



**Auditor of State  
Betty Montgomery**

# LAKE METROPARKS PERFORMANCE MANAGEMENT PROJECT

NOVEMBER 15, 2005



**Auditor of State  
Betty Montgomery**

To the Citizens, Officials, and Project Team of the Lake Metroparks:

Lake Metroparks and six other local governments were invited to participate in a Performance Management Project (the Project) because each was identified as a leader in financial reporting by professional organizations. This project was designed to enhance Lake Metroparks public reporting process by assembling requested information in a user friendly manner. The seven entities participating in the Project include one county, four cities, one library, and one special district.

The mission of the Project is to provide citizens, officials, and employees with comprehensive and easily accessible indicators to assess the performance and enhance the planning process of the affected government entity. The report for Lake Metroparks contains socioeconomic indicators, key financial ratios, and a performance measurement exercise for one selected area.

Reporting of socioeconomic conditions is important in the long-range planning process of an entity because it allows policies to be enacted within the parameters of the quantifiable resources and needs of the community. Reporting of key financial ratios is important to the strategic planning and budgeting processes. By using financial ratios, the entity can develop financial policies that help to define the amount of service available in a given time. Performance measurement allows the entity to determine the efficiency and effectiveness of an activity. This information can then be used to further enhance the strategic planning process and ensure the effective use of public dollars.

This report includes the following sections: project introduction; socioeconomic indicators; financial ratios; and performance management exercise. This report has been provided to the Board of Park Commissioners, Executive Director, Deputy Director, and Finance Director, and its contents have been discussed with the Finance Director.

Additional copies of this report can be requested by calling the Clerk of the Bureau's office at (614) 466-2310 or toll free at (800) 282-0370. In addition, this report can be accessed online through the Auditor of State of Ohio website at <http://www.auditor.state.oh.us/>, by choosing the "On-Line Audit Search" option.

Sincerely,

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
AUDITOR OF STATE

November 15, 2005

## **Table of Contents**

<b>INTRODUCTION</b>	
Background on Performance Management	1
Project Description	1
Background on Lake Metroparks	2
<b>SOCIOECONOMIC INDICATORS</b>	
Background	3
Population and Demography Narrative	4
Population and Demography Tables	6
Housing and Geography Narrative	14
Housing and Geography Tables, Maps and Report Reference	16
Property Tax Narrative	23
Property Tax Tables	24
Personal Finance Narrative	26
Personal Finance Tables	28
<b>FINANCIAL RATIOS</b>	
Financial Performance Ratios	33
Liquidity Ratios	35
Solvency Ratios	36
Fiscal Capacity Ratios	37
<b>PERFORMANCE MEASUREMENT EXERCISE</b>	
Cost Allocation	38
<b>CONCLUSION</b>	42

## **Background on Performance Management**

Any organization requires reliable data to make informed decisions. Recent advances in information technology have made it possible to efficiently gather, sort and store data on internal and external factors impacting organizations. These repositories of data enable managers to analyze strengths, weaknesses, opportunities and threats to their organization like never before to benefit their consumers.

As citizens continually demand more responsive and competitive government, public officials are increasingly collecting data to assess both external socioeconomic indicators for planning services and measuring the performance of those services. Other states and national researchers have labeled Ohio a forerunner in collecting elementary and secondary education data through the Educational Management Information System (EMIS), which contains more than 200 data elements. This data is constantly analyzed by educators, researchers, the media, policymakers and citizens to measure the efficiency and effectiveness of education in Ohio.

Nonetheless, there are thousands of other local governments in Ohio that do not have such an effective tool to analyze data for planning and measuring their services. They must use websites of various state, federal and private agencies to search databases containing the information they desire on external factors in their communities. In addition, many local governments do not consistently collect and maintain data to measure performance and manage their operations effectively. While the implementation of the Governmental Accounting Standard Board's Statement No. 34 will make government financial data much easier to analyze for policy purposes, many officials may not understand how to use this data to its full potential.

## **Brief Project Description**

The Performance Management Project (PMP) attempts to transfer knowledge and information, enabling local governments in Ohio to better serve citizens in an increasingly efficient and effective manner. It envisions a comprehensive portal system of data-sharing among Ohio's counties, municipalities, townships, libraries and other special districts. This network would offer a broad base of performance measures, both financial and socioeconomic, to help guide operating and policy decisions. It would also present an Internet class designed by academic experts to help local officials establish performance-based organizations. Site information could be tailored to the user profile.

This project takes into account that most organizations, government and non-government, go through cycles of high performance to low performance. Unlike many performance assessment programs, it does not attempt to institutionalize a methodology for performance management on any one or a group of governments. Rather, it provides a tool for all governments to use as they progress through the cycles.

This project is currently being piloted among several high-performing local governments, as defined by their financial reporting practices, which include the cities of Brecksville,

Upper Arlington, Sidney and Westlake; the Wayne County library system; Lake Metroparks; and Richland County. Each partner government is financially contributing to develop pilot performance measures in the areas of socioeconomic indicators, financial ratios, and operating performance measures.

Each partner has a project team comprised of legislative, executive and operational members of the entity as well as one or more citizens. Team members involved with the PMP project for Lake Metroparks include:

<u>Name</u>	<u>Title</u>
Kenneth E. Kleppel, CPA	Finance Director, Team Leader
Stephen Madewell	Deputy Director
John Grantham	Head of Natural Resources
Tom Weiss	Head of Golf
Brian Fowler	Head of Recreation
Ann Bugeida	Head of Interpretation
Andy Baker	Farmpark Administrator

This report concludes Phase I of the PMP project, and details the selection of performance measures and the tools necessary to develop a performance driven organization. Key objectives and action plans for approaching Phase II of the project include:

- 10-15 socioeconomic indicators to assist in high-level, long-term policy analysis;
- 16 financial ratios providing a deeper analysis of government finances to help guide policy in the short-term; and
- An exercise to develop objectives, performance measures and a self-assessment for an operational area.

### **Background on Lake County and Lake Metroparks**

Lake County is a primarily suburban county northeast of Cleveland. While it is Ohio's smallest county in land area, it is the 11<sup>th</sup> largest in population. The county population increased by more than 45 percent between 1960 and 2000, though it now appears to be leveling off. The western half of the county is highly developed with industrial, commercial and residential properties. Although the eastern half is more rural, it is also experiencing increased residential development. While Lake County remains one of Ohio's wealthiest counties, its ranking has slipped from the last decade.

Lake Metroparks is a park district covering the entire county. It owns 5,783 acres of land, leases 669 acres and holds 556 acres of conservation easements totaling 4.5 percent of county acreage. The Metroparks team expressed a desire to gain information to help with some of the following issues:

- Programs for emerging or changing populations;
- Conservation and open space;
- Revenue anticipation;
- Potential fundraising;
- Overhead costs;
- The impact of land in assets and net assets;
- The impact of intergovernmental revenue fluctuations and full deregulation;
- Developed versus undeveloped land and impact on property values; and
- Historical cost of land versus present value.

### **Socioeconomic Indicators**

Socioeconomic indicators encompass economic and demographic characteristics of the community, including population, income levels, age distribution, property values, employment, and business activities. They allow a government analyst to focus on external opportunities (e.g, new revenue sources) and threats (e.g, increasing service demands).

For this project section, the AOS mined databases from numerous state, federal and private organizations to develop potential socioeconomic indicators. It categorized hundreds of indicators into the following groups:

- Population and demography,
- Geography and housing,
- Environment,
- Public safety,
- Local business climate,
- Local labor market,
- Personal finance,
- Property taxes,
- Sales taxes,
- Income taxes,
- Other taxes,
- Abatements, and
- Local government fund.

In addition to the indicators presented, clients could also request analysis of specific socioeconomic indicators. To allow for trend analysis, the AOS gathered historical data whenever possible. After assessing the options, the Lake Metroparks team chose to have the AOS populate the following indicators:

1. Population changes and projections, including components of change.
2. Nativity and language statistics.

3. Population and housing density.
4. Land use by total acreage.
5. Open space for recreation.
6. Housing starts; structure age and valuation; and homeownership rates.
7. Average property taxes, including normal lag time from completing a home to appearance on tax duplicate.
8. Assessed valuation of all real and tangible business property.
9. Educational attainment.
10. Income statistics.

The following pages describe the result of each request within the general topics of, population and demographics, geography and housing, property taxes, and personal finance/educational attainment, as well as observations made by the AOS and discussion generated by the team.

#### *A. Population and Demographics*

##### Issues to Look For

Population trends can indicate whether a community is growing or declining, enabling governments to better anticipate revenue, growth and service demands. AOS obtained countywide population projections from the Ohio Department of Development (ODOD) through 2030, including underlying projections for birth, death and migration rates. Further, categorizing these projections by age cohort allows governments to focus on the needs of specific populations such as the elderly.

Data on households at the municipal and township level can help governments tailor their services to individual areas. Also, studying trends in average population per household helps determine the relationship between development and population levels. Finally, trends in foreign-speaking populations can help governments in determining the potential for multi-lingual programming or other specialized services for these populations.

##### Observations

- Lake County's population increased 5.6 percent between 1990 and 2000 (page 6). However, ODOD projects growth will increase only 3.1 percent between 2000 and 2020, and then slowly decline (page 7). Decreasing birth rates and increasing death rates will drive the projected slowdown. In fact, ODOD projects that by 2010 the death rate will exceed the birth rate. (page 8).

- Projected increases in the number of persons moving into Lake County may help offset the declining natural growth rate. However, ODOD projects consistent losses among young adults (ages 15 to 29) moving out of the county (page 9).
- These factors may result in Lake County having an increasingly older population. In 1990, seniors (age 65 and greater) represented 11.4 percent of the total population, while in 2030 seniors are projected to make up 23.5 percent of the population. Conversely, the population under age 20 is projected to drop from 26.4 percent of the total population in 2000 to 23.6 percent of the total population in 2030 (pages 6-7).
- The number of households increased 11.5 percent from 1990 to 2000, while the persons per household decreased 5.6 percent (page 10). This trend may continue as the senior population, especially those living alone, increases and the birth rate decreases.
- Pages 11-12 detail areas of the county according to various household demographic attributes to which Lake Metroparks may wish to tailor its services. For example, seniors living alone comprise a greater percentage of non-family households in the far western suburbs (average 14.4 percent) than in the county as a whole (9.8 percent).
- The percentage of population above age five speaking a language other than English at home rose from 6.1 percent in 1990 to 6.7 percent in 2000. Of the total county population over age five, 2.5 percent reported speaking English “less than very well” (page 13). These included nearly 3,000 persons from specific households in which all members 14 years and over have at least some difficulty with English.
- The most common languages spoken are Spanish and Serbo/Croatian/other Slavic. Of the county’s population over age five, nearly 2 percent speak Spanish and 1.5 percent speak Serbo-Croatian or other Slavic languages (page 13).

#### Team Discussion

- Because housing costs are relatively high in Lake County, there are few entry level homes. This means there are fewer families with small children moving into the county as opposed to families with older children.
- Seniors increased in the time period (1990-2000) by 24 percent. Both measurements affect programming targets as well as revenue and volunteer opportunities.
- An increasing percentage of languages other than English are spoken in the home, and the team cannot assume these are predominantly Spanish. Lake Metroparks team members are aware of large concentrations of Russian-speaking visitors in the ski area. While diversity awareness and understanding are being addressed, at what point should Lake Metroparks make dual language data available? Also, both service and safety issues arise from not being able to communicate with patrons.
- How can Lake Metroparks position itself for the shrinking household population?

