equivalents at the End of the Year</i>	<u>\$1,566,065</u>	<u>\$653,801</u>	<u>\$2,219,866</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	(\$277,670)	\$144,981	(\$132,689)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	267,566	--	267,566
Amortization	7,008	--	7,008
Current Assets (Increase) Decrease:			
Accounts Receivable	316	--	316
Inventories	(1,217)	--	(1,217)
Prepaid Items	2,052	--	2,052
Decrease (Increase) in Current Assets	1,151	--	1,151
Current Liabilities Increase (Decrease):			
Accounts Payable	(4,646)	--	(4,646)
Due To Other Governments	1,269	--	1,269
Accrued Liabilities	1,264	--	1,264
Accrued Wages	1,880	--	1,880
Compensated Absences Payable	10,185	--	10,185
Unearned Revenues	(1,000)	--	(1,000)
Increase in Current Liabilities	8,952	--	8,952
Increase (Decrease) in Payables from Restricted Assets	--	100,881	100,881
Total Adjustments	<u>284,677</u>	<u>100,881</u>	<u>385,558</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$7,007</u>	<u>\$245,862</u>	<u>\$252,869</u>
Noncash Financing Activity			
Capital not paid for shown as accounts payable			

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

Lake Metroparks
Statement of Fiduciary Net Assets
Agency Fund
December 31, 2006

Assets

Restricted Cash and Cash Equivalents	\$147,070
<i>Total Assets</i>	<u>\$147,070</u>

Liabilities

Payable from Restricted Assets	\$27,149
Due To Other Governments	110,689
Retainage Due Contractors	9,232
<i>Total Liabilities</i>	<u>\$147,070</u>

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

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Notes to Basic Financial Statements for the Year Ended December 31, 2006 Lake Metroparks, Ohio

Note 1. Summary of Significant Accounting Policies

A. Description of Lake Metroparks. Lake Metroparks was created December 30, 1958 under the authority of Chapter 1545 of the Ohio Revised Code. The Ohio Revised Code indicates that the Park District was created for the purpose of conserving the natural resources of the State. The Code also provides for a Board of Park Commissioners, which has the authority to develop the Park District lands in a manner conducive to the general welfare of the community. The legislative power of the Park District is vested in the Board of Park Commissioners. The Board of Park Commissioners consists of three members who are appointed by the Judge of the Lake County Probate Court and serve without pay for three-year alternating terms. Appointments or reappointments are made each year. The first Board of Park Commissioners took office on May 11, 1959. During the first session each year, the Board of Park Commissioners elects one of the three members as president and the other two as vice presidents. The Board of Park Commissioners has passed the following Park District's mission statement: "The mission of Lake Metroparks is to conserve and preserve the natural resources of Lake County while providing a variety of safe, affordable and enjoyable educational and recreational programs and activities that enhance the quality of life in Lake County now and for the generations to follow."

In March of each year the Board of Park Commissioners appoints an Executive Director who is the chief executive officer of the Park District. The Executive Director is responsible for executing the policy of the Board of Park Commissioners and is authorized to establish administrative procedures as he/she deems necessary.

The Park District consists of approximately 6,129 owned acres, 669 leased acres of park land and holds 607 acres of conservation easements including 30 parks and 13 natural preserves ranging in size from approximately one acre to 895 acres. Listed are the names and addresses of the parks.

Arcola Creek Estuary -- Lake Road, Madison Twp.

Chagrin River Park -- Reeves Road, Willoughby/Eastlake

Chapin Forest Reservation -- Hobart Road & Rt. 306, Kirtland

Children's Schoolhouse Nature Park -- Baldwin Road, Kirtland Hills

Concord Woods -- Spear Road, Concord Twp.

Environmental Learning Center -- Alexander Road, Concord

Erie Shores Golf Course -- Lake Road East, Madison

Fairport Harbor Lakefront Park -- Huntington Beach Drive, Fairport Harbor

Girdled Road Reservation -- Radcliffe Road, Concord Twp.

Grand River Landing -- N. St. Clair Street, Fairport Harbor

Gulley Brook -- Ridge Road, Willoughby

Greenway -- B&O Rail Corridor

Helen Hazen Wyman Park -- Rt. 86, Painesville

Hell Hollow Wilderness Area -- Leroy Center Road, Leroy

Hidden Valley Park -- Klasen Road, Madison

Hogback Ridge -- Emerson Road, Madison

Indian Point Park -- Seeley Road, Leroy Twp.

Lake Farmpark -- Rt. 6, Kirtland

Lakefront Lodge -- Lakeshore Blvd., Willowick

Lakeshore Reservation -- Lockwood Road, North Perry

Mason's Landing Park -- Vrooman Road, Perry

Paine Falls Park -- Paine Road, Leroy Twp.

Painesville Township Park -- Hardy Road, Painesville Twp.

Parsons Garden -- Erie Road, Willoughby

Penitentiary Glen Reservation -- Kirtland-Chardon Road, Kirtland

Pine Ridge Country Club -- Ridge Road, Wickliffe

Resources Center -- Palisades Road, Madison

Riverview Park -- Bailey Road, Madison

River Road Maintenance Facility -- River Road, Madison

Veterans Park -- Hopkins Road, Mentor

B. Reporting Entity. In evaluating how to define the governmental entity, the Park District has considered all potential component units. The decision to include or exclude a potential unit was made by applying the criteria defined by Governmental Accounting Standards Board (GASB) Statement No. 14. The basic criteria for including a potential component unit is the authority to appoint a voting majority of an organization's governing board, ability to impose its will on that organization, the potential for that

organization to provide specific financial benefits or impose specific financial burdens and that organization's fiscal dependency. Based on this criterion, there are no component units.

Related Organization The Park District is considered a related organization to Lake County. This decision was based on the fact the Board of Park Commissioners are appointed by the Probate Judge of Lake County, but Lake County cannot impose its will on the Park District in any manner, nor does there exist any financial benefit or burden relationship between the Park District and Lake County.

C. Basis of Presentation – Fund Accounting. The accounts of the Park District are maintained on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. Listed below are the descriptions for all fund categories presently in use at the Park District.

D. Governmental Funds. Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Park District's major governmental funds:

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

Improvement Fund The Improvement Fund is used to finance permanent Park District improvements such as rolling stock and construction. It is funded mainly by intergovernmental revenues and transfers from the General Fund.

Capital Improvement Fund The Capital Improvement Fund is used for the construction of major capital facilities and the purchase of land and buildings. The Capital Improvement Fund accounts for a \$2,000,000 revenue bond issued in July 2002 and a \$5,000,000 tax anticipation bond issued in June 2006. The proceeds are being used for the purchase of land and land improvements.

Debt Service Fund The Debt Service Fund is used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal, interest, and related costs.

Other Governmental/Drug Enforcement Fund The Drug Enforcement Fund is used to account for the proceeds of a specific revenue source (other than major capital projects) that are legally restricted as to expenditures for specified purposes.

E. Proprietary Funds.

With respect to proprietary activities, Lake Metroparks has adopted GASB Statement No. 20 "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Units that Use Proprietary Fund Accounting". The Park District has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board pronouncements and Accounting Principles Board Opinions issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements.

Enterprise Fund The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily

through user charges. The Park District operates two golf facilities within this fund, one of which contains banquet and dining facilities, the other a driving range.

Internal Service Fund The Internal Service Fund is established to account for the provision of goods and services by one department of the government to other departments within the government on generally a not-for-profit (cost-reimbursement) basis. The Internal Service Fund is financed through the budgets of the user departments. In 1990, the Park District established a self-insured hospitalization program. The self-insured program included individual stop-loss insurance of \$70,000 and aggregate stop-loss insurance of approximately \$1,200,000 as of December 31, 2006.

F. Fiduciary Fund.

Agency Fund The Agency Fund is used to account for assets held by the Park District in an agency capacity. Included in Agency Fund activities are contractor escrow accounts, patron deposits for various park facilities and programs, stale park checks awaiting the statutory time to be redeposited into the proper fund, and payroll withholding to other government agencies. The Agency Fund is custodial in nature and does not involve measurement of results of operations. The Agency Fund is not reported in the government-wide financial statements.

G. Presentation of Financial Statements.

Government-wide Financial Statements The *Statement of Net Assets* and the *Statement of Activities* display information about the Park District as a whole. These statements distinguish between activities that are governmental and those that are considered business-type activities. Internal Service Fund results are eliminated to avoid “doubling up” revenues and expenses; however, interfund services provided and used are not eliminated in the process of consolidation.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide *Statement of Activities* presents a comparison between expenses and program revenues for both programs of the governmental activities. Program revenues include charges paid by the recipients of the goods or services such as children’s camps, Farmpark admission, senior trips, special populations, softball programs, dance programs, cross-country skiing, sales of snacks and gift shop items, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the Park District.

Net assets should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The Park District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. The Agency Fund is not reported in the government-wide financial statements.

Fund Financial Statements The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present

increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the *Statement of Net Assets*. Fund Equity (i.e. net assets) is segregated into invested in capital assets net of related debt and unrestricted. Proprietary fund type operating statements present increases (i.e. revenues) and decreases (i.e. expenses) in net assets. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's principal ongoing operations. The principal revenue of the Golf Fund is charges to customers for use of the golf course and rental fees. Operating expenses for the Golf Fund include the cost of sales and services, administrative expenses and depreciation on capital assets. The Hospitalization Fund revenues include charges to departments and charges for COBRA. Expenses include claims, stop-loss premiums, and administrative cost.

The modified accrual basis of accounting is followed for the governmental funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current year or soon enough thereafter to be used to pay liabilities of the current year. The available period for the Park District is sixty days after year-end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: earnings on investments, state and local government funds, fees and admissions, and fines and forfeitures. The major revenue source not susceptible to accrual is donations, which is not considered measurable until received.

Revenues – Exchange and Non-exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Park District, available means expected to be received within sixty days of year-end. Non-exchange transactions, in which the Park District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Park District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Park District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

The Park District reports deferred revenue on its balance sheet. Deferred revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of December 31, 2006 have been recorded as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are recorded in the account period in which the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Fund for payments to be made

early in the following year. The costs of accumulated vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Compensatory time is recorded in the period earned. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the Internal Service Fund (Hospitalization) and the Enterprise Fund (Golf). Revenues are recognized when they are earned and become measurable, and expenses are recognized when they are incurred, if measurable. The Agency Fund uses the accrual basis of accounting to recognize receivables and payables.

H. Pooled Cash and Cash Equivalents. Cash balances of certain Park District funds are pooled and invested. Each fund’s interest in the pool is presented as “Cash and Cash Equivalents” on the balance sheet. During 2006, investments were limited to STAROhio. STAROhio is an investment pool managed by the State Treasurer’s Office, which allows governments within the state to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio’s share price, which is the price the investment could be sold for on December 31, 2006. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. The Park District had no investments as of December 31, 2006 recorded at amortized cost. Interest earned from investments purchased with pooled cash is allocated to pooled funds as prescribed by Ohio law and Board policy. For the Internal Service Fund (Hospitalization) and Enterprise Fund (Golf), as noted on the *Statement of Cash Flows*, all restricted cash and cash equivalents with an original maturity date within three months are readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

I. Inventory. The expense method (i.e., purchase method) of inventory is used for all governmental fund types, and the consumption method is used for the Enterprise Fund. Inventory is valued at cost, which approximates market, using the first-in, first-out (FIFO) method. The costs of inventory items are recognized as expenditures in the General Fund when purchased or as expenses in the Enterprise Fund when consumed. Recorded inventories in the General Fund are equally offset by a fund balance reserve which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

J. Prepaid Items. Prepaid items represent payments made by the Park District for maintenance agreements and insurance that will benefit periods beyond December 31, 2006. Recorded prepaids in governmental fund types are equally offset by a fund balance reserve which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

K. Capital Assets. Governmental-type capital assets include land, buildings, furniture and fixtures, livestock, machinery and equipment, vehicles, construction in progress, leasehold improvements and infrastructure owned by the Park District and are stated at historical or estimated historical cost. Donated capital assets are stated at estimated market value at the time of donation. The Park District’s threshold for capitalization of assets is \$500 and a lifetime of at least two years.

Depreciation for governmental-type capital assets is provided using the straight-line method over the estimated life of the asset. Depreciation lives used for property items within each property classification are as follows:

Buildings	15-50 years	Fencing	10-15 years
Machinery/Equipment	2-20 years	Parking Lots	5-10 years
Vehicles	10-15 years	Trails	15-20 years
Furniture/Fixtures	5-20 years	Earthwork/Wetlands	20-50 years
Boardwalks/Bridges	15-20 years	Utility Lines	15-20 years

Capital assets for the business-type activities (Enterprise Fund) are recorded at historical cost. Depreciation is charged as an expense against operations and capital assets are recorded net of accumulated depreciation on the *Statement of Net Assets*. See Note 5B (page 53) for accumulated depreciation by asset class.

Depreciation in the business-type activities (Enterprise Fund) is provided using the straight-line method over the estimated useful lives of the assets. Depreciable lives used for property items within each property classification are as follows:

Buildings	15-50 years
Machinery/ Equipment	2-20 years
Vehicles	10-15 years
Furniture/Fixtures	5-20 years
Land Improvement	7-40 years

L. Compensated Absences.

Compensated absences are reported in governmental funds only if they have matured. See below for further details.

Vacation Accumulated unpaid vacation pay is accrued when earned and is normally paid in the subsequent calendar year. However, unused vacation can be carried over and accrued up to a maximum of 240 hours. The Park District accrues up to the maximum of vacation hours as long-term for each employee in the Long-term Liabilities in the *Statement of Net Assets*. A liability of \$340,838 is shown.

Sick Leave Sick leave accumulates at the rate of .0577 for each hour worked. There is no maximum accumulation; it is to be used as needed. Upon retirement or voluntary termination, a payout of unused sick leave is awarded on a graduated percentage in accordance with length of service, not to exceed 960 hours, as listed.

YEARS OF LAKE METROPARKS EMPLOYMENT	PERCENTAGE OF ACCRUED UNUSED DAYS
1 year	5% or not to exceed 50 hours
2 years	10% or not to exceed 80 hours
3 years	15% or not to exceed 100 hours
4 years	20% or not to exceed 120 hours
5 years through 9 years	25% or not to exceed 240 hours
10 years through 14 years	50% or not to exceed 480 hours
15 years through 19 years	60% or not to exceed 576 hours
20 years through 24 years	70% or not to exceed 672 hours
25 years through 29 years	80% or not to exceed 768 hours
30 years through 34 years	90% or not to exceed 864 hours
35 years or more	100% or not to exceed 960 hours

At December 31, 2006, the Park District recorded a liability for sick leave totaling \$810,447 in accordance with GASB Statement No. 16. Assuming all unused sick leave were to be taken as time off from work, an additional \$1,737,918 would be paid by the Park District.

Compensatory Time All non-exempt employees may be granted compensatory time which is earned at a rate of one and one-half times the hours worked over 40 in a work week. Seasonal positions may be allowed to accumulate compensatory time for a given period of time, not to exceed 160 hours. Shown in

Long-term debt Obligation as part of Compensated Absences is \$31,812 for employee accrued compensatory time as of December 31, 2006.

Personal Time All part-time employees earn personal time at an accrual rate of .0192 per regular hour worked. The maximum accrual per calendar year would be 40 hours. Said personal time accrued by the Park District is in the amount of \$29,240.

Post Employment Healthcare Benefits The Park District does not provide post employment healthcare benefits except those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the Park District.

M. Encumbrances. Encumbrances represent purchase commitments for goods or services that have not been received or provided. Encumbrance accounting is a form of budgetary control to ensure that appropriations are not exceeded. Encumbrances outstanding at year-end are reported as a reservation of fund balance in the governmental fund types.

N. Budgetary Process. The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Tax Budget, the Certificate of Estimated Resources, and the Appropriation Resolution, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriation Resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources as certified. All funds, other than agency funds, are legally required to be estimated and appropriated. The legal level of budgetary control is at the object level within each division of the General Fund and by object level for all other funds. A division is defined as an operating group of departments under the direction of an assistant director or a division head. Any budgetary increase or decrease at this level may only be made by resolution of the Board of Park Commissioners.

Tax Budget A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year for the period January 1 to December 31 of the following year.

Estimated Resources The County Budget Commission certifies its actions to the Park District by September 1. As part of this certification, the Park District receives the official Certificate of Estimated Resources which states the projected receipts of each fund. On or about January 1, this certificate is amended to include any unencumbered fund balances from the preceding year. The Park District must then revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the amended Certificate of Estimated Resources. The revised budget then serves as the basis for the annual appropriation measure.

Appropriations A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by March 31 of each year for the period January 1 to December 31.

The appropriation measure may be amended during the year as new information becomes available provided that total appropriations do not exceed estimated resources as certified. Any increase in the total appropriation for a division must be approved by the Board of Park Commissioners. In accordance with Ohio law total expenditures from a fund cannot exceed the total appropriation for that fund.

The Board of Park Commissioners made various supplemental appropriations, intradivision transfers and intrafund transfers which resulted in increases in the General Fund of \$252,000, the Golf Fund of \$550,000, the Capital Improvement Fund of \$3,000,000, and the Debt Service Fund of \$102,500. The Board of Park Commissioners' appropriation adjustments were made in July, August, September, October,

November and December and are reflected in the budgetary schedules contained in the required supplementary information. Other budgetary schedules are in supplementary information.

At the close of each fiscal year the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding year and need not be reappropriated.

O. Leasehold Improvements. In 1991, the Park District entered into three joint lease agreements with the City of Mentor, Painesville Township Board of Park Commissioners, and the Village of Fairport Harbor to operate, respectively, Veterans Park in Mentor, Painesville Township Park, and Fairport Harbor Lakefront Park. The lease agreements are as follows: Veterans Park, 20 years; Painesville Township Park, 25 years; and Fairport Harbor Lakefront Park, 20 years. In 1993, the Park District signed two additional joint-lease agreements with the City of Willowick for the Lakefront Lodge and with the Lake County Commissioners for the Arcola Creek Estuary. The agreements were for 20 and 10 years respectively. In 2004, the Arcola Creek Estuary agreement was renewed for another 10 years. Also in 2004, the lease agreement with the Mentor Exempted School District for lands adjacent to the Veterans Park facility, originally entered into in 1994, was renewed for 10 years. In 2000, a leasehold with the City of Mentor-on-the-Lake comprising 7.7 acres adjacent to Veterans Park was approved for a period of 11 years. In 2001, a lease of 40.3 acres (Gulley Brook) for a period of 20 years was agreed to with the Willoughby/Eastlake Board of Education. In 2006, there were no additional lease agreements entered into. The leasehold improvements recorded as capital assets in Note 5 (page 53) represent capital assets purchased by the Park District to improve the facilities.

P. Interfund Transfers

Transfers Out:	
General Fund	<u>\$4,660,000</u>
Transfers In:	
Improvement Fund	\$1,830,215
Capital Improvement Fund	940,285
Golf Fund (Business-type Activity)	<u>1,889,500</u>
	<u>\$4,660,000</u>

Transfers from the General Fund to the Improvement Fund were for the purchase of rolling stock and equipment. Transfers from the General Fund to the Capital Improvement Fund were for the purchase of land, buildings, and building improvements. Transfers from the General Fund to the Golf Fund were for capital improvements in the Golf Fund including a maintenance building, irrigation, and paving.

Note 2. Property Tax

Property taxes include amounts levied against all real, public utility, and tangible personal property (used in business) located in the county. Taxes collected from real property (other than public utility property) in one calendar year are levied after October 1 in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. All property is required to be revalued every six years with a triennial update. Real property taxes received by the Park District in 2006 were based upon property values which were last reevaluated in 2003, a triennial update. A revaluation took place in 2006. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20. If paid semi-annually, the first payment is due January 20 with the remainder payable by June 20. In certain circumstances, state statute permits earlier or later payment dates to be established.

In 2005 the State of Ohio passed a tax reform package known as House Bill 66, which replaced the tangible tax with the Commercial Activity Tax (CAT). The Commercial Activity Tax began in 2006 and collection of tangible tax ended during tax year 2006. In 2006, the Park District received \$937,602 in personal property tax and \$314,930 in state reimbursement totaling \$1,252,532. The State of Ohio has guaranteed a whole replacement of tangible tax for collection years 2007, 2008, 2009 and 2010. The following schedule is for reimbursement for periods after that. There is no reimbursement or replacement of the tangible tax after collection year 2018.

Reimbursement percentages after first five years:

Collection Year	Business Property	Telephone Co. Property
2011	82%	100%
2012	65%	88%
2013	53%	75%
2014	41%	63%
2015	29%	50%
2016	18%	38%
2017	6%	25%
2018	0%	13%

The Park District property tax is generated from three sources. The first is an unvoted .1 mil levy levied by the Board of Park Commissioners. The second is a voted .3 mil ten-year renewal levy passed in November 1984, replaced in November 1994, and renewed in November 2004. The third is a voted 1.9 mil ten-year levy passed in November 1986, renewed in November 1995, and replaced in 2005. It should be noted that the 2004 and 2005 voted levies are subject to the Ohio Revised Code Reduction Factors and in 2006 were levied at effective rates of approximately .19 mil and 1.9 mil respectively. The 2005 replacement levy resulted in an increase in property taxes of approximately \$5,000,000.

The following are assessed values of real and tangible personal property upon which 2006 property tax receipts were based.

General Real Estate Real/Agriculture	\$4,356,873,330
General Real Estate-Other	1,216,747,330
Public Utility Tangible	379,428,180
General Tangible Personal Property	375,491,607
Total Valuation	\$6,328,540,447

Property taxes estimated as of December 31, 2006 to be levied in 2007 are accrued as a receivable and offset as deferred revenue.

Note 3. Deposits and Investments

State statutes classify monies held by the Park District into three categories.

Active deposits are public deposits necessary to meet current demands on the Park District treasury. Active monies must be maintained either as cash in the Park District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Park District has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Park District can be deposited or invested in the following securities:

1. U.S. Treasury Bills and Notes and all other investments backed by the full faith and credit of the U.S. Government, or an agency of the U.S. Government;
2. Certificates of Deposit, fully collateralized, issued by F.D.I.C. Depository banks and savings institutions in Lake County;
3. As authorized by Ohio Revised Code Section 135.45, the Treasurer may invest in the State Treasury Asset Reserve Ohio program (STAROhio); and,
4. Repurchase agreements, fully collateralized, purchased through F.D.I.C. local banks or State of Ohio registered brokers operating through a third party trustee.

Specifically excluded securities and obligations are commercial papers, banker's acceptance notes, reverse repurchase agreements, and derivatives.

Cash on Hand At year-end, the Park District had \$11,115 in undeposited cash on hand, which is included on the balance sheet of the Park District as part of cash and cash equivalents.

Deposits

At December 31, 2006, the Park District had the following:

	<u>Fair Value</u>	<u>Average Maturity</u>
Certificates of Deposit	\$6,600,000	1/04/07 – 4/17/07

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, the Park District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year end, \$7,050,259 of the Park District's bank balance of \$7,453,783 was uninsured and uncollateralized. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Park District to a successful claim by the F.D.I.C.

The Park District has no deposit policy for custodial risk beyond the requirement of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Park District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

Investments are reported at fair value. As of December 31, 2006, the Park District had the following investment:

	<u>Fair Value</u>	<u>Average Maturity</u>
STAROhio	\$2,500,000	35 Days

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the Park District’s investment policy requires that operating funds be invested primarily in investments so that the securities mature to meet cash requirements for ongoing operations and long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. To date, no investments have been purchased with a life greater than four years.

Custodial Credit Risk In so much as the Park District’s investments are with Certificates of Deposit and STAROhio, there is no custodial credit risk.

Credit Risk STAROhio carries a rating of AAAM by Standard & Poor’s. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service.

Concentration of Credit Risk The Park District places no limit on the amount it may invest in any one issuer. The following is the Park District’s allocation:

<u>Investments</u>	<u>Percentage of Investments</u>
STAROhio	100%

Note 4. Pensions

A. GASB Statement No. 27. “Accounting for Pensions by State and Local Governmental Employers” established standards for the measurement, recognition, and display of pension expense and related liabilities, assets and note disclosure in the financial reports of state and local government employers.

Lake Metroparks contributes to the Ohio Public Employees Retirement System (OPERS) which administers three separate pension plans as described below:

1. **The Traditional Pension Plan** – a cost-sharing, multiple-employer defined benefit pension plan.
2. **The Member-Directed Plan** – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
3. **The Combined Plan** – a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.

Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. The Ohio Public Employees Retirement System issues a stand-alone financial report. Interested parties may obtain a

copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2006, member and employer contribution rates were consistent across all three plans. Separate divisions for law enforcement and public safety exist only within the Traditional Pension Plan.

The 2006 member contribution rates were 9.0% for members in state, local, and public safety classifications. Members in the law enforcement classification contributed at a rate of 10.1%.

The 2006 employer contribution rate for local government employer units was 13.70% of covered payroll. For both the law enforcement and public safety divisions, the employer contribution rate for 2006 was 16.93%.

Total required employer contributions for all plans are equal to 100% of employer charges and should be extracted from the employer's records.