## POPULATION AND DEMOGRAPHY

### 2000 POPULATION

Age Cohorts	Total Population		Male Population		Female Population	
	Actual	Percent Change from 1990	Actual	Percent Change from 1990	Actual	Percent Change from 1990
0-4	13,910	-6.7%	7,000	-8.1%	6,910	-5.2%
5-9	15,490	3.2%	7,970	3.6%	7,520	2.8%
10-14	16,080	7.0%	8,180	6.5%	7,900	7.6%
15-19	14,690	1.7%	7,630	3.5%	7,060	-0.2%
20-24	11,460	-18.0%	5,830	-15.8%	5,640	-20.1%
25-29	13,270	-24.4%	6,660	-23.1%	6,610	-25.7%
30-34	15,980	-19.2%	7,990	-18.4%	7,990	-20.1%
35-39	18,430	3.4%	9,050	2.7%	9,380	4.0%
40-44	19,920	20.9%	9,840	22.0%	10,080	19.8%
45-49	17,810	29.2%	8,760	28.1%	9,050	30.3%
50-54	15,880	48.4%	7,750	51.4%	8,130	45.7%
55-59	12,720	26.7%	6,190	27.6%	6,530	25.8%
60-64	9,850	-3.4%	4,570	-6.9%	5,280	-0.1%
65-69	8,650	-8.1%	4,010	-4.6%	4,640	-11.0%
70-74	8,370	23.8%	3,720	27.7%	4,650	20.9%
75-79	7,170	52.7%	2,880	65.1%	4,300	45.3%
80-84	4,500	61.6%	1,620	74.9%	2,880	54.9%
85+	3,340	57.2%	900	71.0%	2,450	52.7%
<b>TOTAL</b>	<b>227,510</b>	<b>5.6%</b>	<b>110,530</b>	<b>5.6%</b>	<b>116,980</b>	<b>5.5%</b>

Source: Ohio Department of Development, Office of Strategic Research

### COMPONENTS OF CHANGE

Live births, 2000	2,673
Percent change from 1990	-12%
Average annual births, 1991-2000	2,768
Deaths, 2000	2,039
Percent change from 1990	24%
Average annual deaths, 1991-2000	1,890
Migration rate, 1990-2000 <sup>1</sup>	2,043

Source: Ohio Department of Development, Office of Strategic Research

<sup>1</sup> Number of persons moving into a county minus number of those moving out.

**POPULATION PROJECTIONS BY AGE AND SEX: 2005-2030**

Age Cohorts	2005			2010			2015		
	Total Pop.	Male Pop.	Female Pop.	Total Pop.	Male Pop.	Female Pop.	Total Pop.	Male Pop.	Female Pop.
0-4	13,410	6,820	6,580	12,370	6,280	6,090	11,930	6,060	5,870
5-9	14,980	7,620	7,360	14,700	7,570	7,130	13,510	6,940	6,570
10-14	16,580	8,490	8,090	16,300	8,250	8,050	15,850	8,120	7,730
15-19	15,750	8,110	7,640	16,350	8,460	7,890	16,020	8,210	7,810
20-24	10,730	5,550	5,170	12,470	6,390	6,080	12,560	6,480	6,080
25-29	10,180	5,030	5,150	9,640	4,880	4,760	11,220	5,620	5,610
30-34	15,290	7,740	7,550	12,620	6,340	6,290	11,780	6,030	5,760
35-39	16,890	8,410	8,480	16,400	8,260	8,150	13,610	6,790	6,820
40-44	18,660	9,170	9,480	17,200	8,580	8,630	16,670	8,400	8,270
45-49	19,970	9,830	10,140	18,780	9,200	9,580	17,300	8,590	8,710
50-54	17,320	8,510	8,810	19,450	9,560	9,890	18,270	8,940	9,330
55-59	14,840	7,110	7,730	16,300	7,880	8,420	18,290	8,840	9,450
60-64	11,960	5,670	6,280	13,960	6,520	7,440	15,300	7,220	8,080
65-69	8,980	4,120	4,860	10,890	5,110	5,780	12,670	5,840	6,830
70-74	8,040	3,450	4,600	8,420	3,560	4,870	10,010	4,370	5,640
75-79	7,130	3,040	4,100	6,960	2,850	4,100	7,220	2,920	4,300
80-84	5,860	2,020	3,840	5,920	2,140	3,780	5,750	2,010	3,740
85+	3,960	1,010	2,940	5,150	1,380	3,770	5,780	1,590	4,180
<b>Total</b>	<b>230,510</b>	<b>111,700</b>	<b>118,810</b>	<b>233,890</b>	<b>113,190</b>	<b>120,700</b>	<b>233,760</b>	<b>112,970</b>	<b>120,790</b>

Age Cohorts	2020			2025			2030		
	Total Pop.	Male Pop.	Female Pop.	Total Pop.	Male Pop.	Female Pop.	Total Pop.	Male Pop.	Female Pop.
0-4	12,020	6,100	5,920	12,430	6,320	6,110	12,630	6,420	6,220
5-9	13,200	6,800	6,400	13,180	6,780	6,410	13,690	7,050	6,640
10-14	14,810	7,560	7,250	14,400	7,370	7,030	14,470	7,390	7,080
15-19	15,660	8,120	7,540	14,590	7,550	7,030	14,230	7,390	6,840
20-24	12,690	6,460	6,220	11,980	6,190	5,790	11,190	5,770	5,410
25-29	11,440	5,780	5,660	11,450	5,700	5,760	10,820	5,470	5,350
30-34	13,630	6,910	6,730	13,640	6,970	6,680	13,830	6,970	6,860
35-39	12,910	6,550	6,360	14,650	7,370	7,270	14,740	7,470	7,270
40-44	13,950	6,980	6,970	13,210	6,720	6,490	14,970	7,550	7,420
45-49	16,810	8,430	8,380	14,090	7,010	7,080	13,390	6,770	6,620
50-54	16,830	8,350	8,490	16,340	8,180	8,150	13,680	6,810	6,880
55-59	17,210	8,280	8,930	15,780	7,690	8,090	15,330	7,560	7,780
60-64	17,180	8,100	9,080	16,160	7,590	8,570	14,830	7,050	7,780
65-69	13,890	6,480	7,420	15,570	7,250	8,320	14,670	6,810	7,860
70-74	11,630	5,000	6,640	12,650	5,510	7,140	14,150	6,170	7,980
75-79	8,540	3,570	4,970	9,810	4,040	5,770	10,660	4,450	6,200
80-84	6,020	2,070	3,960	6,940	2,510	4,440	7,930	2,840	5,090
85+	6,110	1,700	4,420	6,410	1,750	4,670	7,150	2,050	5,090
<b>Total</b>	<b>234,520</b>	<b>113,210</b>	<b>121,310</b>	<b>233,290</b>	<b>112,500</b>	<b>120,790</b>	<b>232,340</b>	<b>111,980</b>	<b>120,370</b>

Source: Ohio Department of Development, Office of Strategic Research

**PROJECTIONS OF BIRTHS AND DEATHS**

Year	Births			Deaths		
	Total	Male	Female	Total	Male	Female
00-05	13,005	6,676	6,328	11,337	5,559	5,778
05-10	11,865	6,092	5,774	12,551	6,015	6,536
10-15	11,488	5,898	5,590	13,668	6,525	7,143
15-20	11,511	5,910	5,602	14,627	6,988	7,639
20-25	11,977	6,149	5,828	15,740	7,507	8,233
25-30	12,140	6,233	5,908	16,737	7,957	8,780

Source: Ohio Department of Development, Office of Strategic Research

**NATURAL INCREASE RATE**

Year	Natural Increase Rate			Net Migrants	Total Population <sup>1</sup>	Net Increase
	Total	Male	Female			
00-05	0.7%	1.0%	0.5%	1,130	230,509	1.3%
05-10	-0.3%	0.1%	-0.7%	3,850	233,889	1.5%
10-15	-0.9%	-0.6%	-1.3%	1,825	233,764	-0.1%
15-20	-1.4%	-1.0%	-1.7%	3,630	234,524	0.3%
20-25	-1.6%	-1.2%	-2.0%	2,267	233,292	-0.5%
25-30	-2.0%	-1.6%	-2.4%	3,366	232,345	-0.4%

Source: Ohio Department of Development, Office of Strategic Research

<sup>1</sup> The total population numbers in this column may be slightly different from the numbers in the projection due to rounding.

**PROJECTED AGE-SPECIFIC FERTILITY RATES**

Age	2000-2005	2005-2010	2010-2015	2015-2020	2020-2025	2025-2030
15-19	0.030	0.031	0.033	0.034	0.036	0.037
20-24	0.078	0.076	0.073	0.070	0.068	0.065
25-29	0.115	0.114	0.114	0.113	0.113	0.112
30-34	0.094	0.095	0.097	0.099	0.101	0.102
35-39	0.041	0.044	0.047	0.051	0.054	0.057
40-44	0.007	0.008	0.009	0.009	0.010	0.011
<b>Total Fertility Rate</b>	<b>395</b>	<b>369</b>	<b>373</b>	<b>376</b>	<b>380</b>	<b>384</b>

Source: Ohio Department of Development, Office of Strategic Research

<sup>1</sup> The total fertility rate is the sum of the age specific fertility rates times 100. Rates represent individual years.

**PROJECTED AGE-SPECIFIC BIRTHS <sup>1</sup>**

Age	2000-2005	2005-2010	2010-2015	2015-2020	2020-2025	2025-2030
15-19	1,051	1,190	1,282	1,322	1,326	1,283
20-24	2,175	1,925	2,185	2,105	2,071	1,845
25-29	3,783	2,932	2,694	3,159	3,169	3,209
30-34	3,727	3,584	3,036	2,827	3,362	3,394
35-39	1,918	1,867	1,921	1,712	1,695	2,054
40-44	351	368	369	386	353	355
<b>TOTAL</b>	<b>13,005</b>	<b>11,865</b>	<b>11,488</b>	<b>11,511</b>	<b>11,977</b>	<b>12,140</b>

Source: Ohio Department of Development, Office of Strategic Research

<sup>1</sup> The age-specific births represent a five-year period.

**PROJECTED MIGRATION BY AGE AND SEX: 2005-2030**

Age Cohorts	2000-2005 Net Migrants		2005-2010 Net Migrants		2010-2015 Net Migrants		2015-2020 Net Migrants		2020-2025 Net Migrants		2025-2030 Net Migrants	
	Male	Female										
0-4	195	287	234	344	205	302	231	340	212	311	227	334
5-9	626	461	751	553	658	485	741	546	678	500	729	537
10-14	530	571	636	684	557	600	628	675	575	618	617	664
15-19	-189	-328	-156	-270	-180	-313	-158	-275	-175	-304	-162	-280
20-24	-2,039	-1,878	-1,680	-1,548	-1,947	-1,794	-1,709	-1,575	-1,889	-1,740	-1,744	-1,607
25-29	-697	-421	-574	-347	-666	-402	-584	-353	-646	-390	-596	-360
30-34	1,088	954	1,304	1,144	1,143	1,002	1,287	1,128	1,178	1,033	1,266	1,110
35-39	488	521	586	625	513	547	578	616	529	564	568	606
40-44	214	167	257	200	225	175	254	197	232	180	250	194
45-49	147	147	177	177	155	155	174	174	160	160	172	172
50-54	-33	-93	-27	-77	-31	-89	-27	-78	-30	-86	-28	-80
55-59	-265	-154	-218	-127	-253	-147	-222	-129	-245	-143	-227	-132
60-64	17	59	21	71	18	62	20	70	19	64	20	69
65-69	65	34	78	41	68	36	77	41	71	37	76	40
70-74	94	368	113	441	99	386	111	435	102	398	109	428
75-79	123	197	147	237	129	207	145	233	133	214	143	230
80-84	15	412	18	494	16	433	18	487	17	446	18	479
85+	-417	-141	-344	-116	-398	-135	-350	-118	-386	-131	-357	-121
Subtotal	-35	1,163	1,323	2,525	312	1,511	1,213	2,415	533	1,732	1,081	2,283
Total (both sexes)	1,128		3,848		1,823		3,628		2,265		3,364	

Source: Ohio Department of Development, Office of Strategic Research

Age Cohorts	2000-2005 Migration Rate		2005-2010 Migration Rate		2010-2015 Migration Rate		2015-2020 Migration Rate		2020-2025 Migration Rate		2025-2030 Migration Rate	
	Male	Female										
0-4	3.0%	4.6%	3.9%	6.0%	3.5%	5.4%	3.9%	6.1%	3.5%	5.4%	3.7%	5.7%
5-9	9.0%	6.7%	11.0%	8.4%	10.5%	8.0%	12.2%	9.3%	11.1%	7.8%	11.6%	8.8%
10-14	6.7%	7.6%	8.4%	9.3%	7.4%	8.4%	9.1%	10.3%	8.5%	8.5%	9.1%	10.4%
15-19	-2.3%	-4.2%	-1.8%	-3.3%	-2.2%	-3.9%	-2.0%	-3.6%	-2.3%	-4.1%	-2.2%	-4.0%
20-24	-27.4%	-26.9%	-21.2%	-20.5%	-23.6%	-23.0%	-21.4%	-20.4%	-23.9%	-28.4%	-23.8%	-23.2%
25-29	-12.3%	-7.6%	-10.7%	-6.8%	-10.8%	-6.7%	-9.3%	-5.9%	-10.3%	-6.9%	-10.0%	-6.4%
30-34	16.6%	14.5%	26.5%	22.4%	24.0%	21.2%	23.4%	20.3%	20.9%	15.4%	22.8%	19.5%
35-39	6.2%	6.6%	7.7%	8.3%	8.3%	8.8%	9.9%	10.8%	7.9%	8.9%	8.4%	9.2%
40-44	2.4%	1.8%	3.1%	2.4%	2.8%	2.2%	3.8%	2.9%	3.7%	2.6%	3.5%	2.7%
45-49	1.5%	1.5%	2.0%	1.9%	1.9%	1.8%	2.1%	2.1%	2.4%	1.9%	2.6%	2.7%
50-54	-0.4%	-1.1%	-0.3%	-0.8%	-0.3%	-0.9%	-0.3%	-0.9%	-0.4%	-1.0%	-0.4%	-1.2%
55-59	-3.6%	-2.0%	-2.7%	-1.5%	-2.8%	-1.5%	-2.6%	-1.4%	-3.1%	-1.6%	-2.9%	-1.7%
60-64	0.3%	1.0%	0.3%	1.0%	0.3%	0.8%	0.3%	0.8%	0.2%	0.7%	0.3%	0.9%
65-69	1.6%	0.7%	1.6%	0.7%	1.2%	0.5%	1.2%	0.6%	1.0%	0.5%	1.1%	0.5%
70-74	2.8%	8.9%	3.3%	10.2%	2.3%	7.5%	2.3%	7.2%	1.9%	6.1%	1.8%	5.8%
75-79	4.3%	5.3%	5.6%	6.5%	4.8%	5.4%	4.4%	5.2%	3.5%	4.5%	3.4%	4.0%
80-84	0.8%	13.2%	0.9%	16.7%	0.9%	14.6%	0.9%	15.7%	0.7%	12.5%	0.7%	11.5%
85+	-32.1%	-5.9%	-21.7%	-3.7%	-21.6%	-3.8%	-18.5%	-3.2%	-19.7%	-3.7%	-16.0%	-2.9%
Subtotal	0.0%	1.0%	1.2%	2.2%	0.3%	1.3%	1.1%	2.1%	0.5%	1.5%	1.0%	2.0%
Total (both sexes)	0.5%		1.7%		0.8%		1.6%		1.0%		1.5%	

Source: Ohio Department of Development, Office of Strategic Research

## HOUSEHOLD DATA

### 2000 GENERAL DATA

<b>Total households</b> <sup>1</sup>	89,700.0
<b>Percent change, 1990-2000</b>	11.5%
<b>Persons per household</b>	2.5
<b>Percent change, 1990-2000</b>	-5.6%

Source: U.S. Census Bureau

<sup>1</sup> A household includes all the people who occupy a housing unit as their usual place of residence.

### COUNTYWIDE HOUSEHOLDS

	<b>Number</b>	<b>Percent</b>
<b>Family households</b> <sup>1</sup>	62,564	69.70%
<b>Male householder</b> <sup>2</sup>	47,917	53.40%
<b>Female householder</b>	14,647	16.30%
<b>Nonfamily households</b> <sup>3</sup>	27,136	30.30%
<b>Male householder</b>	12,147	13.50%
<b>Living alone</b>	9,602	10.70%
<b>Female householder</b>	14,989	16.70%
<b>Living alone</b>	13,354	14.90%

Source: U.S. Census Bureau

<sup>1</sup> A family is a group of two or more people who reside together and are related by birth, marriage or adoption.

<sup>2</sup> A householder is the person or one of the people in whose name the house is owned or rented.

<sup>3</sup> A nonfamily household is the householder living alone or with nonrelatives only.

**HOUSEHOLDS AND FAMILY STATISTICS: 2000**

Area	Total Households	Percent of Households										Average Population Per	
		Family households					Non-family households					Household	Family
		Total	With own children under 18 years	Type of family		Total	Total	Housholder living alone		Total	65 years and over		
				Married couple family	Female householder no husband			Total	Total				
County	89,700	69.7	31.1	56.1	10	30.3	25.6	9.8	2.5	3.03			
<b>COUNTY SUBDIVISION AND PLACE</b>													
Concord township	5,730	77.7	32.6	69.3	5.6	22.3	18.2	6.4	2.63	3.01			
Eastlake city	8,055	69	30.6	53.3	11.4	31	26.3	9.3	2.51	3.07			
Kirtland city	2,445	77.1	31.6	67.9	6.1	22.9	19.8	7.4	2.65	3.06			
Kirtland Hills village	223	80.7	29.6	74	4.9	19.3	14.8	6.3	2.68	2.99			
Lakeline village	66	63.6	27.3	48.5	7.6	36.4	28.8	12.1	2.5	3.12			
Leroy township	1,079	83.7	37.3	74.6	5.6	16.3	13.3	4.5	2.89	3.19			
Madison township	6,800	74.2	35.4	60.1	9.8	25.8	21.3	8.6	2.65	3.08			
Madison village	1,107	72.4	35.1	61.1	7.9	27.6	24	10.7	2.61	3.11			
North Madison CDP	3,077	75.3	39.1	60.1	10.5	24.7	19.7	7.9	2.74	3.15			
North Perry village (part)	6	66.7	33.3	50	16.7	33.3	16.7	0	2.17	2.5			
Remainder of Madison township	2,610	73.7	31.1	59.7	9.7	26.3	22	8.5	2.56	2.99			
Mentor city	18,797	75.7	35.8	63.6	8.9	24.3	20.5	8.1	2.65	3.08			
Mentor-on-the-Lake city	3,304	67.5	31.6	52.6	10.7	32.5	26.6	8	2.46	3			

Source: U.S. Census Bureau

**HOUSEHOLD AND FAMILY STATISTICS: 2000**

Area	Total Households	Percent of Households										Average Population Per			
		Family households					Non-family households					Householder living alone	65 years and over	Household	Family
		Total	With own children under 18 years	Type of family		Female householder no husband	Total	Total	Total	Total	Total				
				Married couple family											
Painesville city	6,525	61.8	34.4	40.4	16.6	38.2	31.2	9.6	2.55	3.22					
Painesville township	7,394	70.4	31.3	55.7	10.6	29.6	24.7	8.8	2.49	2.98					
Fairport Harbor village	1,404	59.8	26.9	41.6	12.3	40.2	34.3	11.1	2.26	2.9					
Grand River village	122	78.7	33.6	68	2.5	21.3	18.9	7.4	2.83	3.24					
Remainder of Painesville township	5,868	72.8	32.4	58.8	10.4	27.2	22.6	8.2	2.54	2.99					
Perry township	2,847	80.5	40.3	68.9	8.1	19.5	16.2	6.5	2.88	3.23					
North Perry village (part)	296	79.4	35.5	67.2	8.4	20.6	17.9	6.8	2.79	3.19					
Perry village	426	76.3	42	64.1	8.7	23.7	20	7.5	2.81	3.24					
Remainder of Perry township	2,125	81.5	40.6	70.2	8	18.5	15.2	6.3	2.91	3.23					
Timberlake village	309	73.1	24.3	63.4	6.5	26.9	23.3	7.4	2.51	2.96					
Waite Hill village	183	79.2	19.7	75.4	2.2	20.8	13.7	4.4	2.44	2.71					
Wickliffe city	5,604	67	23.2	53.2	10.3	33	29	13.9	2.35	2.92					
Willoughby city	10,265	57.4	25.2	42.8	11.1	42.6	36.6	13.9	2.17	2.87					
Willoughby Hills city	3,973	59.9	20.9	49.2	7.4	40.1	35.1	11.5	2.16	2.82					
Willowick city	6,101	67.4	25.4	52.5	11.1	32.6	28.3	14.2	2.35	2.9					

Source: U.S. Census Bureau

**POPULATION 5 YEARS AND OVER BY LANGUAGE SPOKEN  
AT HOME AND ABILITY TO SPEAK ENGLISH, 2000**

<b>Population 5 years and over</b>	213,646	100%
<b>Speak only English</b>	199,368	93.3%
<b>Speak a language other than English</b>	14,278	6.7%
<b>5 to 17 years</b>	2,251	1.1%
<b>18 to 64 years</b>	9,487	4.4%
<b>65 years and over</b>	2,540	1.2%
<b>Speak English less than "very well"</b>	5,263	2.5%
<b>5 to 17 years</b>	762	0.4%
<b>18 to 64 years</b>	3,548	1.7%
<b>65 years and over</b>	953	0.4%

Source: U.S. Census Bureau

**ABILITY TO SPEAK ENGLISH IN HOUSEHOLD, 2000**

<b>Linguistically isolated households<sup>1</sup></b>	1,187	(X)
<b>Population 5 years and over in households</b>	210,748	100.0%
<b>In linguistically isolated households<sup>1</sup></b>	2,982	1.4%
<b>5 to 17 years</b>	582	0.3%
<b>18 to 64 years</b>	1,777	0.8%
<b>65 years and over</b>	623	0.3%

Source: U.S. Census Bureau

<sup>1</sup> Specific households in which all members 14 years old and over have at least some difficulty with English

**MOST FREQUENT FOREIGN LANGUAGES SPOKEN, 2000<sup>1</sup>**

<b>Spanish or Spanish Creole</b>	4,036	1.89%
<b>Serbo-Croatian</b>	1,956	0.92%
<b>Other Slavic languages</b>	1,232	0.58%
<b>Italian</b>	1,134	0.53%
<b>German</b>	995	0.47%
<b>French (incl. Patois, Cajun)</b>	906	0.42%
<b>Hungarian</b>	732	0.34%
<b>Chinese</b>	457	0.21%
<b>Other Indo-European languages</b>	319	0.15%
<b>Russian</b>	318	0.15%
<b>Polish</b>	248	0.12%

Source: U.S. Census Bureau

<sup>1</sup> Represents percent of total population 5 years and older.

## *B. Geography and Housing*

### Issues to Look For

Persons per square mile and housing units per square mile (density) could indicate a need for land use policy adjustments. Studying changes in land cover (developed vs. undeveloped) indicates the impact of development on overall geography. Further, the percent of total acres and per capita acreage for outdoor recreation are important indicators for park district planning.

The number of private housing permits issued annually helps track the development rate, as well as potential service demands and revenue sources. The housing structure age could indicate maintenance needs, while examining the year a householder moved into a unit helps define the stability of a community.

Median housing values and assessed valuation are strong indicators of community wealth and future revenue streams from property taxes. Median housing costs may indicate the ability of persons to assume new tax and/or repair burdens.

According to a national real estate publication, rental rates can indicate housing demand, as depressed rents are a sign of ample housing being built. Also, studying rent as a percentage of income helps indicate the fiscal stability of the renter population.

The existence of parkland also has a direct impact on residential valuation. AOS obtained a comprehensive study commissioned by the National Recreation and Park Association (NRPA) on the relationship between parks/open space and residential property values. The 2000 study, entitled *The Impact of Parks and Open Space on Property Values and the Property Tax Base*, reviews dozens of prior studies to support its conclusions.

### Observations

- Between 1980 and 2004, housing unit density increased 29.5 percent while population density increased only 8.9 percent (page 16). This gap could widen given the sharp increase in the number of housing permits issued in 2003 and 2004 (page 18). Developed land (high and low intensity) increased 4.6 percent from 1995 to 2000, from 24.45 percent of all acreage to 25.57 percent of all acreage (page 16).
- Lake County's ratio of 46 outdoor recreation acres per 1,000 residents is low as it ranks 72 out of 88 counties. The state average is 132 (page 17).
- Developers constructed more than 12,000 new housing structures in Lake County during the 1990s, exceeding new home construction during the prior decade by 15 percent. Consequently, 57 percent of householders reported moving into their home during the 1990s (page 18).

- Assessed residential valuation increased only 4.8 percent from 1999 to 2003, compared to 26.2 percent from 1996 to 2003. Regardless, residential valuation continued to increase steadily as a percentage of all real property valuation, from 72.1 percent in 1996 to 76.4 percent in 2003 (page 19).
- Home values, as estimated by homeowners, increased 35.5 percent above the rate of inflation between 1990 and 2000. This percentage rate compared to a 21.4 percent adjusted increase in median housing costs with a mortgage (page 19).
- Median gross rent adjusted for inflation only increased 2.6 percent from 1990 to 2000, indicating an ample housing market in the 1990s. Likewise, persons paying more than 35 percent of their household income in rent remained stable at 26 percent between 1990 and 2000 (page 19).
- The NRPA study found that in 25 prior reviews on the relationship between open space and property values, 20 contained empirical evidence supporting the theory that parks and open space contribute to increasing proximate property values (pages 20-22).
- The NRPA study projected, in general, a positive impact of 20 percent on property value abutting or fronting a passive park as a reasonable starting point guideline. It also projected that parkland/open space is likely to have substantial property value impact up to 500 feet away, and up to 2,000 feet away in the case of community sized parks. However, these are general statistics and there were several exceptions noted in the study (pages 20-22).