B. Classification of Employees. Two classes of the Park District employees exist: one is law enforcement employees, the other is regular employees. Both classes of employees are members of OPERS. However, each classification of employees is charged a different employee and employer rate by OPERS. The regular employees contribute 9.0% of their salaries to the plan, and the Park District contributes 13.70% of which 4.5% was allocated to the health care plan. The law enforcement employees contribute 10.1% of their salaries to the plan, and the Park District contributes 16.93% of which 4.5% was allocated to the health care plan. The contributions to OPERS for regular employees for the years ending December 31, 2006, 2005 and 2004 were \$600,876, \$599,564, and \$617,038 respectively, which represented 100% of contributions due. The contributions to OPERS for law enforcement employees for the years ending December 31, 2006, 2005 and 2004 were \$73,725, \$72,470 and \$75,767 respectively, which represented 100% of contributions due.

C. GASB Statement No. 12. "Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Governmental Employers" establishes standards for disclosure of information on post-employment benefits other than pension benefits by all state and local government employers. Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS provides retirement, disability, and survivor benefits as well as post-retirement health care coverage to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-retirement health care coverage, age-and-service retirees under the Traditional Pension and the Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-employment Benefit (OPEB) as described in GASB Statement 12.

A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. In 2006, local government employer units contributed at 13.70% of covered payroll, and public safety and law enforcement employer units contributed at 16.93%. The portion of employer contributions for all employers allocated to health care was 4.50%.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS.

Summary of Assumptions:

Actuarial Review The assumptions and calculations below were based on OPERS' latest actuarial review performed as of December 31, 2005.

Funding Method The individual entry age actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

Assets Valuation Method All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

Investment Return The investment assumption rate of return for 2005 was 6.50%.

Active Employee Total Payroll An annual increase of 4.00%, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. In addition, annual pay increases over and above the 4.00% base increase were assumed to range from 0.50% to 6.30%.

Health Care Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .50% to 6.00% for the next 9 years. In subsequent years (10 and beyond) health care costs were assumed to increase at 4.00% (the projected wage inflation rate).

OPEB is advance-funded on an actuarially determined basis. The following disclosures are required:

- The Traditional Pension and Combined Plans had 369,214 active contributing participants as of December 31, 2005. The number of active contributing participants for both plans used in the December 31, 2005 actuarial valuation was 358,804.
- The contribution rates previously stated are the actuarially determined contribution requirements for OPERS. The Park District's actual contributions for 2006 which were used to fund post-employment benefits were \$320,597.
- The amount of \$11.1 billion represents the actuarial value of OPERS' net assets available for OPEB at December 31, 2005 (the latest information available).
- Based on the actuarial cost method used, the Actuarial Valuation as of December 31, 2005, reported the actuarial accrued liability and the unfunded actuarial accrued liability for OPEB at \$31.3 billion and \$20.2 billion, respectively.

OPERS Retirement Board Implements its Health Care Preservation Plan:

- The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, is effective on January 1, 2007. OPERS took additional actions to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

Note 5. Capital Assets

A. Capital Assets – Governmental Activities. Changes in capital assets during the year ended December 31, 2006 follow.

Class	Balance December 31, 2005	Additions	Deletions	Balance December 31, 2006	Less Accumulated Depreciation	Net Book Value
Non-depreciated assets:						
Land	\$13,515,880	\$2,566,970	\$--	\$16,082,850	\$--	\$16,082,850
Livestock	26,574	4,995	--	31,569	--	31,569
Construction in Progress	186,074	--	150,385	35,689	--	35,689
Total non-depreciated Assets	13,728,528	2,571,965	150,385	16,150,108	--	16,150,108
Depreciated assets:						
Buildings	8,626,147	9,984	--	8,636,131	3,131,021	5,505,110
Machinery/Equipment	2,723,637	147,320	88,751	2,782,206	2,071,374	710,832
Vehicles	2,383,827	493,935	309,239	2,568,523	1,537,953	1,030,570
Furniture/Fixtures	713,624	6,400	2,495	717,529	619,298	98,231
Leasehold Improvements	1,212,318	--	--	1,212,318	454,862	757,456
Infrastructure	5,652,044	189,225	--	5,841,269	2,292,311	3,548,958
Total depreciated Assets	21,311,597	846,864	400,485	21,757,976	10,106,819	11,651,157
Total Capital Assets	\$35,040,125	\$3,418,829	\$550,870	\$37,908,084	\$10,106,819	\$27,801,265

B. Capital Assets – Business-type Activities. Changes in Golf Fund capital assets during the year ended December 31, 2006 follow.

Class	Balance December 31, 2005	Additions	Deletions	Balance December 31, 2006	Less Accumulated Depreciation	Net Book Value
Non-depreciated assets:						
Land	\$2,707,181	\$--	\$--	\$2,707,181	\$--	\$2,707,181
Construction in Progress	--	1,123,762	--	1,123,762	--	1,123,762
Total non-depreciated Assets	2,707,181	1,123,762	--	3,830,943	--	3,830,943
Depreciated assets:						
Buildings	2,678,525	--	--	2,678,525	816,623	1,861,902
Machinery/Equipment	886,992	111,566	23,564	975,493	629,902	345,591
Vehicles	202,936	26,509	17,918	211,527	180,593	30,934
Furniture/Fixtures	172,566	2,245	--	174,811	120,356	54,455
Land Improvement	1,947,043	--	--	1,947,043	1,098,402	848,641
Total depreciated Assets	5,888,062	140,320	41,482	5,987,399	2,845,876	3,141,523
Total Capital Assets	\$8,595,243	\$1,264,082	\$41,482	\$9,818,342	\$2,845,876	\$6,972,466

C. Changes in Accumulated Depreciation – Governmental Activities for the year ended December 31, 2006. Governmental activities depreciation is charged to Parks and Recreation.

Class	Accumulated Depreciation December 31, 2005	Additions	Deletions	Accumulated Depreciation December 31, 2006
Buildings	\$2,874,273	\$256,748	\$--	\$3,131,021
Machinery/Equipment	1,926,590	217,857	73,073	2,071,374
Vehicles	1,586,472	235,603	284,122	1,537,953
Furniture/Fixtures	597,593	24,200	2,495	619,298
Lease-hold Improvements	419,790	35,072	--	454,862
Infrastructure	2,113,451	178,860	--	2,292,311
Total Accumulated Depreciation	\$9,518,169	\$948,340	\$359,690	\$10,106,819

D. Changes in Accumulated Depreciation – Business-type Activities for the year ended December 31, 2006. Business-type activities depreciation is charged to Golf.

Class	Accumulated Depreciation December 31, 2005	Additions	Deletions	Accumulated Depreciation December 31, 2006
Buildings	\$720,949	\$95,674	\$--	\$816,623
Machinery/Equipment	568,331	83,606	22,035	629,902
Vehicles	193,398	5,113	17,918	180,593
Furniture/Fixtures	108,327	12,029	--	120,356
Land Improvements	987,305	111,097	--	1,098,402
Total Accumulated Depreciation	\$2,578,310	\$307,519	\$39,953	\$2,845,876

Note 6. Long-Term Debt Obligations

A. 2002 Revenue Bond. On July 16, 2002, Lake Metroparks issued a ten-year \$2,000,000 private placement revenue serial bond. The Park pledged general earned revenues. The \$2,000,000 was deposited in the Capital Improvement Fund for various land purchases and capital improvements. The debt is to be repaid from the Debt Service Fund. Listed below is the debt schedule.

Year	Interest	Principal	Interest Rate
2007	\$52,140	\$200,000	4.74%
2008	42,660	200,000	4.74%
2009	33,180	200,000	4.74%
2010	23,700	200,000	4.74%
2011	14,220	200,000	4.74%
2012	4,740	200,000	4.74%
Total	\$170,640	\$1,200,000	

B. 2006 General Obligation Bond. On July 1, 2006, Lake Metroparks issued an eight-year \$5,000,000 private placement general serial obligation bond. The \$5,000,000 was deposited in the Capital Improvement Fund for various land purchases and capital improvements. The debt is to be repaid from the Debt Service Fund. Listed below is the debt schedule.

Year	Interest	Principal	Interest Rate
2007	\$192,188	\$625,000	4.10%
2008	166,563	625,000	4.10%
2009	140,938	625,000	4.10%
2010	115,313	625,000	4.10%
2011	89,688	625,000	4.10%
2012	64,063	625,000	4.10%
2013	38,438	625,000	4.10%
2014	12,813	625,000	4.10%
Total	\$820,004	\$5,000,000	

C. Changes in Long-term Liabilities. During the year ended December 31, 2006, the following changes occurred in liabilities reported in long-term liabilities governmental activities.

Long-Term Debt Obligations	December 31, 2005	Additions	Reductions	December 31, 2006	Due Within One Year
Compensated Absences	\$1,134,242	\$494,095	\$416,000	\$1,212,337	\$441,890
Revenue Bond 2002	1,400,000	--	200,000	1,200,000	200,000
General Obligation Bond 2006	--	5,000,000	--	5,000,000	625,000
Total	\$2,534,242	\$5,494,095	\$616,000	\$7,412,337	\$1,266,890

The General Fund is the governmental fund type that has been used to liquidate compensated absences.

Note 7. Reserved for Contracts

Reserved for Contracts as of December 31, 2006 was \$2,258,457 in the Capital Improvement Fund, \$72,025 in the Improvement Fund, and \$27,857 in the General Fund as detailed below:

Capital Improvement Fund:

Land	<u>\$2,258,457</u>
	<u>\$2,258,457</u>

Improvement Fund:

Computer Acquisition, Concord Woods	\$17,645
Construction/Paving	34,593
Construction/Equipment, Rangers	2,500
Equipment, Recreation	7,337
Equipment, Farmpark	<u>9,950</u>
	<u>\$72,025</u>

General Fund:

Cleaning	\$3,008
Consultants, Mtg.	18,270
Equipment	2,610
Printing	<u>3,969</u>
	<u>\$27,857</u>

Note 8. Goodwill

On May 1, 1993, the Park District purchased the Pine Ridge Country Club for \$2,700,000. At that time the fair market value of the net assets was \$2,489,750. Therefore, \$210,250 was recorded as Goodwill. Goodwill is being amortized on a straight-line basis over 30 years. Goodwill charged in 2006 was \$7,008. As of December 31, 2006 the Goodwill balance was \$114,472.

The amortization schedule is shown below:

Year	Amount Amortized	Balance of Goodwill
2007	\$7,008	\$107,464
2008	7,008	100,456
2009	7,008	93,448
2010	7,008	86,440
2011-2023	86,440	--

Note 9. Risk Management

Lake Metroparks is exposed to various risks of loss related to torts, theft of damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During 2006, the Park District contracted with several companies for various types of insurance as follows:

Carrier	Coverage	Deductible
Travelers/St. Paul	Boiler-Machinery	\$2,500
Lexington	Liquor Liability	\$1,000
HCC	Ranger Liability	\$5,000
HCC	Public Officials Liability	\$5,000
HCC	Volunteer Insurance	None
HCC	General Liability Pkg. Policy	None
HCC	General Liability Umbrella	\$10,000 Retention
HCC	Automobile	None

Settled claims have not exceeded this coverage in any of the past three years. The Park District pays the State Workers' Compensation system a premium based on a rate per \$100 of salary. This rate is calculated based on accident history and administrative costs. The Park District manages the hospital/medical, dental, and vision for its employees on a self-insured basis through the hospitalization self-insurance Internal Service Fund. Payments to the fund are made from the fund from which each employee is paid. Rates for 2006 were \$760 for family coverage and \$251 for single coverage. These rates were determined to maintain the balance in the Internal Service Fund to required levels. Medical Mutual of Ohio, the third party administrator, processes and pays the claims. An excess coverage insurance (stop-loss) policy purchased from Medical Mutual of Ohio covers claims in excess of \$70,000 per individual and total aggregate excess of 125% of expected claims.

The claims liability of \$177,781 in the fund at December 31, 2006 was enumerated by the third party administrator and is based on the requirements of the Governmental Accounting Standards Board Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and did not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability amount in 2005 and 2006 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2005	\$55,387	\$509,792	\$488,079	\$77,100
2006	\$77,100	\$599,599	\$498,718	\$177,781

Note 10. Litigation

The Park District presently has two ongoing litigation matters neither of which are expected to impact the financial statements.

Note 11. Changes in Accounting Principles

For the calendar year 2006, the Park District has implemented GASB Statement No. 44, "Economic Condition Reporting: The Statistical Section". GASB 44 establishes a new standard for the statistical section.

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**Required
Supplementary
Information**

Lake Metroparks
Detailed Schedule of Revenues, Expenditures, Encumbrances and Changes in Fund Balance
Budget and Actual (Non-GAAP) Budgetary Basis
General Fund
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues				
Property Tax	\$14,457,966	\$12,390,596	\$12,666,827	\$276,231
Intergovernmental	593,485	2,384,233	2,714,424	330,191
Fees and Admissions	1,154,000	1,154,000	1,096,613	(57,387)
Merchandise Sales	399,220	399,220	359,847	(39,373)
Interest	65,000	165,000	156,514	(8,486)
Fines and Forfeitures	3,000	3,000	2,130	(870)
Contribution	89,800	163,922	199,619	35,697
Miscellaneous	29,050	29,050	98,666	69,616
<i>Total Revenues</i>	<u>16,791,521</u>	<u>16,689,021</u>	<u>17,294,640</u>	<u>605,619</u>
Expenditures				
Salaries	6,702,850	6,725,850	6,525,788	200,062
OPERS	944,378	942,868	903,130	39,738
Medicare	98,270	98,470	89,998	8,472
Workers' Compensation	91,065	93,575	88,167	5,408
Unemployment Compensation	0	12,000	11,883	117
Medical Insurance	919,494	913,944	859,565	54,379
Professional Memberships	20,998	23,148	20,112	3,036
Training and Education	22,910	22,760	15,161	7,599
Travel	77,032	81,332	63,943	17,389
Mileage	8,085	8,935	7,135	1,800
Supplies	1,124,630	1,107,530	998,137	109,393
Contract Services	1,614,094	1,651,194	1,529,372	121,822
Contract Repairs	186,300	181,200	139,735	41,465
Advertising	102,370	110,170	103,524	6,646
Rentals	37,832	39,532	22,541	16,991
Insurance	148,000	148,000	137,157	10,843
Materials	115,550	110,750	94,567	16,183
Capital Equipment	97,900	94,500	58,557	35,943
Land Acquisition	22,000	20,000	8,708	11,292
<i>Total Expenditures</i>	<u>12,333,758</u>	<u>12,385,758</u>	<u>11,677,180</u>	<u>708,578</u>

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Lake Metroparks
Detailed Schedule of Revenues, Expenditures, Encumbrances and Changes in Fund Balance
Budget and Actual (Non-GAAP) Budgetary Basis
General Fund
For the Year Ended December 31, 2006 (continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<i>Excess (Deficiency) of Revenues Over Expenditures</i>	4,457,763	4,303,263	5,617,460	1,314,197
Other Financing Sources (Uses)				
Transfers Out	(4,460,000)	(4,660,000)	(4,660,000)	--
<i>Total Other Financing Sources (Uses)</i>	<u>(4,460,000)</u>	<u>(4,660,000)</u>	<u>(4,660,000)</u>	<u>--</u>
<i>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other (Uses)</i>	(2,237)	(356,737)	\$957,460	\$1,314,197
<i>Fund Balance Budget Basis - Beginning of the Year</i>	1,037,520	1,037,520	1,037,520	--
Prior Year Encumbrances	<u>101,048</u>	<u>101,048</u>	<u>101,048</u>	<u>--</u>
<i>Fund Balance Budget Basis - End of the Year</i>	<u>\$1,136,331</u>	<u>\$781,831</u>	<u>\$2,096,028</u>	<u>\$1,314,197</u>

**Notes to Required Supplementary Information
for the Year Ended December 31, 2006
Lake Metroparks, Ohio**

Note 1.

The *Detailed Schedule of Revenues, Expenditures, Encumbrances and Changes in Fund Balance - Budget and Actual (Non-GAAP) Budgetary Basis - General Fund* is presented on the budgetary basis to provide a meaningful comparison of actual results compared to the budget and to demonstrate compliance with State statutes. The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts and disbursements. The major differences between the budget basis and the GAAP basis follow.

- (1) Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
- (2) Expenditures are recorded when paid in cash or encumbered (budget) as opposed to when the liability is incurred (GAAP).
- (3) Encumbrances are recorded as expenditures (budget) as opposed to a reservation of fund balance (GAAP).

Listed below is a reconciliation of the results of operations for the year ended December 31, 2006 from the modified accrual basis to the budgetary basis.

	General Fund
Net Change in Funds as Reported - Modified Accrual Basis	\$1,031,426
Decrease (Increase) in Accounts Receivable, Interest Receivable, Due From Other Governments, and Prepaid Items and Petty Cash	1,147,030
Increase (Decrease) in Accounts Payable, Due to Other Governments, Accrued Liabilities, Accrued Wages, and Deferred Revenue Net of Taxes Receivable	(1,094,921)
2006 Encumbrances Recognized as Expenditures on a Budgetary Basis	(244,529)
Prior Year Encumbrances Paid in 2006 Not Recognized Budgetary Basis	118,454
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other (Uses) as Reported - Budgetary Basis	<u>\$957,460</u>

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**SUPPLEMENTAL
INFORMATION**

Lake Metroparks
Detailed Schedule of Revenues, Expenditures, Encumbrances and Changes in Fund Balance
Budget and Actual (Non GAAP) Budgetary Basis by Division
General Fund
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues				
Property Tax	\$14,457,966	\$12,390,596	\$12,666,827	\$276,231
Intergovernmental	593,485	2,384,233	2,714,424	330,191
Fees and Admissions	1,154,000	1,154,000	1,096,613	(57,387)
Merchandise Sales	399,220	399,220	359,847	(39,373)
Interest	65,000	165,000	156,514	(8,486)
Fines and Forfeitures	3,000	3,000	2,130	(870)
Contribution	89,800	163,922	199,619	35,697
Miscellaneous	29,050	29,050	98,666	69,616
<i>Total Revenues</i>	<u>16,791,521</u>	<u>16,689,021</u>	<u>17,294,640</u>	<u>605,619</u>
Expenditures				
Executive Division				
Salaries	229,355	229,355	224,749	4,606
OPERS	31,500	31,500	30,790	710
Medicare	3,400	3,400	3,269	131
Workers' Compensation	3,330	3,330	3,133	197
Medical Insurance	27,360	27,360	27,360	--
Professional Memberships	5,600	6,400	5,742	658
Training and Education	500	500	--	500
Travel	4,100	5,300	5,173	127
Mileage	400	400	391	9
Supplies	2,450	2,850	2,069	781
Contract Services	37,400	34,000	33,582	418
Advertising	500	1,500	422	1,078
<i>Total Executive Division</i>	<u>345,895</u>	<u>345,895</u>	<u>336,680</u>	<u>9,215</u>

(Continued on next page)

Lake Metroparks
Detailed Schedule of Revenues, Expenditures, Encumbrances and Changes in Fund Balance
Budget and Actual (Non GAAP) Budgetary Basis by Division
General Fund
For the Year Ended December 31, 2006 (continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Support Services Division				
Salaries	813,000	813,000	786,040	26,960
OPERS	111,500	111,500	107,446	4,054
Medicare	11,800	11,800	10,149	1,651
Workers' Compensation	11,196	11,196	10,494	702
Medical Insurance	154,872	154,872	142,769	12,103
Professional Memberships	250	250	190	60
Training and Education	500	500	236	264
Travel	800	2,900	2,700	200
Mileage	--	100	8	92
Supplies	318,800	312,800	277,058	35,742
Contract Services	212,450	218,650	180,775	37,875
Contract Repairs	102,000	94,400	60,976	33,424
Rentals	14,000	13,800	6,791	7,009
Materials	34,500	39,900	39,039	861
Capital Equipment	15,000	15,000	8,324	6,676
Total Support Services Division	1,800,668	1,800,668	1,632,995	167,673
Finance Division				
Salaries	752,675	752,675	726,485	26,190
OPERS	103,500	103,500	99,525	3,975
Medicare	11,400	11,400	10,534	866
Workers' Compensation	10,311	10,311	9,736	575
Medical Insurance	111,846	111,846	106,896	4,950
Professional Memberships	3,365	3,365	2,714	651
Training and Education	6,875	6,875	3,584	3,291
Travel	18,800	18,800	15,039	3,761
Mileage	895	895	509	386
Supplies	85,840	84,840	70,727	14,113
Contract Services	401,400	440,100	409,197	30,903
Contract Repairs	7,500	10,800	8,667	2,133
Advertising	15,020	17,020	16,919	101
Rentals	900	1,300	536	764
Insurance	148,000	148,000	137,157	10,843
Materials	200	200	3	197
Capital Equipment	2,250	1,850	848	1,002
Land Acquisition	22,000	20,000	8,708	11,292
Total Finance Division	1,702,777	1,743,777	1,627,784	115,993

Lake Metroparks
Detailed Schedule of Revenues, Expenditures, Encumbrances and Changes in Fund Balance
Budget and Actual (Non GAAP) Budgetary Basis by Division
General Fund
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Marketing Division				
Salaries	451,327	462,327	455,912	6,415
OPERS	62,200	62,200	60,052	2,148
Medicare	6,900	6,900	6,612	288
Workers' Compensation	6,487	6,487	6,100	387
Medical Insurance	69,864	65,364	65,304	60
Professional Memberships	3,437	4,787	4,663	124
Training and Education	585	435	230	205
Travel	11,492	8,992	8,869	123
Mileage	3,000	3,000	2,740	260
Supplies	11,515	10,815	10,528	287
Contract Services	191,961	193,761	192,883	878
Contract Repairs	450	450	--	450
Advertising	17,300	21,700	21,413	287
Rental	900	1,000	110	890
Capital Equipment	500	700	680	20
Total Marketing Division	837,918	848,918	836,096	12,822
Environmental Learning Division				
Salaries	58,995	70,995	68,017	2,978
OPERS	8,100	8,100	7,560	540
Medicare	900	1,100	986	114
Workers' Compensation	598	598	563	35
Medical Insurance	9,120	9,120	8,360	760
Professional Memberships	601	601	405	196
Travel	3,600	3,600	1,870	1,730
Supplies	500	1,100	952	148
Contract Services	35,450	22,650	16,852	5,798
Rentals	4,000	4,000	688	3,312
Materials	200	200	--	200
Total Environmental Learning Division	122,064	122,064	106,253	15,811

(Continued on next page)

Lake Metroparks
Detailed Schedule of Revenues, Expenditures, Encumbrances and Changes in Fund Balance
Budget and Actual (Non GAAP) Budgetary Basis by Division
General Fund
For the Year Ended December 31, 2006 (continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Resource, Interpretation, and Protection Division				
Salaries	2,429,304	2,429,304	2,322,391	106,913
OPERS	354,478	354,478	334,097	20,381
Medicare	35,800	35,800	31,850	3,950
Workers' Compensation	33,437	33,437	31,452	1,985
Unemployment Compensation	--	2,200	2,099	101
Medical Insurance	289,138	289,138	264,730	24,408
Professional Memberships	6,105	6,105	5,454	651
Training and Education	13,850	13,850	10,783	3,067
Travel	29,675	29,675	22,783	6,892
Mileage	2,450	2,450	1,504	946
Supplies	194,710	192,510	164,336	28,174
Contract Services	334,282	334,282	308,048	26,234
Contract Repairs	21,750	24,650	22,541	2,109
Advertising	9,650	11,850	11,234	616
Rentals	3,100	4,100	2,023	2,077
Materials	65,150	59,050	48,061	10,989
Capital Equipment	39,850	39,850	15,355	24,495
Total Resource, Interpretation, and Protection Division	3,862,729	3,862,729	3,598,741	263,988
Recreation Division				
Salaries	600,305	600,305	581,906	18,399
OPERS	85,300	83,790	77,689	6,101
Medicare	7,870	7,870	6,873	997
Workers' Compensation	5,889	8,399	8,050	349
Unemployment Compensation	--	9,800	9,784	16
Medical Insurance	77,342	76,292	66,214	10,078
Professional Memberships	420	420	237	183
Travel	4,793	4,793	3,593	1,200
Mileage	1,000	1,750	1,691	59
Supplies	179,445	169,145	149,907	19,238
Contract Services	112,156	118,156	112,809	5,347
Contract Repairs	16,100	13,100	10,611	2,489
Advertising	2,450	2,450	1,650	800
Rentals	6,096	6,096	4,217	1,879
Materials	400	400	--	400
Capital Equipment	27,600	24,400	20,885	3,515
Total Recreation Division	1,127,166	1,127,166	1,056,116	71,050