## GEOGRAPHY AND HOUSING

### POPULATION AND HOUSING DENSITY

	Population	Housing Units <sup>1</sup>
Per square mile, 2004	1,016	424
Per square mile, 2000	997	410
Per square mile, 1990	945	365
Per square mile, 1980	933	328
Percent change, 1980-2004	8.9%	29.3%

Source: U.S. Census

<sup>1</sup> 2004 housing unit update based on new housing permits issued in 2000-03.

### LAND COVER (DEVELOPED VS. UNDEVELOPED)

	2000		Difference From 1995	
	Acres	Percentage of County	Acres	Percentage Change
High Intensity Developed <sup>1</sup>	13,415	9.03	13,415	13.6%
Low Intensity Developed <sup>2</sup>	24,564	16.54	24,564	0.2%
Cultivated Land	12,424	8.36	12,424	2.9%
Grassland	33,030	22.23	33,030	-1.3%
Deciduous Forest	40,617	27.34	40,617	-4.6%
Evergreen Forest	1,691	1.14	1,691	1.2%
Mixed Forest	1,097	0.74	1,097	2.5%
Scrub/Shrub <sup>3</sup>	6,622	4.46	6,622	5.0%
Palustrine Forested Wetland <sup>4</sup>	11,090	7.47	11,090	0.8%
Palustrine Scrub/Shrub Wetland <sup>5</sup>	252	0.17	252	3.0%
Palustrine Emergent Wetland <sup>6</sup>	1,387	0.93	1,387	2.7%
Unconsolidated Shore	41	0.03	41	82.2%
Bare Land	694	0.47	694	7.3%
Water	1,627	1.10	1,627	-9.1%
<b>Total</b>	<b>148,551</b>	<b>100.00</b>	<b>148,551</b>	<b>0.0%</b>

Source: Ohio Department of Natural Resources, Division of Real Estate and Land Management

<sup>1</sup> Contains little or no vegetation.

<sup>2</sup> Contains substantial amounts of constructed surface mixed with substantial amounts of vegetated surface.

<sup>3</sup> Areas dominated by woody vegetation less than 6 meters high.

<sup>4</sup> Nontidal wetlands dominated by woody vegetation at least 6 meters high.

<sup>5</sup> Nontidal wetlands dominated by woody vegetation less than 6 meters high.

<sup>6</sup> Wetland occurring in tidal areas.

**OUTDOOR RECREATION ACREAGE (LAND AND WATER)**

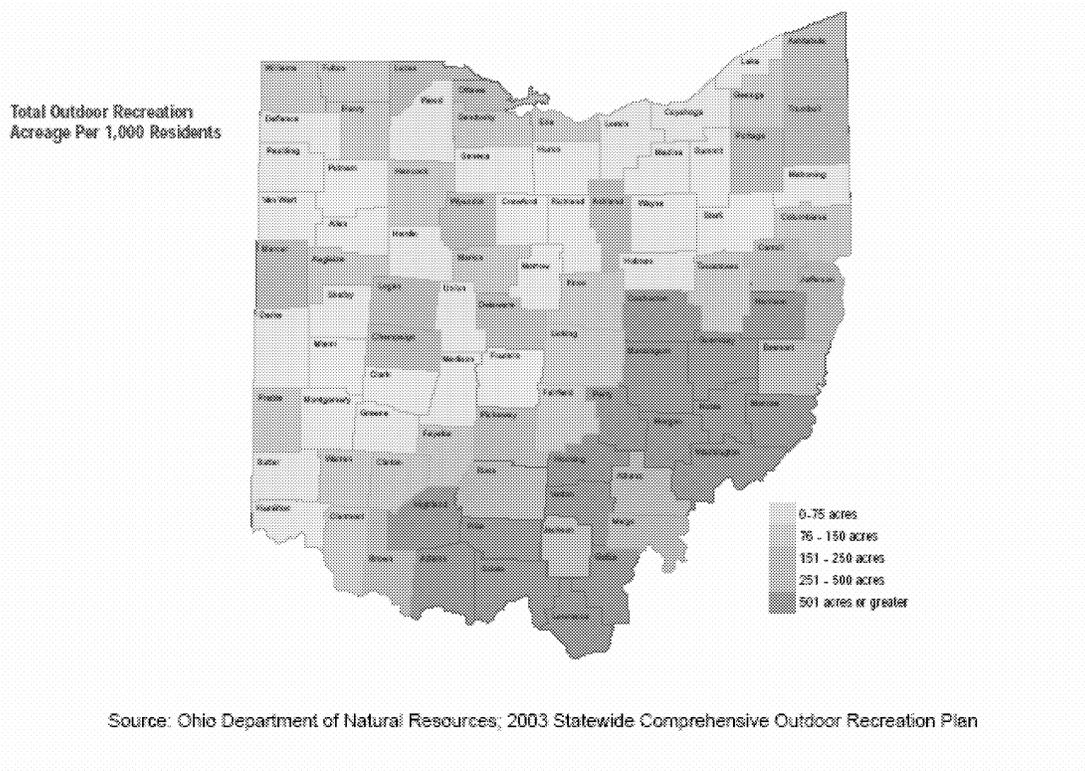
<b>Total county acreage</b>	147,663
<b>Rank among counties</b>	88

<b>Outdoor recreation acreage</b>	10,379
<b>Rank among counties</b>	47

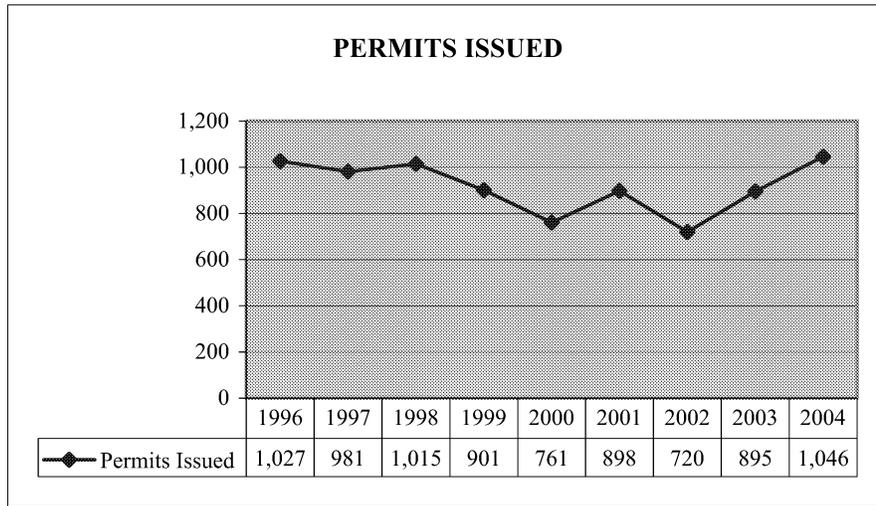
<b>Percent of total acres for outdoor recreation</b>	7%
<b>Rank among counties</b>	28

<b>Outdoor recreation acres per 1,000 residents</b>	46
<b>Rank among counties</b>	72

Source: Ohio Department of Natural Resources; 2003 Statewide Comprehensive Outdoor Recreation Plan



## HOUSING STATISTICS



### YEAR STRUCTURE BUILT

1999 to Mar. 2000	1,180
1995-'98	5,159
1990-'94	6,080
1980-'89	10,429
1970-'79	17,579
1960-'69	15,854
1940-'59	26,621
1939 or earlier	10,585

Source: U.S. Census Bureau

### YEAR HOUSEHOLDER MOVED INTO UNIT

1999 to Mar. 2000	12,663
1995-'98	23,181
1990-'94	15,543
1980-'89	15,630
1970-'79	10,738
1969 or earlier	11,945

Source: U.S. Census Bureau

#### HOMEOWNER DATA

<b>Homeownership rate, 2000</b>	77.50%
<b>Homeownership rate, 1990</b>	73.20%
<b>Median value of owner-occupied housing units, 2000</b>	\$127,900
<b>Percent change, 1990-2000, adjusted for inflation</b>	35.50%
<b>Value percentage less than \$50,000, 2000</b>	1%
<b>Value percentage less than \$50,000, 1990 (unadjusted)</b>	11.5%
<b>Value percentage more than \$200,000, 2000</b>	15.2%
<b>Value percentage more than \$200,000, 1990 (unadjusted)</b>	2.4%
<b>Monthly median housing costs with mortgage, 2000</b>	\$1,078
<b>Percent change, 1990-2000, adjusted for inflation</b>	21.4%
<b>Median owner costs, without mortgage, 2000</b>	\$329
<b>Percent change, 1990-2000, adjusted for inflation</b>	8.9%

Source: Ohio Department of Development, Office of Strategic Research

#### RESIDENTIAL VALUATION (000s)

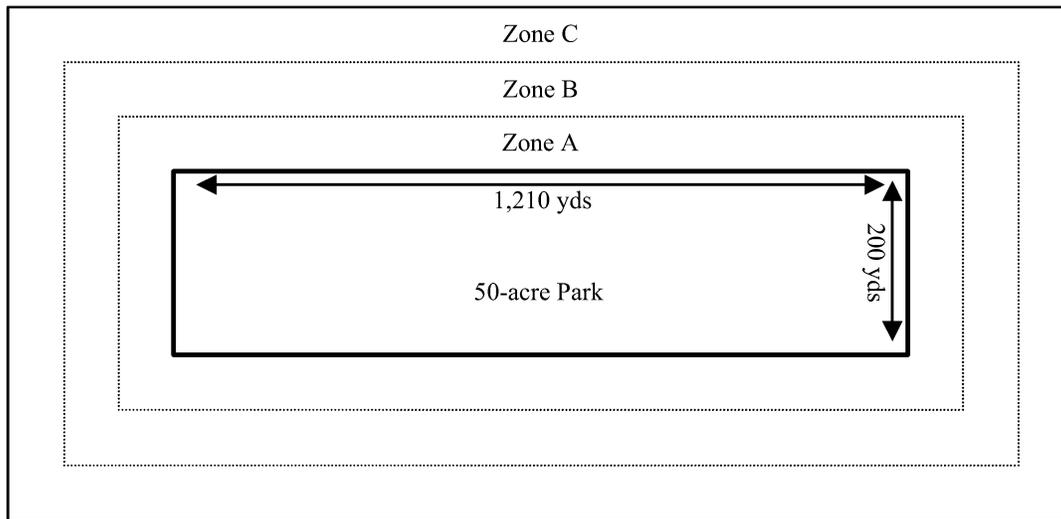
<b>Assessed Valuation, 2003</b>	\$4,107,247
<b>Percent change, 1999-2003</b>	4.8%
<b>Percent change, 1996-2003</b>	26.2%
<b>As a percentage of all real property, 2003</b>	76.4%
<b>As a percentage of all real property, 1999</b>	74.3%
<b>As a percentage of all real property, 1996</b>	72.1%

Source: Ohio Department of Taxation

#### RENTER DATA

<b>Population in rental units, 2000</b>	42,828 (19.1%)
<b>Renter occupied housing units, 2000</b>	20,179 (22.5%)
<b>Average household size of renter-occupied unit</b>	2.12
<b>Median gross rent, 2000</b>	\$623
<b>Percent change, 1990-2000, adjusted for inflation</b>	2.6%
<b>Percent of renters with gross rent 35% of household income, 2000</b>	26.4%
<b>Percent of renters with gross rent 35% of household income, 1990</b>	26.2%

Source: U.S. Census



**Figure 1-1** Layout of a 50 acre Natural Park and the Proximate Neighborhood Area

A projected annual income stream to service the bond debt was calculated as follows:

- If properties around the park are 2,000sq ft homes on half-acre lots (40 yd x 60 yd) with 40 yd frontages on the park, then there would be 70 lots in Zone A (30 lots along each of the 1,210 yd perimeters and 5 lots along each of the 200 yd perimeters).
- Assume total property taxes payable to city, county, and school district are 2% of the market value of the property.
- Assume the market value of similar properties elsewhere in the jurisdiction beyond the immediate influence of this park is \$200,000.
- Assume the desire to live close to a large natural park creates a willingness to pay a premium of 20% for properties in Zone A; 10% in Zone B; and 5%, in Zone C, and that there are also 70 lots in Zones B and C.