Lake Metroparks
Detailed Schedule of Revenues, Expenditures, Encumbrances and Changes in Fund Balance
Budget and Actual (Non GAAP) Budgetary Basis by Division
General Fund
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Farmpark Division				
Salaries	1,367,889	1,367,889	1,360,289	7,600
OPERS	187,800	187,800	185,970	1,830
Medicare	20,200	20,200	19,724	476
Workers' Compensation	19,817	19,817	18,640	1,177
Medical Insurance	179,952	179,952	177,933	2,019
Professional Memberships	1,220	1,220	707	513
Training and Education	600	600	328	272
Travel	3,772	7,272	3,916	3,356
Mileage	340	340	291	49
Supplies	331,370	333,470	322,560	10,910
Contract Services	288,995	289,595	275,226	14,369
Contract Repairs	38,500	37,800	36,939	861
Advertising	57,450	55,650	51,886	3,764
Rentals	8,836	9,236	8,176	1,060
Materials	15,100	11,000	7,464	3,536
Capital Equipment	12,700	12,700	12,466	234
Total Farmpark Division	2,534,541	2,534,541	2,482,515	52,026
<i>Total General Fund Expenditures</i>	<u>12,333,758</u>	<u>12,385,758</u>	<u>11,677,180</u>	<u>708,578</u>
<i>Excess (Deficiency) of Revenues Over Expenditures</i>	4,457,763	4,303,263	5,617,460	1,314,197
Other Financing Sources (Uses)				
Transfer Out	<u>(4,460,000)</u>	<u>(4,660,000)</u>	<u>(4,660,000)</u>	<u>--</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(4,460,000)</u>	<u>(4,660,000)</u>	<u>(4,660,000)</u>	<u>--</u>
<i>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other (Uses)</i>	(2,237)	(356,737)	957,460	1,314,197
<i>Fund Balance Budget Basis - Beginning of the Year</i>	1,037,520	1,037,520	1,037,520	--
Prior Year Encumbrances	<u>101,048</u>	<u>101,048</u>	<u>101,048</u>	<u>--</u>
<i>Fund Balance Budget Basis - End of the Year</i>	<u>\$1,136,331</u>	<u>\$781,831</u>	<u>\$2,096,028</u>	<u>\$1,314,197</u>

Lake Metroparks
Detailed Schedule of Revenues, Expenditures, Encumbrances and Changes in Fund Balance
Budget and Actual (Non-GAAP) Budgetary Basis
Capital Improvement Fund
For the Year Ended December 31,2006

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues				
Intergovernmental	\$1,357,129	\$1,357,129	\$549,028	(\$808,101)
Interest	--	--	128,971	128,971
Miscellaneous	--	--	8,404	8,404
<i>Total Revenues</i>	<u>1,357,129</u>	<u>1,357,129</u>	<u>686,403</u>	<u>(670,726)</u>
Expenditures				
Contracts, Services	--	5,500	5,500	--
Capital Equipment	--	500,000	--	500,000
Land Acquisition	2,297,414	4,791,914	4,772,040	19,874
<i>Total Expenditures</i>	<u>2,297,414</u>	<u>5,297,414</u>	<u>4,777,540</u>	<u>519,874</u>
<i>Excess (Deficiency) of Revenues Over Expenditures</i>	(940,285)	(3,940,285)	(4,091,137)	(150,852)
Other Financing Sources (Uses)				
Sale of Bond	--	5,000,000	5,000,000	--
Transfer In	940,285	940,285	940,285	--
<i>Total Other Financing Sources (Uses)</i>	<u>940,285</u>	<u>5,940,285</u>	<u>5,940,285</u>	<u>--</u>
<i>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other (Uses)</i>	--	2,000,000	1,849,148	(150,852)
<i>Fund Balance Budget Basis - Beginning of the Year</i>	26,076	26,076	26,076	--
Prior Year Encumbrances	<u>689</u>	<u>689</u>	<u>689</u>	<u>--</u>
<i>Fund Balance Budget Basis - End of the Year</i>	<u>\$26,765</u>	<u>\$2,026,765</u>	<u>\$1,875,913</u>	<u>(\$150,852)</u>

Lake Metroparks
Detailed Schedule of Revenues, Expenditures, Encumbrances and Changes in Fund Balance
Budget and Actual (Non-GAAP) Budgetary Basis
Improvement Fund
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues				
Intergovernmental	\$665,485	\$652,000	\$133,497	(\$518,503)
Fees and Admission	--	--	4,227	4,227
Interest	--	--	13,871	13,871
Contributions	--	--	1,265	1,265
Miscellaneous	4,300	4,300	3,966	(334)
<i>Total Revenues</i>	<u>669,785</u>	<u>656,300</u>	<u>156,826</u>	<u>(499,474)</u>
Expenditures				
Construction	909,330	909,330	846,686	62,644
Capital Equipment	1,420,773	1,420,773	753,324	667,449
<i>Total Expenditures</i>	<u>2,330,103</u>	<u>2,330,103</u>	<u>1,600,010</u>	<u>730,093</u>
<i>Excess (Deficiency) of Revenues Over Expenditures</i>	(1,660,318)	(1,673,803)	(1,443,184)	230,619
Other Financing Sources (Uses)				
Transfers In	1,830,215	1,830,215	1,830,215	--
<i>Total Other Financing Sources (Uses)</i>	<u>1,830,215</u>	<u>1,830,215</u>	<u>1,830,215</u>	<u>--</u>
<i>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other (Uses)</i>	169,897	156,412	387,031	230,619
<i>Fund Balance Budget Basis - Beginning of the Year</i>	(107,931)	(107,931)	(107,931)	--
Prior Year Encumbrances	<u>8,377</u>	<u>8,377</u>	<u>8,377</u>	<u>--</u>
<i>Fund Balance Budget Basis - End of the Year</i>	<u>\$70,343</u>	<u>\$56,858</u>	<u>\$287,477</u>	<u>\$230,619</u>

Lake Metroparks
Detailed Schedule of Revenues, Expenditures, Encumbrances and Changes in Fund Balance
Budget and Actual (Non-GAAP) Budgetary Basis
Debt Service Fund
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues				
Property Tax	\$261,620	\$364,120	\$364,120	\$--
<i>Total Revenues</i>	<u>261,620</u>	<u>364,120</u>	<u>364,120</u>	<u>--</u>
Expenditures				
Principal	200,000	200,000	200,000	--
Interest	61,120	164,120	164,120	--
<i>Total Expenditures</i>	<u>261,620</u>	<u>364,120</u>	<u>364,120</u>	<u>--</u>
<i>Excess (Deficiency) of Revenues Over Expenditures</i>	--	--	--	--
<i>Fund Balance Budget Basis - Beginning of the Year</i>	<u>165</u>	<u>165</u>	<u>165</u>	<u>--</u>
<i>Fund Balance Budget Basis - End of the Year</i>	<u>\$165</u>	<u>\$165</u>	<u>\$165</u>	<u>\$--</u>

Lake Metroparks
Detailed Schedule of Revenues, Expenditures, Encumbrances and Changes in Fund Balance
Budget and Actual (Non-GAAP) Budgetary Basis
Drug Enforcement Fund
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues				
Interest	\$100	\$100	\$215	\$115
Fines and Forfeitures	1,400	1,400	2,081	681
<i>Total Revenues</i>	<u>1,500</u>	<u>1,500</u>	<u>2,296</u>	<u>796</u>
Expenditures				
Capital Equipment	4,500	4,500	1,177	3,323
<i>Total Expenditures</i>	<u>4,500</u>	<u>4,500</u>	<u>1,177</u>	<u>3,323</u>
<i>Excess (Deficiency) of Revenues Over Expenditures</i>	(3,000)	(3,000)	1,119	4,119
<i>Fund Balance Budget Basis - Beginning of the Year</i>	<u>3,730</u>	<u>3,730</u>	<u>3,730</u>	<u>--</u>
<i>Fund Balance Budget Basis - End of the Year</i>	<u><u>\$730</u></u>	<u><u>\$730</u></u>	<u><u>\$4,849</u></u>	<u><u>\$4,119</u></u>

Lake Metroparks
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget and Actual (Non-GAAP) Budgetary Basis
Enterprise Fund
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues				
Fees and Admissions	\$1,230,910	\$1,230,910	\$1,185,938	(\$44,972)
Merchandise Sales	287,990	304,950	291,187	(13,763)
Interest	8,900	62,440	51,037	(11,403)
Contributions	7,200	507,200	4,400	(502,800)
Miscellaneous Revenue	5,000	5,000	1,104	(3,896)
<i>Total Revenues</i>	<u>1,540,000</u>	<u>2,110,500</u>	<u>1,533,666</u>	<u>(576,834)</u>
Expenses				
Salaries	661,983	678,983	672,872	6,111
OPERS	90,900	93,400	92,063	1,337
Medicare	9,800	9,800	9,283	517
Workers' Compensation	9,372	9,372	8,816	556
Medical Insurance	66,560	66,560	66,300	260
Professional Memberships	2,050	2,350	2,154	196
Training and Education	320	320	160	160
Travel	2,705	2,705	2,500	205
Mileage	500	500	430	70
Supplies	361,795	351,795	328,218	23,577
Contracts, Construction	1,705,800	2,201,800	2,112,991	88,809
Contract Services	153,575	144,075	109,365	34,710
Contract Repairs	44,800	44,800	19,814	24,986
Advertising	5,000	5,000	3,101	1,899
Rentals	135,000	135,000	130,968	4,032
Insurance	45,300	45,300	31,659	13,641
Materials	4,200	3,900	1,088	2,812
Capital Equipment	83,350	136,350	136,201	149
Land Acquisition	--	1,000	674	326
<i>Total Expenses</i>	<u>3,383,010</u>	<u>3,933,010</u>	<u>3,728,657</u>	<u>204,353</u>
<i>Excess (Deficiency) of Revenues Over Expenses</i>	(1,843,010)	(1,822,510)	(2,194,991)	(372,481)
Other Financing Sources (Uses)				
Transfers In	<u>1,689,500</u>	<u>1,889,500</u>	<u>1,889,500</u>	<u>--</u>
<i>Total Other Financing Sources (Uses)</i>	<u>1,689,500</u>	<u>1,889,500</u>	<u>1,889,500</u>	<u>--</u>
<i>Excess (Deficiency) of Revenues and Other Financing Sources Over Expenses and Other (Uses)</i>	(153,510)	66,990	(305,491)	(372,481)
<i>Fund Equity Budget Basis - Beginning of the Year</i>	236,351	236,351	236,351	--
Prior Year Encumbrances	<u>16,457</u>	<u>16,457</u>	<u>16,457</u>	<u>--</u>
<i>Fund Equity Budget Basis - End of the Year</i>	<u>\$99,298</u>	<u>\$319,798</u>	<u>(\$ 52,683)</u>	<u>(\$ 372,481)</u>

Lake Metroparks
Schedule of Revenues, Expenses and Changes in Fund Equity
Budget and Actual (Non-GAAP) Budgetary Basis
Internal Service Fund
For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues				
Fees and Admissions	\$930,000	\$930,000	\$935,813	\$5,813
Interest	20,000	20,000	20,104	104
<i>Total Revenues</i>	<u>950,000</u>	<u>950,000</u>	<u>955,917</u>	<u>5,917</u>
Expenses				
Contract Services	940,000	940,000	689,951	250,049
<i>Total Expenses</i>	<u>940,000</u>	<u>940,000</u>	<u>689,951</u>	<u>250,049</u>
<i>Excess (Deficiency) of Revenues Over Expenses</i>	10,000	10,000	265,966	255,966
<i>Fund Equity Budget Basis - Beginning of the Year</i>	<u>387,835</u>	<u>387,835</u>	<u>387,835</u>	--
<i>Fund Equity Budget Basis - End of the Year</i>	<u><u>\$397,835</u></u>	<u><u>\$397,835</u></u>	<u><u>\$653,801</u></u>	<u><u>\$255,966</u></u>

Lake Metroparks
Combining Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended December 31, 2006

	Balance December 31, 2005	Additions	Deductions	Balance December 31, 2006
Payroll Agency				
Assets				
Restricted Cash and Cash Equivalents	<u>\$100</u>	<u>\$4,266,245</u>	<u>\$4,155,656</u>	<u>\$110,689</u>
Liabilities				
Due to Other Governments	\$100	\$110,689	\$100	\$110,689
Due to Others	<u>--</u>	<u>4,155,556</u>	<u>4,155,556</u>	<u>--</u>
Total Liabilities	<u>\$100</u>	<u>\$4,266,245</u>	<u>\$4,155,656</u>	<u>\$110,689</u>
Contractors' Escrow Accounts				
Assets				
Restricted Cash and Cash Equivalents	<u>\$11,140</u>	<u>\$102</u>	<u>\$2,010</u>	<u>\$9,232</u>
Liabilities				
Retainage Due Contractors	<u>\$11,140</u>	<u>\$102</u>	<u>\$2,010</u>	<u>\$9,232</u>
Outstanding Check Agency				
Assets				
Restricted Cash and Cash Equivalents	<u>\$6,442</u>	<u>\$1,138</u>	<u>\$1,546</u>	<u>\$6,034</u>
Liabilities				
Payable from Restricted Assets	<u>\$6,442</u>	<u>\$1,138</u>	<u>\$1,546</u>	<u>\$6,034</u>
Facility Deposit Agency				
Assets				
Restricted Cash and Cash Equivalents	<u>\$21,827</u>	<u>\$144,108</u>	<u>\$144,820</u>	<u>\$21,115</u>
Liabilities				
Payable from Restricted Assets	<u>\$21,827</u>	<u>\$144,108</u>	<u>\$144,820</u>	<u>\$21,115</u>

Lake Metroparks
Combining Statement of Changes in Assets and Liabilities
Agency Fund
For the Year Ended December 31, 2006

	Balance December 31, 2005	Additions	Deductions	Balance December 31, 2006
Total Agency Funds				
Assets				
Restricted Cash and Cash Equivalents	\$39,509	\$4,411,593	\$4,304,032	\$147,070
Total Assets	<u>\$39,509</u>	<u>\$4,411,593</u>	<u>\$4,304,032</u>	<u>\$147,070</u>
Liabilities				
Payable from Restricted Assets	\$28,269	\$145,246	\$146,366	\$27,149
Due to Other Governments	100	110,689	100	110,689
Retainage Due Contractors	11,140	102	\$2,010	9,232
Due to Others	--	4,155,556	4,155,556	--
Total Liabilities	<u>\$39,509</u>	<u>\$4,411,593</u>	<u>\$4,304,032</u>	<u>\$147,070</u>

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Statistical Section

STATISTICAL SECTION

This part of Lake Metroparks' Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Park District's overall financial health.

CONTENTS

Tables

Financial Trends 1 - 5

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

Revenue Capacity 6 - 10

These schedules contain information to help the reader assess the factors affecting the Park District's ability to generate its property taxes.

Debt Capacity 11 - 13

These schedules present information to help the reader assess the affordability of the Park District's current levels of outstanding debt and the Park District's ability to issue additional debt in the future.

Demographic and Economic Information 14 - 15

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Park District's financial activities take place and to help make comparisons over time and with other governments.

Operating Information 16 - 18

These schedules contain information about the Park District's operations and resources to help the reader understand how the Park District's financial information relates to the services the Park District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Reports for the relevant year. The Park District implemented Governmental Accounting Standards Board Statement No. 34 in 2000; schedules presenting government-wide information include information beginning in that year.

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Table 1

Lake Metroparks
 Net Assets by Component
 Last Seven Years
(accrual basis of accounting)

	2006	2005	2004	2003	2002	2001	2000
<i>Governmental Activities:</i>							
Invested in Capital Assets,							
Net of Related Debt	\$21,601,265	\$24,121,956	\$23,972,259	\$22,061,402	\$22,230,910	\$20,836,076	\$17,115,556
Restricted	2,312,693	628,599	712,523	2,164,479	2,272,674	2,743,433	3,624,978
Unrestricted	5,951,473	972,820	(765,349)	(96,181)	(701,430)	(283,767)	1,287,100
<i>Total Governmental Activities Net Assets</i>	29,865,431	25,723,375	23,919,433	24,129,700	23,802,154	23,295,742	22,027,634
<i>Business-type Activities:</i>							
Invested in Capital Assets,							
Net of Related Debt	7,086,938	6,138,413	6,399,486	6,441,793	6,711,716	6,825,178	6,886,326
Restricted	--	--	--	--	--	--	--
Unrestricted	967,079	245,555	239,257	395,292	299,017	338,151	243,874
<i>Total Business-type Activities Net Assets</i>	8,054,017	6,383,968	6,638,743	6,837,085	7,010,733	7,163,329	7,130,200
<i>Primary Government:</i>							
Invested in Capital Assets,							
Net of Related Debt	28,688,203	30,260,369	30,371,745	28,503,195	28,942,626	27,661,254	24,001,882
Restricted	2,312,693	628,599	712,523	2,164,479	2,272,674	2,743,433	3,624,978
Unrestricted	6,918,552	1,218,375	(526,092)	299,111	(402,413)	54,384	1,530,974
<i>Total Primary Government Net Assets</i>	\$37,919,448	\$32,107,343	\$30,558,176	\$30,966,785	\$30,812,887	\$30,459,071	\$29,157,834

Lake Metroparks
 Changes in Net Assets
 Last Seven Years
 (accrual basis of accounting)

	2006	2005	2004	2003	2002	2001	2000
Program Revenues							
Governmental Activities:							
Charges for Services	\$1,479,970	\$1,503,645	\$1,543,878	\$1,600,580	\$1,583,493	\$1,555,870	\$1,493,206
Operating Grants and Contributions	79,348	141,844	111,674	114,016	115,432	119,169	83,636
Capital Grants and Contributions	640,125	651,676	355,099	-	38,580	800,920	44,582
<i>Total Governmental Activities Program Revenues</i>	2,199,443	2,297,165	2,010,651	1,714,596	1,737,505	2,475,959	1,621,424
Business-type Activities:							
Charges for Services	1,478,126	1,468,153	1,439,916	1,447,696	1,587,426	1,632,504	1,517,095
Operating Grants and Contributions	4,400	3,100	1,600	60	3,900	-	-
<i>Total Business-type Activities Program Revenues</i>	1,482,526	1,471,253	1,441,516	1,447,756	1,591,326	1,632,504	1,517,095
<i>Total Primary Government Program Revenues</i>	3,681,969	3,768,418	3,452,167	3,162,352	3,328,831	4,108,463	3,138,519
Expenses							
Governmental Activities:							
Parks and Recreation	13,038,937	12,205,566	12,509,141	11,927,691	12,009,479	12,096,036	10,695,048
Interest on Long-term Debt	181,531	71,100	128,667	196,217	197,590	204,443	206,842
<i>Total Governmental Activities Expenses</i>	13,220,468	12,276,666	12,637,808	12,123,908	12,207,069	12,300,479	10,901,890

Lake Metroparks
Changes in Net Assets (continued)
Last Seven Years
(accrual basis of accounting)

	2006	2005	2004	2003	2002	2001	2000
Business-type Activities:							
Golf	1,760,984	1,739,870	1,654,596	1,629,629	1,708,912	1,610,344	1,615,826
<i>Total Business-type Activities Expenses</i>	1,760,984	1,739,870	1,654,596	1,629,629	1,708,912	1,610,344	1,615,826
<i>Total Primary Government Expenses</i>	14,981,452	14,016,536	14,292,404	13,753,537	13,915,981	13,910,823	12,517,716
Net (Expense) Revenue							
Governmental Activities	(11,021,025)	(9,979,501)	(10,627,157)	(10,409,312)	(10,469,564)	(9,824,520)	(9,280,466)
Business-type Activities	(278,458)	(268,617)	(213,080)	(181,873)	(117,586)	22,160	(98,731)
<i>Total Primary Government Net Expense</i>	<u>(\$11,299,483)</u>	<u>(\$10,248,118)</u>	<u>(\$10,840,237)</u>	<u>(\$10,591,185)</u>	<u>(\$10,587,150)</u>	<u>(\$9,802,360)</u>	<u>(\$9,379,197)</u>

General Revenues and Other Changes in Net Assets

Governmental Activities:							
Property Tax	\$13,813,258	\$9,616,123	\$8,280,418	\$8,181,013	\$7,906,759	\$8,496,489	\$8,685,720
Local Government Funds	2,769,883	2,058,117	2,040,021	2,465,928	2,885,433	2,261,263	1,151,423
Interest	356,456	75,299	36,610	38,949	73,978	218,415	397,565
Miscellaneous	112,984	33,904	59,841	50,968	59,806	116,461	170,648
Transfers	(1,889,500)	-	-	-	50,000	-	(961,149)
<i>Total Governmental Activities</i>	15,163,081	11,783,443	10,416,890	10,736,858	10,975,976	11,092,628	9,444,207

Lake Metroparks
Changes in Net Assets (continued)
Last Seven Years
(accrual basis of accounting)

	2006	2005	2004	2003	2002	2001	2000
Business-type Activities:							
Interest	58,219	2,908	6,796	4,292	6,585	10,420	20,459
Miscellaneous	788	10,934	7,942	3,933	8,405	549	28,148
Transfers	1,889,500	-	-	-	(50,000)	-	961,149
<i>Total Business-type Activities</i>	<u>1,948,507</u>	<u>13,842</u>	<u>14,738</u>	<u>8,225</u>	<u>(35,010)</u>	<u>10,969</u>	<u>1,009,756</u>
<i>Total Primary Government</i>	<u>17,111,588</u>	<u>11,797,285</u>	<u>10,431,628</u>	<u>10,745,083</u>	<u>10,940,966</u>	<u>11,103,597</u>	<u>10,453,963</u>
Change in Net Assets							
Governmental Activities	4,142,056	1,803,942	(210,267)	327,546	506,412	1,268,108	163,741
Business-type Activities	1,670,049	(254,775)	(198,342)	(173,648)	(152,596)	33,129	911,025
<i>Total Primary Government Change in Net Assets</i>	<u>\$5,812,105</u>	<u>\$1,549,167</u>	<u>(\$408,609)</u>	<u>\$153,898</u>	<u>\$353,816</u>	<u>\$1,301,237</u>	<u>\$1,074,766</u>

Table 3

Lake Metroparks
 Program Revenues by Function/Program
 Last Seven Years
 (accrual basis of accounting)

	2006	2005	2004	2003	2002	2001	2000
Function/Program							
Governmental Activities:							
Parks and Recreation	<u>\$2,199,443</u>	<u>\$2,297,165</u>	<u>\$2,010,651</u>	<u>\$1,714,596</u>	<u>\$1,737,505</u>	<u>\$2,475,959</u>	<u>\$1,621,424</u>
<i>Total Governmental Activities</i>	2,199,443	2,297,165	2,010,651	1,714,596	1,737,505	2,475,959	1,621,424
Business-type Activities:							
Golf	<u>1,482,526</u>	<u>1,471,253</u>	<u>1,441,516</u>	<u>1,447,756</u>	<u>1,591,326</u>	<u>1,632,504</u>	<u>1,517,095</u>
<i>Total Business-type Activities</i>	1,482,526	1,471,253	1,441,516	1,447,756	1,591,326	1,632,504	1,517,095
<i>Total Primary Government</i>	<u>\$3,681,969</u>	<u>\$3,768,418</u>	<u>\$3,452,167</u>	<u>\$3,162,352</u>	<u>\$3,328,831</u>	<u>\$4,108,463</u>	<u>\$3,138,519</u>

Lake Metroparks
 Fund Balances, Governmental Funds
 Last Ten Years
 (modified accrual basis of accounting)

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
General Fund										
Reserved	\$546,885	\$529,512	\$559,729	\$574,360	\$530,736	\$595,888	\$540,194	\$498,324	\$469,318	\$497,076
Unreserved	1,811,598	771,090	281,522	822,840	202,350	467,590	1,887,665	966,777	503,830	239,907
<i>Total General Fund</i>	2,358,483	1,300,602	841,251	1,397,200	733,086	1,063,478	2,427,859	1,465,101	973,148	736,983
All Other Governmental Funds										
Reserved	2,535,703	67,703	82,010	236,662	363,520	735,369	501,020	1,828,796	861,947	695,788
Undesignated, Reported in:										
Special Revenue funds	4,878	3,747	2,138	5,030	3,349	2,557	1,060	5,862	2,100	5,491
Debt Service funds	165	165	265	1,102,981	2,973	59	2,175	187	187	187
Capital Projects funds	2,307,650	27,472	48,357	245,446	1,372,096	1,409,560	2,580,529	2,250,538	3,389,299	4,105,804
<i>Total All Other Governmental Funds</i>	4,848,396	99,087	132,770	1,590,119	1,741,938	2,147,545	3,084,784	4,085,383	4,253,533	4,807,270
<i>Total Governmental Funds</i>	\$7,206,879	\$1,399,689	\$974,021	\$2,987,319	\$2,475,024	\$3,211,023	\$5,512,643	\$5,550,484	\$5,226,681	\$5,544,253