Table 1-1 shows that, given the above assumptions, the annual incremental property tax payments in the three zones from the premiums attributable to the presence of the park amount to \$98,000. This is sufficient to pay the \$90,000 annual bond debt charges.

The flows of this investment cycle are shown in Figure 1-2: (i) the council invests \$90,000 a year for 20 years (annual debt charges on a \$1 million bond) to construct or renovate a park; (ii) which causes the values of properties proximate to the park to increase; (iii) leading to higher taxes paid by the proximate property owners to the council; (iv) that are sufficient to fully reimburse the \$90,000 annual financial investment made by the council.

There are three additional points worth noting which may further strengthen the economic case. First, this illustration assumes no state or federal grants are available to aid in the park's acquisition and development. If they were available to reduce the community's capital outlay, then the incremental property tax

**Table 1-1** Property Taxes Pay the Annual Debt for Acquisitions and the Development of the Park

Zone	Market value of each home	Incremental value attributed to the park	Total property taxes at 2%	Incremental property taxes attributed to the park	Aggregate amount of property tax increments given 70 home sites
Outside the park's influence	\$200,000	\$0	\$4,000	\$0	\$0
A (20% premium)	\$240,000	\$40,000	\$4,800	\$800	\$56,000
B (10% premium)	\$220,000	\$20,000	\$4,400	\$400	\$28,000
C ( 5% premium)	\$210,000	\$10,000	\$4,200	\$200	<u>\$14,000</u>
					\$98,000

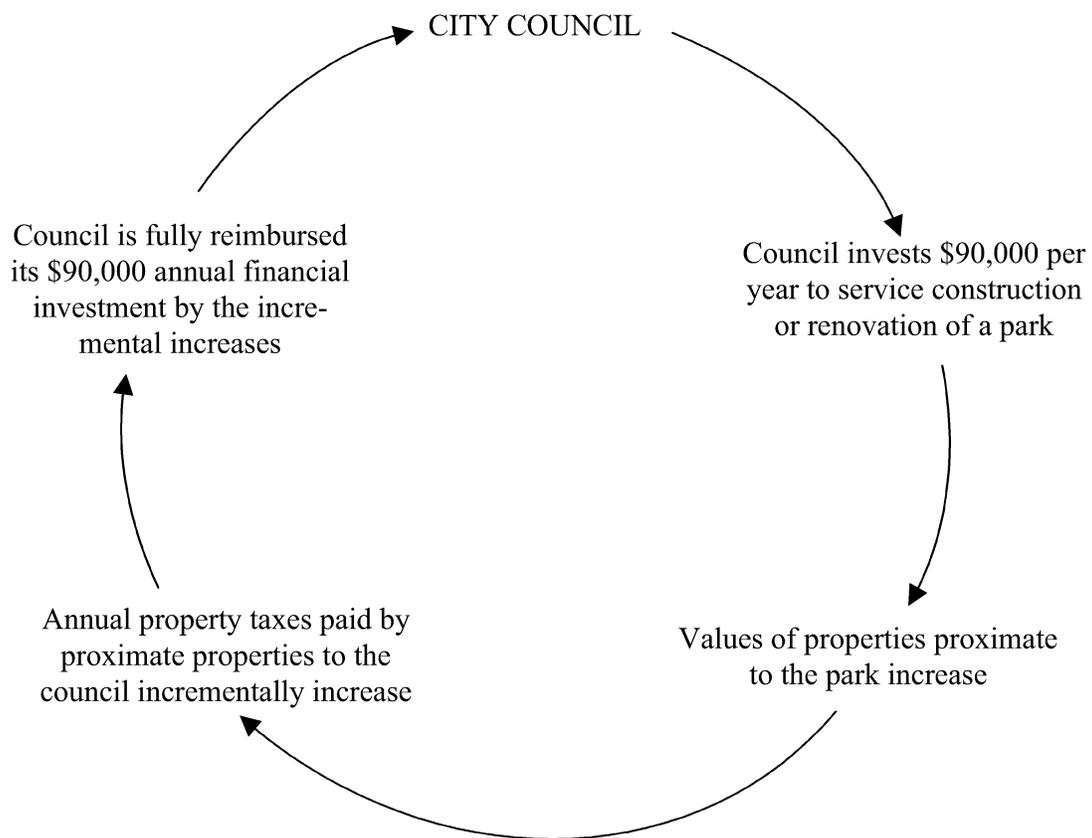
income stream would greatly exceed that required to service the debt payments. Second, the incremental property tax income will continue to accrue to the community after the 20-year period during which the debt charges will be repaid, at which time the net return to the community will be substantially enhanced.

Third, there is evidence to suggest that investment in parks affects the comparative advantage of a community in attracting future businesses and desirable residential relocators such as retirees. However, the proximate capitalization approach does not capture the secondary economic benefits attributable to park provision that accrue from such sources.

Finally, a park of the size shown in Figure 1-1 is likely to improve the quality of life and, thus, have some economic value to urban residents living beyond Zone C. In all the studies reviewed, the capitalization of benefits ceased at a selected distance, usually somewhere between 500 feet and 3000 feet away from the park perimeter in urban contexts. However, it is unlikely that park users and beneficiaries will be restricted only to those individuals lo-

cated within such a narrowly defined service area. The underestimation of economic benefit that occurs because some park users live outside a specified perimeter was demonstrated in a study of four parks containing a total of 219 acres in Worcester, Massachusetts. The parks' zones of influence were terminated at 2000 feet because the influence of the parks could not be clearly separated from numerous other elements influencing property values beyond that distance. However, when on-site interviews in the parks were conducted, it was found that between 51% and 75% of the parks' users lived beyond the 2000-foot radius cut-off. The benefits accruing to these users were not represented in the economic benefit capitalization calculations.

A determining factor of the magnitude of a park's impact on the property tax base is the extent of the park's circumference or edge. If a 100 acre park is circular in shape, then it has a relatively small circumference. If the 100 acres is distributed more linearly, then the amount of edge increases substantially.



---

**Figure 1-2** The Investment Cycle Associated with a Local Government's Investment in a Park

### *C. Property Taxes*

#### Issues to Look For

Trends in property valuation are good indicators of the local tax base, the economy and employment opportunities. This should be studied against past years to determine how the tax base makeup is changing. A growing reliance on any one sector could lead to fiscal distress if this revenue source were to suddenly decline. For example, there have been rapid declines in recent years of business tangible property due to utility deregulation and the phase-out of the personal property tax on inventories by the State Legislature.

#### Observations

- The Lake County Auditor's office reported that state law does not clearly define exactly when it must place new construction on the tax duplicate. However, the Auditor's office has decided to place a new building on the following year's tax duplicate if it determines that the building is at least 50 percent complete by December 31. For example, if it estimated a new build was 75 percent complete as of December 31, 2002, it would have placed it on the 2003 tax duplicate, payable in 2004 at that 75 percent assessed valuation. Such an assessment could take place regardless of whether an occupancy permit has been issued as long as the 50 percent criterion is observed (page 24).
- Based on the median house price in the 2000 census and the 47.99 average net mills, the average annual property taxes were \$2,148 in 2000 (page 24).
- The percentage of valuation from all business property (real and tangible) fell 9.7 percent from 1996 to 2003, due to declines in public utility and tangible personal property taxes. Likewise, the combined value of real and tangible business property as a percentage of all valuation decreased from 47.2 percent to 33.1 percent (page 24).
- Gains in commercial and industrial valuation are helping to partially offset losses in public utility and tangible personal property. Commercial and industrial valuation increased 36.3 percent and 48.0 percent, respectively, from 1996 to 2003. Commercial property has replaced public utility tangible property as the highest-valued class of business property (pages 24-25).

## PROPERTY TAXES

### AVERAGE TAXES PAID BY HOMEOWNER IN 2000

Median home price, 2000	\$127,900
Assessed valuation	\$44,765
Average net mills based on assessed value after application of tax reduction factors , 2000 taxes collected	47.99
Value of mill per \$1,000 of taxable property	\$1
Average annual property taxes (net mills multiplied by 44.765)	\$2,148

Source: Ohio Department of Taxation, Tax Analysis Division

### ASSESSED VALUE OF ALL BUSINESS PROPERTY (000s) <sup>1</sup>

2003	\$2,066,596
1999	\$2,289,293
1996	\$2,149,998
Percent change, 1999-03	-9.7%
Percent change, 1996-03	-3.9%
As a percentage of total assessed value, 2003	33.1%
As a percentage of total assessed value, 1999	43.5%
As a percentage of total assessed value, 1996	47.2%

Source: Ohio Department of Taxation, Tax Analysis Division

<sup>1</sup> Represents real and tangible personal property

### ASSESSED VALUE COMMERCIAL PROPERTY (000s) <sup>1</sup>

2003	\$860,292
1999	\$687,937
1996	\$630,985
Percent change, 1999-03	25.1%
Percent change, 1996-03	36.3%
As a percentage of total assessed business value, 2003	41.6%
As a percentage of total assessed business value, 1999	30.0%
As a percentage of total assessed business value, 1996	29.3%

Source: Ohio Department of Taxation, Tax Analysis Division

<sup>1</sup> Includes the real estate portion of public utility property.

**ASSESSED VALUE INDUSTRIAL PROPERTY (000s)**

<b>2003</b>	\$331,071
<b>1999</b>	\$256,814
<b>1996</b>	\$223,697
<b>Percent change, 1999-03</b>	28.9%
<b>Percent change, 1996-03</b>	48.0%
<b>As a percentage of total assessed business value, 2003</b>	16.0%
<b>As a percentage of total assessed business value, 1999</b>	11.2%
<b>As a percentage of total assessed business value, 1996</b>	10.4%

Source: Ohio Department of Taxation, Tax Analysis Division

**ASSESSED VALUE OF TANGIBLE PERSONAL PROPERTY (000s)<sup>1</sup>**

<b>2003</b>	\$489,705
<b>1999</b>	\$598,274
<b>1996</b>	\$524,602
<b>Percent change, 1999-03</b>	-18.1%
<b>Percent change, 1996-03</b>	-6.7%
<b>As a percentage of total assessed business value, 2003</b>	23.7%
<b>As a percentage of total assessed business value, 1999</b>	26.1%
<b>As a percentage of total assessed business value, 1996</b>	24.4%

Source: Ohio Department of Taxation, Tax Analysis Division

<sup>1</sup> Figures are after deduction of the \$10,00 exemption granted each taxpayer.

**ASSESSED VALUE, PUBLIC UTILITY TANGIBLE PROPERTY (000s)**

<b>2003</b>	\$384,523
<b>1999</b>	\$746,267
<b>1996</b>	\$770,713
<b>Percent change, 1999-03</b>	-48.5%
<b>Percent change, 1996-03</b>	-50.1%
<b>As a percentage of total assessed business value, 2003</b>	18.6%
<b>As a percentage of total assessed business value, 1999</b>	32.6%
<b>As a percentage of total assessed business value, 1996</b>	35.8%

Source: Ohio Department of Taxation, Tax Analysis Division

#### *D. Personal Finance/Educational Attainment*

##### Issues to Look For

Tracking personal income helps gauge changes in the tax base and ensuing impacts on revenues, the ability of a population to pay new taxes, if warranted, and the degree of service demands.

The report looks at two measurements of income: the Federal Bureau of Economic Analysis (BEA's) measure of personal income, and Federal Adjusted Gross Income (FAGI) as tracked by the Ohio Department of Taxation. The most current data available for these two measures is 2003.

Personal income is defined as the sum of wage and salary disbursements, other labor income, proprietors' income with inventory and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and government transfer payments to persons such as Social Security, unemployment insurance and veteran's benefits. It excludes personal contributions for social insurance. These measures include incomes of individuals, nonprofit institutions that primarily serve individuals, private noninsured welfare funds, and private trust funds.

FAGI consists of the taxable income of individuals who filed a Federal income tax return. It includes, but personal income excludes, personal contributions for social insurance, gains and losses on the sale of assets, and retirement income from government employee retirement plans and from private pensions and annuities. Adjusted gross income excludes, but personal income includes, the income of the recipients of taxable incomes who, legally or illegally, did not file an individual tax return. The Ohio Department of Taxation reports FAGI at the school-district level.

Finally, since level of education is closely related to income, governments should examine the educational attainment of geographic areas within its boundaries.

##### Observations

- Lake County's per capita personal income (PCPI) for 2003 is 5 percent higher than the state average. However, per capita and total personal income grew only 2.5 percent and 2.7 percent in 2003, respectively – less than the state average increases of 3.1 percent and 3.3 percent, respectively. Since 1993, the average annual growth in these income measures has trailed the Ohio average (page 28).
- Personal income from net earnings reported by Lake County residents increased 3.4 percent from 2002 to 2003. However, personal income from dividends, interest and rent fell 2 percent, likely reflecting stock market declines (pages 28-29).