Lake Metroparks

Table 5

Changes in Fund Balances, Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Revenues										
Property Taxes	\$13,030,947	\$8,592,742	\$8,280,418	\$8,181,013	\$7,906,759	\$8,496,489	\$8,685,720	\$8,422,757	\$8,301,426	\$8,194,208
Intergovernmental	3,410,008	2,731,788	2,395,120	2,465,928	2,885,433	2,261,263	1,151,423	1,128,598	1,053,832	1,025,013
Fees and Admissions	1,102,481	1,098,970	1,127,121	1,198,929	1,166,698	1,126,980	1,062,513	1,072,029	1,100,920	962,028
Merchandise Sales	373,278	401,545	410,947	394,070	411,855	423,115	413,561	561,120	658,178	688,265
Interest	332,745	69,397	35,741	38,119	71,808	208,649	382,712	339,187	332,694	280,669
Fines and Forfeitures	4,211	3,130	5,810	7,581	4,940	5,775	17,132	9,757	8,964	10,067
Contributions	79,348	119,849	111,674	114,016	154,012	920,089	128,218	562,705	578,378	494,827
Miscellaneous	112,984	33,904	59,841	50,968	59,806	116,461	170,648	62,294	268,983	53,674
Total Revenues	18,446,002	13,051,325	12,426,672	12,450,624	12,661,311	13,558,821	12,011,927	12,158,447	12,303,375	11,708,751
Expenditures										
Parks and Recreation	11,563,071	11,139,888	11,093,070	10,784,297	10,649,696	9,974,485	9,443,260	9,220,875	9,301,040	8,682,775
Capital Outlay	3,848,576	1,214,752	1,024,511	703,937	3,522,033	4,617,209	3,259,431	1,715,091	2,105,476	2,167,417
Debt Service:										
Principal Retirement	200,000	200,000	2,160,000	260,000	1,060,000	1,060,000	1,060,000	1,000,000	1,000,000	1,187,000
Interest and Fiscal Charges	164,120	71,100	134,516	197,924	203,486	210,116	208,035	193,200	241,500	233,883
Total Expenditures	15,775,767	12,625,740	14,412,097	11,946,158	15,435,215	15,861,810	13,970,726	12,129,166	12,648,016	12,271,075
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>2,670,235</i>	<i>425,585</i>	<i>(1,985,425)</i>	<i>504,466</i>	<i>(2,773,904)</i>	<i>(2,302,989)</i>	<i>(1,958,799)</i>	<i>29,281</i>	<i>(344,641)</i>	<i>(562,324)</i>
Other Financing Sources (Uses)										
Sale of Bonds	5,000,000	-	-	-	2,000,000	-	1,900,000	300,000	-	5,000,000
Transfers In	2,770,500	420,000	147,000	1,100,000	50,000	1,500,000	-	500,000	812,075	761,700
Transfer Out	(4,660,000)	(420,000)	(147,000)	(1,100,000)	-	(1,500,000)	-	(500,000)	(812,075)	(761,700)
Total Other Financing Sources (Uses)	3,110,500	-	-	-	2,050,000	-	1,900,000	300,000	-	5,000,000
Net Change in Fund Balances	\$5,780,735	\$425,585	(\$1,985,425)	\$504,466	(\$723,904)	(\$2,302,989)	(\$58,799)	\$329,281	(\$344,641)	\$4,437,676
Debt Service as a percentage of noncapital expenditures	3.1%	2.4%	20.7%	4.2%	11.9%	12.7%	13.4%	12.9%	13.3%	16.4%

Lake Metroparks
 Tax Revenues by Source, Governmental Funds
 Last Ten Years
(modified accrual basis of accounting)

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Property Taxes	\$13,030,947	\$8,592,742	\$8,280,418	\$8,181,013	\$7,906,759	\$8,496,849	\$8,685,720	\$8,422,757	\$8,301,426	\$8,194,208

Lake Metroparks
 Assessed and Estimated Actual Value of Taxable Property
 Last Ten Years
 (Amounts in 000's)

Fiscal Year	REAL PROPERTY		UTILITY PROPERTY		PERSONAL PROPERTY		TOTAL		RATIO
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value	
2006	\$5,573,621	\$15,924,631	\$379,428	\$379,428	\$375,492	\$1,501,968	\$6,328,541	\$17,806,027	36%
2005	5,464,031	15,611,518	403,485	403,485	478,532	1,914,128	6,346,048	17,929,131	35%
2004	5,376,660	15,361,888	385,590	385,590	490,145	1,960,580	6,252,395	17,708,058	35%
2003	4,588,079	13,108,796	416,686	416,686	564,500	2,257,999	5,569,265	15,783,481	35%
2002	4,492,816	12,836,618	354,137	354,137	611,403	2,445,612	5,458,358	15,636,367	35%
2001	4,405,080	12,585,944	655,943	655,943	623,371	2,493,482	5,684,394	15,735,369	36%
2000	3,919,470	11,198,486	673,328	673,328	629,532	2,518,127	5,222,330	14,389,941	36%
1999	3,838,587	10,967,391	767,974	767,974	635,695	2,542,781	5,242,256	14,278,146	37%
1998	3,750,452	10,715,577	767,735	767,735	587,812	2,351,248	5,105,999	13,834,560	37%
1997	3,255,319	9,300,911	770,713	770,713	554,331	2,217,324	4,580,363	12,288,948	37%

(1) Estimated Actual Value is calculated by dividing the Assessed Value by the assessment percentage. The percentages for 2006 are 35% for all Real Property, 100% for Public Utility Property, and 25% for Tangible Personal Property.

Source: Lake County Auditor's Office

Lake Metroparks
Property Tax Rates - All Direct and Overlapping Governments
(Per \$1,000 Of Assessed Value)
Last Ten Years

Table 8

	1997	1998	1999	2000	2001
COUNTY UNITS					
General Fund	\$2.10	\$2.10	\$2.10	\$2.10	\$2.10
Mental Retardation Board	3.40	3.40	4.90	4.90	4.90
ADAMHS Board	1.60	1.60	1.60	4.60	1.60
Narcotics	.30	.30	.30	.30	.30
Child Welfare	.70	.70	.70	.70	.70
Regional Forensic Lab	.20	.20	.20	.30	.30
Senior Citizens	<u>.20</u>	<u>.30</u>	<u>.30</u>	<u>.30</u>	<u>.30</u>
TOTAL RATES	8.50	8.60	10.10	10.20	10.20
SCHOOL DISTRICTS					
Fairport Harbor (a)	76.30	77.10	77.10	76.47	76.67
Kirtland Local (a)	69.04	67.69	67.69	71.02	69.18
Madison Local (a)	58.47	58.42	58.42	58.78	57.57
Mentor Exempt	67.45	67.21	67.21	66.87	66.84
Painesville City (a)	74.59	73.58	72.68	78.68	78.65
Painesville Twp. (a)	55.10	54.53	54.53	54.01	53.80
Perry Local (a)	45.70	45.75	45.75	45.70	45.70
Wickliffe Local	60.14	60.01	60.01	59.92	60.11
Willoughby-Eastlake	47.62	46.71	46.71	46.43	45.84
CORPORATIONS					
Eastlake	10.42	10.42	10.42	10.80	10.80
Kirtland	11.05	11.05	11.05	11.05	11.05
Mentor	6.05	6.00	4.50	4.50	4.50
Mentor-on-the-Lake	24.00	24.00	24.00	24.00	24.00
Painesville	3.70	3.70	3.70	3.70	3.70
Wickliffe	9.05	8.60	7.40	7.40	7.40
Willoughby	6.55	6.29	7.19	7.19	6.91
Willoughby Hills	7.80	7.80	7.80	7.80	7.40
Willowick	20.97	19.94	19.94	19.94	19.94

2002	2003	2004	2005	2006
\$2.10	\$2.10	\$2.10	\$2.10	\$2.10
4.90	4.90	4.90	4.90	4.90
1.60	1.60	1.60	1.60	1.60
.30	.30	.30	.30	.30
.70	.70	.70	.70	.70
.30	.30	.30	.30	.30
<u>.30</u>	<u>.30</u>	<u>.30</u>	<u>.30</u>	<u>.30</u>
10.20	10.20	10.20	10.20	10.20
76.73	76.62	78.59	78.62	85.47
69.10	68.67	72.49	72.17	72.06
57.02	56.97	56.35	56.15	56.10
66.79	66.77	69.62	77.46	77.28
78.58	78.58	78.53	86.20	86.09
53.84	53.71	53.17	56.19	56.05
45.70	45.70	45.70	45.70	45.70
61.31	61.38	61.38	60.82	67.31
45.77	45.59	47.39	49.77	49.40
10.80	10.80	10.80	9.26	8.30
11.05	11.05	11.05	11.05	11.05
4.50	4.50	4.50	4.50	4.50
24.00	24.00	24.00	24.00	24.00
3.70	3.70	3.70	3.70	3.70
7.40	7.40	7.40	7.40	8.01
6.91	6.89	6.77	6.68	6.58
7.40	7.40	7.40	7.40	7.30
19.50	19.50	19.50	19.50	19.50

(Continued on next page)

Lake Metroparks
Property Tax Rates - All Direct and Overlapping Governments (Continued)
(Per \$1,000 Of Assessed Value)
Last Ten Years

	1997	1998	1999	2000	2001
VILLAGES					
Fairport Harbor	\$11.05	\$6.66	\$10.06	\$10.56	\$10.49
Grand River	3.00	3.00	7.50	7.50	7.50
Kirtland Hills	23.00	23.00	23.00	23.00	23.00
Lakeline	11.00	11.00	11.00	11.00	11.00
Madison (b)	13.23	13.23	13.23	9.43	9.43
North Perry (c)	7.20	7.20	8.20	8.20	8.20
Perry (c)	13.20	13.20	14.20	14.20	14.20
Timberlake	13.00	13.00	13.00	13.00	13.00
Waite Hill	13.00	13.00	13.00	13.00	13.00
TOWNSHIPS					
Concord	9.40	9.40	9.40	9.40	9.40
Leroy	14.95	10.95	10.95	10.95	11.00
Madison (b)	21.63	21.63	21.63	21.63	21.63
Painesville	10.70	10.70	10.70	10.70	10.70
Perry	6.60	6.60	7.60	8.20	7.60
LIBRARIES					
Mentor	.50	.50	.625	.625	.625
Morley	1.00	1.00	1.00	1.00	1.00
Perry	.60	.60	.60	.60	.60
Wickliffe	1.20	1.20	1.20	1.20	1.20
Willoughby-Eastlake	.30	.30	.30	1.30	1.30
PORT AUTHORITY					
Fairport Harbor	.56	.56	.56	.56	.56

2002	2003	2004	2005	2006
\$9.56	\$9.56	\$9.56	\$9.56	\$9.56
7.50	7.50	7.50	7.50	7.50
23.00	23.00	20.00	20.00	20.00
11.00	11.00	6.00	6.00	6.00
9.43	9.43	9.43	9.43	9.43
8.20	11.10	11.10	11.10	11.10
14.20	14.10	14.10	14.10	14.10
13.00	13.00	13.00	21.20	21.20
13.00	13.00	13.00	13.00	13.00
9.40	9.40	9.40	9.40	9.40
11.00	11.90	11.90	11.90	11.90
21.63	21.63	21.63	21.63	21.63
10.70	10.70	10.15	12.65	12.65
7.60	11.10	11.10	11.10	11.10
.625	.625	.625	.625	.625
2.00	1.90	1.80	1.75	1.74
.60	.60	.60	.60	.60
1.20	1.20	1.20	1.20	1.20
1.30	1.30	1.30	1.30	1.30
.56	.56	.56	.56	.00

(Continued on next page)

Lake Metroparks, Ohio
 Property Tax Rates - All Direct and Overlapping Governments (Continued)
 (Per \$1,000 Of Assessed Value)
 Last Ten Years

	1997	1998	1999	2000	2001
OTHER POLITICAL SUBDIVISIONS					
Lake Metroparks	\$2.30	\$2.30	\$2.30	\$2.30	\$2.30
Lakeland Community College	3.20	3.20	3.20	3.20	3.20
Auburn Joint Vocational School	1.50	1.50	1.50	1.50	1.50
Lake County School Financing District	4.90	4.90	4.90	4.90	4.90
Madison Fire District	6.48	6.48	6.48	6.48	6.48
Perry Fire District	3.00	3.00	4.00	4.00	4.00

- (a) Includes millage for Auburn Joint Vocational School
- (b) Includes millage for Madison Fire District
- (c) Includes millage for Perry Library District and Perry Fire District

Source: Lake County Auditor's Office

2002	2003	2004	2005	2006
\$2.30	\$2.30	\$2.30	\$2.30	\$2.30
3.20	3.20	3.20	3.20	3.20
1.50	1.50	1.50	1.50	1.50
4.90	4.90	4.90	4.90	4.90
6.48	6.48	6.48	6.48	6.48
4.00	6.90	6.90	6.90	6.90

Table 9
 Lake Metroparks
 Principal Taxpayers
 Current Year and Nine Years Ago

Taxpayer	2006		1997	
	Assessed Value	Percentage of Total Assessed Value	Assessed Value	Percentage of Total Assessed Value
Cleveland Electric Illuminating Company	\$270,904,630	4.28%	\$473,826,300	10.34%
Ohio Edison Company	59,406,320	0.94%	86,519,620	1.89%
First Energy Generation	43,881,000	0.69%	--	--
Lubrizol Corporation	41,321,970	0.65%	47,457,890	1.03%
Avery Dennison Corporation	38,390,790	0.60%	31,631,650	0.69%
Simon Property Group	25,900,140	0.41%	--	--
Ameritech	24,095,000	0.38%	47,402,270	1.03%
American Transmission	18,229,590	0.29%	--	--
Aqua Ohio, Inc.	17,587,890	0.28%	--	--
Steris Corporation	15,234,560	0.24%	--	--
Duquesne Light Company	--	--	163,256,550	3.56%
Toledo Edison	--	--	61,987,190	1.35%
Pennsylvania Power	--	--	41,926,580	0.92%
Centerior Fuel Corporation	--	--	35,090,330	0.77%
Ohio Edison Fuel, Inc.	--	--	22,431,820	0.49%
	<u>\$554,951,890</u>	<u>8.87%</u>	<u>\$1,011,530,200</u>	<u>22.07%</u>

Source: Lake County Auditor's Office

Table 10

Lake Metroparks
 Property Tax Levies and Collection
 Real, Public Utility and Tangible Personal Property (1)
 Last Ten Years

Tax Year	Fiscal Year	Current Tax Levy	Current Tax Collection	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections
2005-2006	2006	\$14,071,507	\$13,652,564	97.0%	\$550,396	\$14,202,960
2004-2005	2005	8,464,692	8,154,568	96.3%	387,770	8,542,338
2003-2004	2004	8,322,668	7,925,380	95.2%	322,994	8,248,374
2002-2003	2003	8,209,248	7,761,657	94.5%	342,094	8,103,751
2001-2002	2002	8,230,488	7,588,805	92.2%	239,504	7,828,309
2000-2001	2001	8,714,516	8,266,186	94.9%	366,251	8,632,437
1999-2000	2000	8,698,596	8,239,733	94.7%	369,163	8,608,896
1998-1999	1999	8,685,188	8,204,166	94.5%	135,198	8,339,364
1997-1998	1998	8,513,140	8,079,132	94.9%	137,828	8,216,960
1996-1997	1997	8,518,094	8,041,081	94.4%	136,452	8,177,533

(1) Do not equal amounts in financial statements due to State reimbursements.