- Personal income from transfer payments, such as Social Security, increased 4.5 percent from 2002 to 2003 – a much greater appreciation than earnings, and dividends, interest and rent (page 29). This may partly reflect the county’s aging population (pages 6-7).
- Personal income from net earnings made within Lake County businesses increased 3.3 percent from 2002 to 2003. This was less than the state average increase of 4.0 percent and the average annual increase for Lake County of 3.9 percent between 1993 and 2003 (page 29).
- With the exception of Kirtland and Perry Local school districts, the average Federal Adjusted Gross Income (FAGI) reported for all Lake County school districts in 2002 was below 2000 levels (page 30).
- The number of total returns from 2000 to 2002 decreased by approximately 3 percent each in the Mentor and Willoughby-Eastlake school districts. Likewise, total FAGI fell by approximately 6 percent in each district (page 30).
- From 2000 to 2002, the state ranking for FAGI of every Lake County school district fell with the exception of Kirtland and Perry local schools (page 30).
- Educational attainment by place in Lake County tends to reflect the FAGI detailed on page 27. For example, Kirtland and Kirtland Hills village have two of the highest percentages of adults with at least bachelor’s degrees in the county, and the Kirtland Local School District has by far the highest FAGI in the county (pages 31-32).

Team Discussion

- The team wished to determine income among the municipalities to help determine potential target areas for philanthropic giving and where to launch a successful campaign.

## PERSONAL FINANCE

### PERSONAL INCOME AS MEASURED BY BUREAU OF ECONOMIC ANALYSIS

#### PER CAPITA PERSONAL INCOME (PCPI)

	Lake County
PCPI, 2003	\$31,501
Compared to average state PCPI	5% >
Percent change, 2002-03	2.5%
Percent change for state, 2002-03	3.1%
Average annual growth, 1993-2003	3.5%
Average annual growth for state, 1993-2003	3.9%

Source: U.S. Bureau of Economic Analysis

#### TOTAL PERSONAL INCOME (TPI)

	Lake County
TPI, 2003 (000s)	\$7,273,324
TPI percent of state total, 2003	2.1%
State ranking	10th
Percent change, 2002-03	2.7%
Percent change for state, 2002-03	3.3%
Average annual growth, 1993-2003	3.9%
Average annual growth for state, 1993-2003	4.2%

Source: U.S. Bureau of Economic Analysis

#### PERSONAL INCOME FROM NET EARNINGS

	Lake County
Percent of total TPI, 2003 <sup>1</sup>	70.2%
Percent change, 2002-03	3.4%
Percent of total, 1993	71.2%
Average annual growth, 1993-2003	3.8%

Source: U.S. Bureau of Economic Analysis

<sup>1</sup> Net earnings is earnings by place of work—the sum of wage and salary disbursements (payrolls), other labor income, and proprietors' income—less personal contributions for social insurance, plus an adjustment to convert earnings by place of work to a place of residence basis

**PERSONAL INCOME FROM DIVIDENDS, INTEREST AND RENT**

	<b>Lake County</b>
<b>Percent of total TPI, 2003</b>	14.9%
<b>Percent change, 2002-03</b>	-2.0%
<b>Percent of total, 1993</b>	15.7%
<b>Average annual growth, 1993-2003</b>	3.4%

Source: U.S. Bureau of Economic Analysis

**PERSONAL INCOME FROM TRANSFER PAYMENTS**

	<b>Lake County</b>
<b>Percent of total TPI, 2003 <sup>1</sup></b>	14.9%
<b>Percent change, 2002-03</b>	4.5%
<b>Percent of total, 1993</b>	13.0%
<b>Average annual growth, 1993-2003</b>	5.3%

Source: U.S. Bureau of Economic Analysis

<sup>1</sup> Represent government payments to individuals, such as Social Security, medical, income maintenance, unemployment insurance and veterans' benefits.

**EARNINGS BY PLACE OF WORK**

	<b>Lake County</b>
<b>2003 Earnings (000s)</b>	\$4,284,672
<b>2002-03 percentage change <sup>1</sup></b>	3.3%
<b>2002-03 percentage change for state</b>	4.0%
<b>Average annual growth, 1993-2003</b>	3.9%
<b>Average annual growth for state, 1993-2003</b>	4.2%

Source: U.S. Bureau of Economic Analysis

<sup>1</sup> Represents labor and proprietors' earnings by place of work that indicate the economic activity of business and government within a county.

**FEDERAL ADJUSTED GROSS INCOME**

**2002 Federal Adjusted Gross Income (FAGI)**

School District	Total Returns	Total FAGI	Average FAGI	State Rank
Fairport Harbor EVSD	1,637	\$56,439,397	\$34,477	428
Kirtland LSD	3,566	\$286,389,593	\$80,311	17
Madison LSD	8,712	\$332,424,851	\$38,157	274
Mentor EVSD	31,960	\$1,498,321,312	\$46,881	109
Painesville CSD	7,641	\$246,590,315	\$32,272	524
Painseville Township LSD	13,972	\$675,438,436	\$48,342	95
Perry LSD	4,021	\$171,599,653	\$42,676	155
Wickliffe CSD	7,434	\$268,495,237	\$36,117	358
Willoughby-Eastlake CSD	33,785	\$1,349,468,767	\$39,943	218

Source: Ohio Department of Taxation, Tax Analysis Division

**2001 Federal Adjusted Gross Income (FAGI)**

School District	Total Returns	Total FAGI	Average FAGI	State Rank
Fairport Harbor EVSD	1,688	\$61,289,805	\$36,309	348
Kirtland LSD	3,585	\$295,687,903	\$82,479	17
Madison LSD	8,730	\$340,228,847	\$38,972	235
Mentor EVSD	32,881	\$1,551,471,875	\$47,184	105
Painesville CSD	7,808	\$251,036,637	\$32,151	514
Painseville Township LSD	14,065	\$693,437,134	\$49,302	87
Perry LSD	4,033	\$169,908,089	\$42,129	160
Wickliffe CSD	7,503	\$277,983,098	\$37,050	308
Willoughby-Eastlake CSD	34,701	\$1,410,682,789	\$40,653	189

Source: Ohio Department of Taxation, Tax Analysis Division

**2000 Federal Adjusted Gross Income (FAGI)**

School District	Total Returns	Total FAGI	Average FAGI	State Rank
Fairport Harbor EVSD	1,643	\$59,706,937	\$36,340	342
Kirtland LSD	3,664	\$290,834,157	\$79,376	20
Madison LSD	8,691	\$344,721,896	\$39,664	228
Mentor EVSD	32,937	\$1,587,726,798	\$48,205	103
Painesville CSD	7,795	\$258,750,628	\$33,194	479
Painseville Township LSD	14,114	\$746,730,525	\$52,907	75
Perry LSD	4,080	\$169,928,384	\$41,649	176
Wickliffe CSD	7,750	\$290,424,243	\$37,474	295
Willoughby-Eastlake CSD	34,879	\$1,434,688,393	\$41,133	183

Source: Ohio Department of Taxation, Tax Analysis Division

LANGUAGE, SCHOOL ENROLLMENT AND EDUCATIONAL ATTAINMENT: 2000

Geographic Area	Population enrolled in elementary/secondary school -- Percent in private school	Population 18-24 years -- Percent not enrolled in school and not a high school graduate	Population 18-24 years -- Percent enrolled in college or graduate school	Population 25 years and over			Population 25 to 34 years -- Percent with bachelor's degree or higher
				Percent with less than a 9th grade education	Percent high school graduate or higher	Percent with bachelor's degree or higher	
Lake County	15.1	5.3	26.2	2.9	86.4	21.5	28.5
<b>COUNTY SUBDIVISION</b>							
Concord township	30.7	3.2	34.8	0.9	94.1	36.2	43.6
Eastlake city	9.5	6.4	22.6	2.9	82.8	12.5	20.2
Kirtland city	20.5	0	41.1	3.7	88	32.6	52.6
Kirtland Hills village	45.3	0	34.6	1.4	93.9	47.6	64.9
Lakeline village	3.4	6.7	37.5	1.8	75.2	9.2	0
Leroy township	9.8	4.9	19	2.7	89.1	19	24.6
Madison township	5.7	6.9	15	3.9	84	13.4	12.5
Madison village	6	6.5	39.4	3.7	88.3	22.9	27.2
North Madison CDP	5.4	7.9	14.1	3.1	82.6	9.8	5.4
North Perry village (part)	0	0	0	0	100	20	0
Remainder of Madison	6.1	5.4	7.2	4.8	83.7	13.5	17.4
Mentor city	14.2	2.1	28.5	1.8	89.2	27.4	37.1
Mentor-on-the-Lake city	7.3	5.8	24.1	1.8	87.8	14.4	17.7
Painesville city	10.3	16.1	17.5	9.1	74	12.4	15.1
Painesville township	11.6	5.3	22	2.4	87.2	19.5	29.1
Fairport Harbor village	9	4.5	31	3	83.7	15	18.7

Source: U.S. Census Bureau

**LANGUAGE, SCHOOL ENROLLMENT AND EDUCATIONAL ATTAINMENT: 2000**

Geographic Area	Population enrolled in elementary/secondary school -- Percent in private school	Population 18-24 years -- Percent not enrolled in school and not a high school graduate	Population 18-24 years -- Percent enrolled in college or graduate school	Population 25 years and over			Population 25 to 34 years -- Percent with bachelor's degree or higher
				Percent with less than a 9th grade education	Percent high school graduate or higher	Percent with bachelor's degree or higher	
Grand River village	13.7	0	36.7	0	90.2	3.8	14.7
Remainder of Painesville	12	5.6	19.3	2.3	87.8	20.8	32.2
Perry township	2.9	1.5	27.2	3.3	87.5	18.1	14.5
North Perry village (part)	3.2	9.4	30.2	3.8	85.5	16.1	14.9
Perry village	0	3.5	12	1.2	91.8	22.4	25.2
Remainder of Perry township	3.6	0	29.5	3.6	86.9	17.6	12.5
Timberlake village	27	0	54.2	2.6	87.8	22.6	31.4
Waite Hill village	65.6	0	33.3	1.4	95.8	57.2	85.3
Wickliffe city	25.9	2.6	35.9	3.5	85.5	16.4	27.1
Willoughby city	20.6	8.6	29.6	2	87.7	23.8	35.5
Willoughby Hills city	42.3	4.5	32.8	2.8	87.6	32.2	51
Willowick city	13	6.8	29.1	3.2	84	14.2	26.6

Source: U.S. Census Bureau

## Financial Ratios

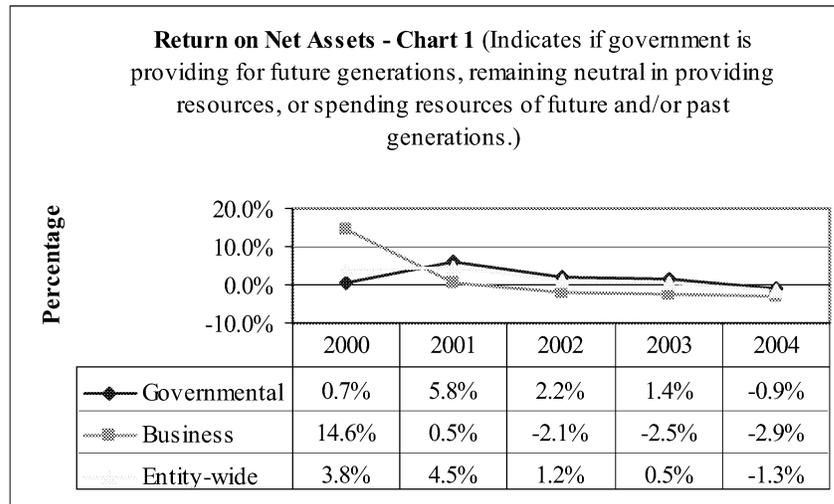
The new financial reporting model known as GASB Statement No. 34 is the most sweeping accounting reform in the history of government accounting. Under the new standard, anyone with an interest in public finance—citizens, the media, bond raters, creditors, legislators, and others—will have more and easier-to-understand information about their governments.

The PMP complemented this innovation by developing 13 ratios, many of which are based on the new GASB statements, to measure financial performance. These ratios fall under the following general categories:

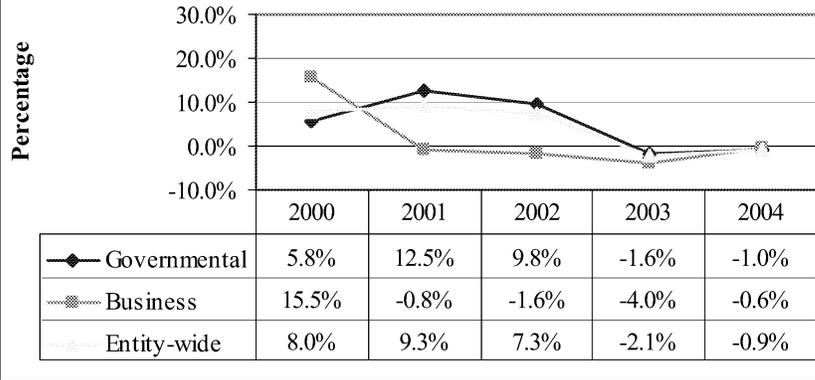
- Financial performance
- Liquidity
- Solvency
- Fiscal capacity

The following charts demonstrate the results of these 13 ratios for Lake Metroparks using financial information from 2000-2004. The team indicated that it would like to focus on the liquidity, risk and operational efficiency ratios for future study.

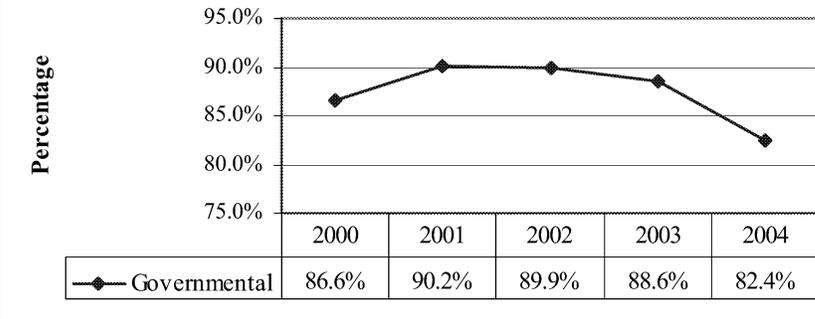
### *Financial Performance*



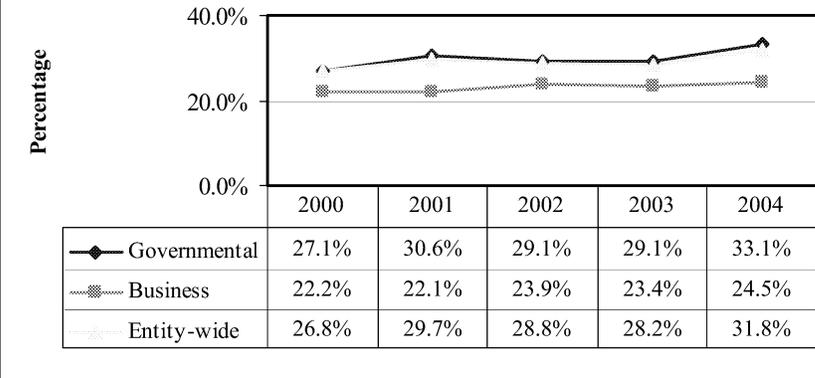
**Change in Capital Assets - Chart 2** (Indicates if government is financially maintaining equipment and infrastructure.)



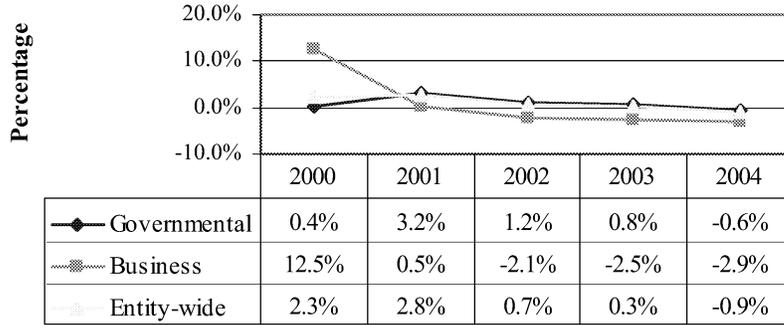
**General Support Rate - Chart 3** (Indicates the dependency on state/federal revenues to deliver services. Percentages reflect the amount of local taxes collected divided by expenses.)



**Asset Turns per Year - Chart 4** (Indicates the time to turn assets into goods or services. 100% equals one year.)

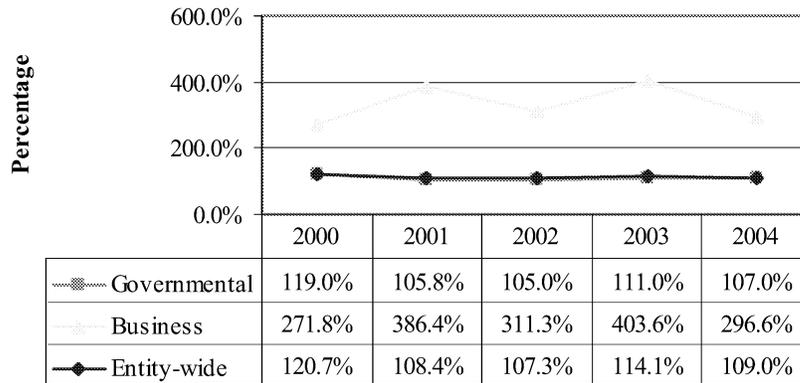


**Return On Assets - Chart 5** (Indicates ability of government to replace assets and/or invest back into operations.)

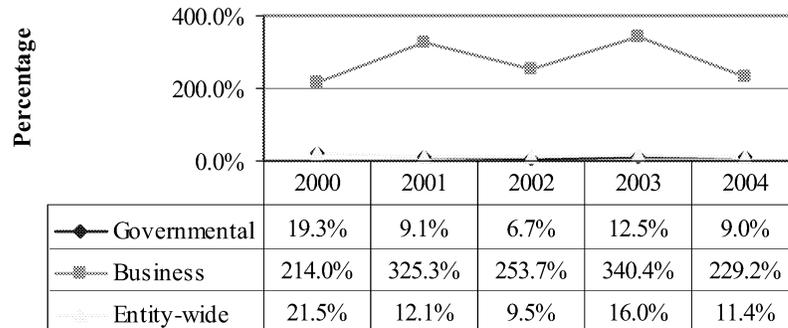


*Liquidity*

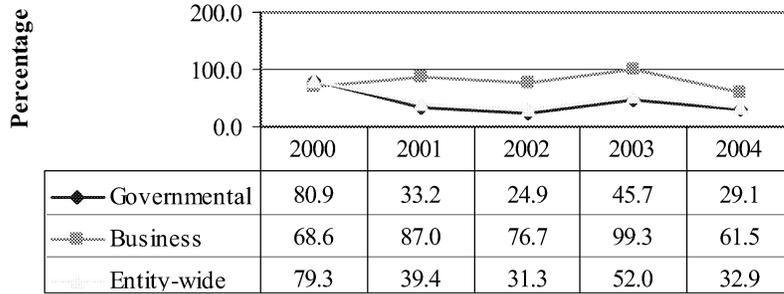
**Current Ratio - Chart 6** (Indicates ability of governments to pay current liabilities with current assets.)



**Quick Ratio - Chart 7** (Indicates ability of government to pay current liabilities with cash and investments.)

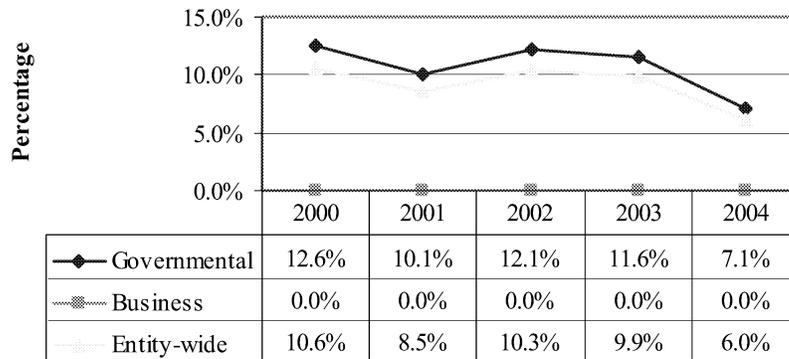


**Days Cash and Investments in Reserve - Chart 8** (Indicates number of days a government could operate with no cash collections.)

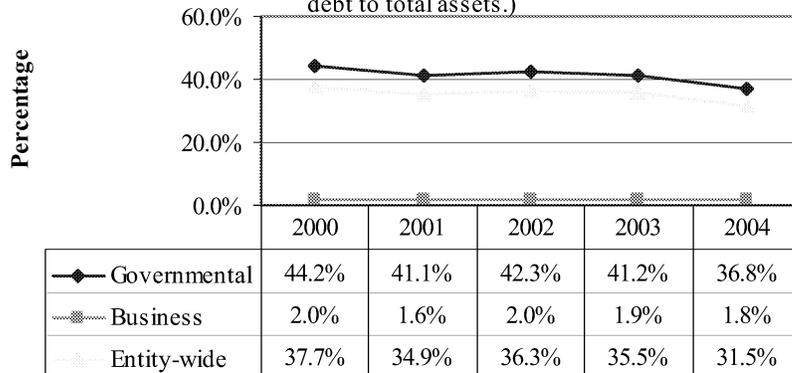


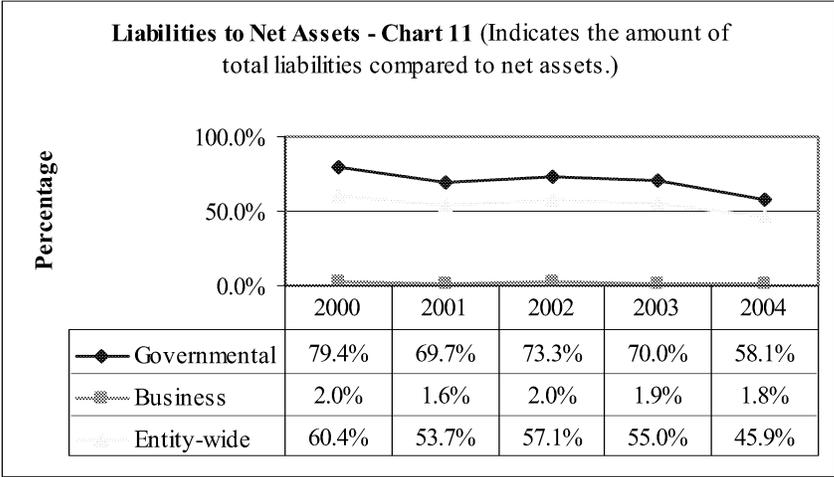
*Solvency*

**Debt to Assets - Chart 9** (Indicates the amount of long-term debt to total assets.)

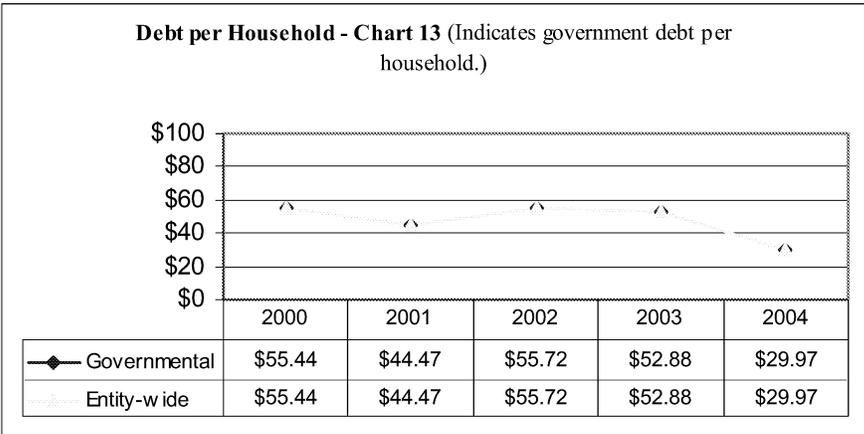
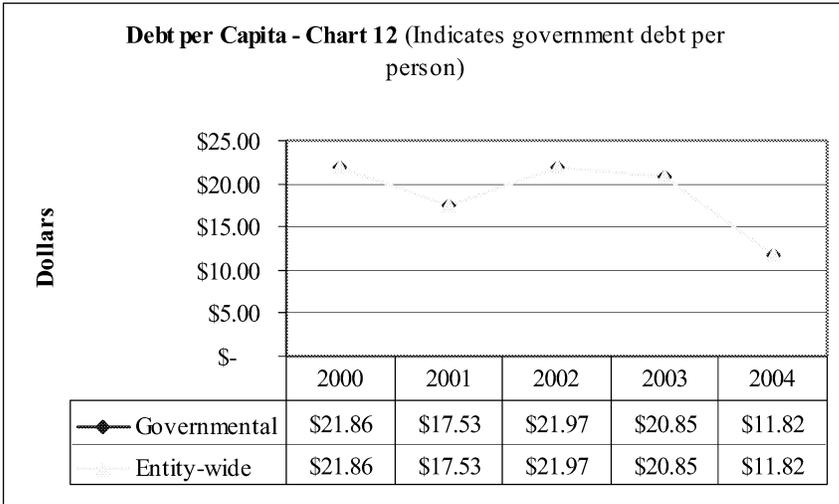


**Liabilities to Assets - Chart 10** (Indicates the amount of total debt to total assets.)





*Fiscal Capacity*



## **Performance Management Exercise: Cost Allocation**

The Government Accounting Standards Board (GASB) published GASB Statement 34 to make the governmental unit's financial viability more apparent to readers. Lake Metroparks was an early implementer of GASB 34 and has received multiple Government Finance Officer Association Certificates of Achievement for Excellence in Financial Reporting, with the most recent being for the fiscal year ended December 31, 2004. The statistical tables required by GASB 34 are included in Lake Metroparks' comprehensive annual financial report (CAFR) and reflect social and economic data, financial trends, and the fiscal capacity of the government. The presentation of other statistical tables that give report users a better historical perspective and assist in assessing current financial status and trends of the governmental unit is encouraged by GASB.