Source: Lake County Auditor's Office

Table 11

Lake Metroparks
Ratios of Outstanding Debt
Last Ten Years

Year	Population	Assessed Value	Gross Bonded Debt	Less Balance in Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2006	232,872	\$6,328,540,447	\$6,200,000	\$165	\$6,199,835	.10%	\$26.62
2005	230,510	6,346,048,449	1,400,000	165	1,399,835	.02%	6.07
2004	228,878	6,252,395,015	1,600,000	265	1,599,735	.03%	6.99
2003	228,106	5,569,264,708	3,760,000	1,102,981	2,657,019	.05%	11.62
2002	227,511	5,458,356,425	4,020,000	2,973	4,017,027	.07%	17.66
2001	227,511	5,684,393,889	3,080,000	59	3,079,941	.05%	13.54
2000	227,511	5,316,801,570	4,140,000	2,175	4,137,825	.08%	18.19
1999	227,145	5,242,255,852	3,300,000	187	3,299,813	.06%	14.53
1998	223,779	5,105,999,168	4,000,000	187	3,999,813	.08%	17.87
1997	223,715	4,580,363,121	5,000,000	187	4,999,813	.11%	22.35

Sources: U.S. Census Bureau
Ohio Department of Development

Lake County, Ohio
 Computation of Direct and Overlapping Debt
 December 31, 2006

Table 12

	Net General Obligation Bonded Debt Outstanding (1)	Percent Applicable (2)	County Share
<u>DIRECT DEBT</u>			
Lake Metroparks	\$6,200,000	100.00%	<u>\$6,200,000</u>
Total Direct Debt			\$6,200,000
<u>OVERLAPPING DEBT</u>			
County of Lake	24,708,000	100.00%	24,708,000
All Cities wholly within Lake County	95,219,575	100.00%	95,219,575
All Villages wholly within Lake County	1,091,000	100.00%	1,091,000
All Townships wholly within Lake County	1,365,185	100.00%	1,365,185
All School Districts wholly within Lake County	33,950,106	100.00%	33,950,106
All Library Districts wholly within Lake County	9,505,000	100.00%	9,505,000
Madison Local School District	7,470,000	99.67%	7,445,349
Mentor Exempted Village School District	14,133,291	99.75%	14,097,958
Painesville Township Local School District	6,292,657	99.53%	<u>6,263,082</u>
Total Overlapping Debt			\$193,645,255
Total Net Direct and Overlapping Debt			<u>\$199,845,255</u>

(1) Per confirmation with respective entities. Amount excludes general obligation debt reported in enterprise funds.

(2) Determined, on a percentage basis, by dividing the amount of assessed valuation of the political subdivision's territory that is within the boundaries of the County by the total assessed valuation of the political subdivision.

Source: Lake County Auditor's Office

Lake Metroparks
 Legal Debt Margin Information
 Last Ten Years

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Debt Limit	\$63,285,404	\$63,460,484	\$62,523,590	\$62,523,590	\$54,768,392	\$54,583,564	\$56,843,939	\$53,168,016	\$52,422,559	\$51,059,992
Total Debt Applicable to Limit	6,200,000	1,400,000	1,160,000	1,960,000	2,020,000	3,080,000	4,140,000	3,300,000	4,000,000	5,000,000
Legal Debt Margin	\$57,085,404	\$62,060,484	\$61,363,590	\$60,563,590	\$52,748,392	\$51,503,564	\$52,703,939	\$49,868,016	\$48,422,559	\$46,059,992
Total Net Debt Applicable to Limit as a Percentage of Debt Limit	9.80%	2.21%	1.86%	3.13%	3.69%	5.64%	7.28%	6.21%	7.63%	9.79%

Legal Debt Margin Calculation December 31, 2006:

Assessed value of taxable property	\$6,328,540,447
Debt Limit (1% of total assessed value)	\$63,285,404
Bonded Debt	\$6,200,000

POPULATION	LAKE COUNTY	OHIO
Population, July 1, 2005 Estimate	232,892	11,478,006
Population, 2000 Census	227,511	11,353,140
Population, percent change, 1990 to 2000	5.6%	4.7%
Persons under 5 years old, percent, 2000	6.1%	6.6%
Persons under 18 years old, percent, 2000	24.2%	25.4%
Persons 65 years old and over, percent, 2000	14.1%	13.3%
White persons, percent, 2000 (a)	95.4%	85.0%
Black or African American persons, percent, 2000 (a)	2.0%	11.5%
American Indian and Alaska Native persons, percent 2000 (a)	0.1%	0.2%
Asian persons, percent, 2000 (a)	0.9%	1.2%
Persons reporting some other race, percent, 2000 (a)	0.7%	0.8%
Persons reporting two or more races, percent, 2000	0.9%	1.4%
Female persons, percent, 2000	51.4%	51.4%
Persons of Hispanic or Latino origin, percent, 2000 (b)	1.7%	1.9%
White persons, not of Hispanic/Latino origin, percent, 2000	94.4%	84.0%
Housing units, 2000	93,487	4,783,051
Homeownership rate, 2000	77.5%	69.1%
Households, 2000	89,700	4,445, 773
Persons per household, 2000	2.50	2.49
Households with persons under 18, percent, 2000	33.2%	34.5%

(a) Includes persons reporting only one race

(b) Hispanics may be of any race, so also are included in applicable race categories

Source: U.S. Census Bureau – 2000 Census

UNEMPLOYMENT RATES

(LAST TEN YEARS)

Year	Lake County	State of Ohio	United States
2006	4.8%	5.5%	4.6%
2005	5.2%	5.9%	4.9%
2004	5.7%	5.5%	5.5%
2003	6.3%	6.0%	5.7%
2002	5.4%	5.0%	5.7%
2001	5.0%	4.8%	5.8%
2000	3.6%	3.9%	4.0%
1999	3.8%	4.1%	4.1%
1998	3.7%	4.0%	3.8%
1997	4.0%	4.3%	4.4%

Source: Ohio Department of Job and Family Services
 Lake Metroparks

Demographic and Economic Statistics (Continued)
 December 31, 2006

POPULATION

<u>Year</u>	<u>County Population</u>	<u>Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
1940	50,202		
1950	75,979	25,777	51.3%
1960	148,700	72,721	95.7%
1970	197,200	48,500	32.6%
1980	212,801	15,601	7.9%
1990	215,499	2,698	1.3%
2000	227,511	12,012	5.6%
2006 (Estimate)	232,892	5,381	2.4%

AGE DISTRIBUTION 2000 CENSUS

<u>Age</u>	<u>Total</u>	<u>Percentage of Total</u>
Under 5 years	13,906	6.1%
5 – 9 years	15,486	6.8%
10 – 14 years	16,079	7.1%
15 – 19 years	14,689	6.5%
20 – 24 years	11,460	5.0%
25 – 34 years	29,247	12.9%
35 – 44 years	38,345	16.9%
45 – 54 years	33,689	14.8%
55 – 59 years	12,718	5.6%
60 – 64 years	9,848	4.3%
65 – 74 years	17,024	7.5%
75 – 84 years	11,676	5.1%
85 and older	<u>3,344</u>	<u>1.5%</u>
Total	<u>227,511</u>	<u>100.0%</u>
Male	110,531	48.6%
Female	116,980	51.4%

Source: U.S. Census Bureau – 2000 Census

Lake County, Ohio
Principal Employers
Current Year and Nine Years Ago
December 31, 2006

<u>Employer</u>	<u>Nature of Business</u>	<u>2006</u> <u>Employees</u>	<u>1997</u> <u>Employees</u>
Lake County Government (a)	County Government	2,141	2,110
Lake Hospital System, Inc.	Health Care	1,756	2,084
First Energy Corporation	Electric Utility	1,312	1,154
Lubrizol Corporation	Chemical Additives	1,273	1,861
Avery International	Pressure-sensitive Products	1,273	1,534
Mentor Exempted Village Schools	School District	1,010	1,396
Willoughby-Eastlake City Schools	School District	929	1,076
Steris Corporation	Infection and Contamination Prevention Systems	855	
Giant Eagle, Inc.	Grocery Store Chain	811	
ABB Automation, Inc.	Computer Systems for Power Plants	533	
Elsag Bailey, Inc.	Computer Systems		1,328
Lakeland Community College	Secondary Education		1,019
PCC Airfoils	Airfoils for Jet Engines and Gas Turbines		771

(a) Includes Lake County Board of MR/DD

Source: Crain's Cleveland Business – March 20, 2006 (Full-time equivalent employees)

Lake Metroparks
 Total Park Employees by Function
 Last Ten Years

<u>Function/Program</u>	Total Number of Employees Paid as of December 31									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Governmental	416	407	410	399	406	406	384	380	413	392
Business-type	68	70	71	74	75	69	67	71	122	177
Total	<u>484</u>	<u>477</u>	<u>481</u>	<u>473</u>	<u>481</u>	<u>475</u>	<u>451</u>	<u>451</u>	<u>535</u>	<u>569</u>

Lake Metroparks
Operating Indicators - Parks and Recreation
Last Ten Years

Table 17

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Park Visits (1)	2,100,000	2,114,000	2,593,000	2,783,000	2,543,000	2,085,000	1,673,000	1,635,000	1,500,000	1,345,000
Rounds of Golf (2)	68,000	67,500	67,700	66,000	65,700	70,000	70,000	75,000	80,000	74,000
Registered Programs	1,676	1,475	1,329	1,500	1,524	1,504	1,476	1,432	1,458	1,400
Program Participants	23,552	23,107	25,412	25,168	24,424	26,108	25,406	27,222	23,205	24,858
Special Events (including events held at the Farmpark)	43	42	45	44	37	55	58	56	56	55
Special Events Participants (attendance totals calculated in the Farmpark totals also)	170,014	145,611	115,181	124,101	120,528	138,730	140,690	139,241	132,089	218,639
Farmpark Visits (3)	190,928	187,762	233,098	197,217	201,391	196,742	184,000	186,314	185,201	183,664

(1) Estimated and rounded to thousand

(2) Rounded to hundred

(3) Final figure includes special events held at facility; America the Beautiful, Vintage Ohio, Halloween Hayrides, Country Lights, corporate outings, and other special events (Ability Fair, Fiberfest, Fall Harvest Festival, Discovery Days, Quilt Show, Earth Day, Working Dog Weekend, Horsefest, Railroads in the Parks, Maple Sugaring Weekend, Corn and Pumpkin Weekend and Senior Day) and evening classes.

Source: Lake Metroparks Marketing Division

Lake Metroparks
 Capital Asset Statistics by Function - Parks and Recreation
 Last Ten Years

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
<u>Leisure Services</u>										
Number of Park Properties	38	37	37	37	37	37	35	35	35	35
Area of Properties (acres)	7,486	7,210	7,090	6,985	6,964	6,622	6,299	6,114	5,853	5,707
Programmed Buildings (sq.ft.)	113,231	101,723	101,723	101,723	101,723	97,246	97,246	97,246	97,246	95,786

LAKE METRO PARKS

Nature & Recreation





Mary Taylor, CPA
Auditor of State

LAKE METROPARKS

LAKE 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
JULY 5, 2007**