Lake Metroparks chose to look at the effect of allocating administration costs to the parks and programs for this performance project. GASB states that indirect expenses can be allocated to any of the primary government's functions or programs. Although there are no standards, there should be a reasonable basis for expense allocations to specific functions. The American Institute of Certified Public Accountants (AICPA) believes entities should apply the allocation methods that result in the most reasonable cost allocations for their activities. Activity based costing is a strategy designed to deal with the problems associated with traditional cost management. According to the AICPA, use of traditional indirect cost allocations may not reflect the true cost of providing a process, product or service.

The project team identified various activity based allocation variables based on interviews with staff and gathering of reports. From these variables, a step down allocation schedule was compiled. The following summarizes each step down allocation:

**Step 1:** The computer department supports management and reporting throughout the Park District. The computer operation manager assisted in determining the allocation strategy for computer operations (1330). Based on these discussions, the computer staff supported administration 70 percent of the time with the following breakdown:

- 10 percent of time to executive staff (1105),
- 30 percent to Finance (1305, 1310, and 1320);
- 20 percent to purchasing (1340); and
- 10 percent to strategic marketing (1410).

The remaining 30 percent of the computer department expenditures were allocated based on the computer/servers assigned to each department.

**Step 2:** An estimation of the Executive Director's time spent in support of the district was determined to be 40 percent on public relations and promoting the Park District. Therefore, 40 percent of the expenditures will be assigned to strategic marketing. The remaining 60 percent will be allocated to other programs based on FTEs employed in

those programs.

**Step 3:** An approximation of the Finance Director's (1305) time spent with each department resulted in the following allocation:

- 50 percent of duties include meeting with the Board, bank reconciliation, the CAFR, and cash report,
- 20 percent of time working with Treasurer (1320),
- 15 percent of time working with purchasing (1340),
- 10 percent of time working with personnel (1220), and
- 5 percent of time with registration (1250).

**Step 4:** Due to the nature of services provided to the Park District by the activities of the Finance Manager (1310) and the activities of the Treasurer (1320) line item, the expenses for these two activities were allocated based on each department's expenditures as a percentage of total expenditures from step two with the consideration of the allocations in step three. The golf courses were excluded since the finance department has already charged back half of one of the finance department's accounting positions directly in consideration for the work performed.

**Step 5:** Purchasing may provide varying levels of support based on the size, amount and bid processes necessary. As a workload indicator, the use of purchase orders (P.O.s) was discussed as an allocation variable. It was determined that P.O.s by themselves would not truly reflect workload since one capital P.O. may take months of bid process time to complete, while multiple supply P.O.s may be completed in the same time frame. Further discussion resulted in using the expenditures for equipment, materials, and supplies as an indicator of workload for the purchasing department since the cost of items would distribute the cost of purchasing efforts in an equitable manner. For example, an infrequent long bid process with a high dollar cost, such as in the case of insurance, and a shorter processing workload repeated frequently involving multiple P.O.s for regularly purchased low cost items, would average together. The result produces a cost of purchasing factor that distributes the cost of purchasing equitably based on the expenditures for equipment, materials, and supplies of a department. As a result, the following reports were provided:

- Expdgr.account matches '90\*' (Equipment purchases)
- Expdgr.account matches '8\*' (Materials purchases), and
- Expdgr.account matches '4\*' (Supplies purchases).

The total General Fund expenditures from these reports were entered into Step 5 and used to allocate the purchasing department's costs (1340) to operating departments based on the percentage of expenditures for equipment, materials, and supplies attributed to each department.

**Step 6:** The personnel costs (1220) were allocated based on FTEs by line item with the exclusion of those departments already allocated.

**Step 7:** Through discussion with the Park District, it was determined that the marketing effort noted as **14XX** categories should be allocated based on 75 percent of the expenditures to attraction based parks. The parks and allocations of the attraction based expenditures are as follows:

- Lake Farmpark- 40 percent,
- Penitentiary Glen – 20 percent,
- Pine Ridge and Erie Shores- 20 percent,
- Fairport Harbor – 15 percent, and
- Painesville Township – 5 percent.

The remaining 25 percent of the expenditures were allocated based on the Rangers visitation schedule. Line-items included in the allocation are:

- 1410 Strategic Marketing – the marketing manager and marketing department,
- 1420 Creative Services – videographer and desktop publishing,
- 1430 Research – publications and *Parks Plus* activity guide,
- 1440 Marketing Communication – public relations/print and electronic media listings and advertising, and
- 1450 Tourism – sales for group/motorcoach/corporate events.

**Step 8:** Several options were discussed with the District to allocate parks and building maintenance (1230) and support operations (3800). Some of these included factoring the physical characteristics of each park and assigning allocations based on building square footage, acreage, and number of shelters. However, further discussions with District personnel concluded that the number of visitors to a park has a greater impact on the support necessary than physical characteristics. Therefore, the visitor log kept by the rangers was used to allocate expenses based on the percentage of visitors to a park or program.

In an effort to more efficiently assign staff, one mechanic's salary costs shifted to the Farmpark budget in 2004, which is not reflected in the 2003 allocation. It was also noted that the golf courses service most of their own equipment, and Painesville Township Park falls under the Recreation Department's budget.

**Step 9:** Equipment and Maintenance expenditures were allocated using the vehicle and rolling stock inventory report to all but the Farmpark and golf courses. The Farmpark and golf courses have maintenance staff for most equipment and would only call on the central resources for large equipment or unique situations.

**Step 10:** According to registration, about 50 percent of their efforts support facility rentals and 50 percent support event and program registration. Percentages for both rentals and event registration were determined by total numbers in each category. Based on the number of rentals and event registrants per property, 50 percent of the 1250 line item was allocated to each category.

**Step 11:** A report of volunteer utilization was provided by Lake Metroparks. This report was used to allocate the expenditures for volunteers as a percentage of volunteer hours spent in each department. Other allocations were discussed such as 90 percent of volunteer expenses allocated to Lake Farmpark and Penitentiary Glen with the remaining 10 percent to Painesville Township Park and the golf courses. As the report of volunteer utilization appeared to be an objective way to allocate costs, it was used. However, the District should improve the format of the report to more clearly communicate the information if it is used in the future.

**Table 1** and **Table 2** present the results of the cost allocations of administrative expenses on the program and golf course expenses, respectively.

**Table 1: CY2003 Program Expenditures and Administration Expense Allocation**

Budget Line Item	Program or Park	2003 Expenditures	Allocated expenditures	Percentage change
2005	Enviro Learning Administration	\$75,121.00	\$155,162.46	106.6%
3005	Director Interp/Protection	\$157,037.00	\$174,117.10	10.9%
3100	Resource Protection	\$1,067,095.00	\$1,190,246.49	11.5%
3110	Mounted & Posse	\$86,156.00	\$115,781.40	34.4%
3200	Resource Interpretation	\$370,680.00	\$432,109.54	16.6%
3250	Resource Gift Shop	\$78,267.00	\$95,624.49	22.2%
3300	Schoolhouse	\$234,311.00	\$312,574.57	33.4%
3400	Wildlife Center/Penitentiary Glen	\$247,082.00	\$964,104.74	290.2%
3500	Naturalists	\$203,905.00	\$235,514.65	15.5%
3600	Stewardship	\$71,751.00	\$84,516.66	17.8%
3700	Architect	\$160,902.00	\$179,996.17	11.9%
3900	Natural Resources	\$621,699.00	\$738,537.86	18.8%
5110	Recreation	\$128,974.00	\$211,119.54	63.7%
5125	Special Events	\$128,365.00	\$147,290.49	14.7%
5135	Leisure Programs	\$256,136.00	\$294,315.04	14.9%
5155	Painesville Twp Park	\$156,445.00	\$392,666.52	151.0%
5165	Athletics	\$110,761.00	\$129,837.66	17.2%
5175	FH Lakefront Park	\$129,348.00	\$411,799.45	218.4%
5210	FP Interp/Education	\$627,958.00	\$787,697.22	25.4%
5220	FP Agricultural Operation	\$478,715.00	\$800,387.86	67.2%
5230	FP Administrative Operations	\$141,352.00	\$157,242.04	11.2%
5245	Food Services	N/A	N/A	N/A
5250	FP Gift shop	\$144,066.00	\$176,052.08	22.2%
5260	FP Research/Training/Publications	\$219,593.00	\$254,368.65	15.8%
5280	FP Maintenance Operations	\$608,951.00	\$696,959.94	14.5%
5290	FP Horticultural Operations	\$229,377.00	\$263,167.68	14.7%
XXXX	Land Use Parks	N/A	\$926,741.13	N/A

5135	Lake Front Lodge	N/A	\$115,477.52	N/A
XXXX	Concord Woods	N/A	\$33,436.77	N/A
XXXX	Chapin Forest	N/A	\$150,310.32	N/A
XXXX	Greenway	N/A	\$200,170.89	N/A
	<b>PROGRAM TOTALS</b>	<b>\$6,734,047.00</b>	<b>\$10,827,326.90</b>	<b>60.8%</b>

Source: Cost allocation tables compiled from Lake Metroparks budget data

**Table 2: CY2003 Golf Course Expenditures and Administration Expense Allocation**

	<b>Golf Course Operations</b>	<b>2003 Expenditures</b>	<b>Allocated expenditures</b>	<b>Percentage change</b>
5320	ESGC Operations	\$602,995.00	\$721,746.96	19.7%
5410	PRCC Proshop	\$328,366.00	\$441,558.06	34.5%
5430	Maintenance/Housekeeping	\$16,843.00	\$17,746.25	5.4%
5441	Halfway House	\$109,368.00	\$123,175.16	12.6%
5460	Catering	N/A	N/A	N/A
5470	Course Maintenance	\$329,609.00	\$353,521.67	7.3%
5480	Administration	N/A	N/A	N/A
	<b>GOLF COURSE TOTALS</b>	<b>\$1,387,181.00</b>	<b>\$1,657,748.10</b>	<b>19.5%</b>

Source: Cost allocation tables compiled from Lake Metroparks budget data

The allocation of indirect expenses to programs presents a more accurate cost to provide individual programs to patrons. Lake Metroparks can use the information to make various decisions. Recognition of the true cost of a program can add value to the program offerings for the Park District, and fees may be adjusted as a result of the cost allocations. It should be noted that tracking and reporting of key statistics used in the cost allocation process will make it easy to update each year and add to the statistical information included in the CAFR.

## Conclusion

This report provides the Lake Metroparks an opportunity to explore management for results. Its multi-faceted approach allows for high-level, long-term policy analysis through the use of socioeconomic ratios, and provides more in-depth financial ratios to assist in shorter term decisions. Additionally, the report presents the effect of allocating indirect and administrative costs on program and golf course expenditures. Future additional reports may be able to add additional value to the cost allocation exercise to highlight problem areas and costs for specific workloads. An activity based costing system is essential to measuring the efficiency component of performance measurement.

AOS appreciates the input and cooperation of Lake Metroparks officials, employees and community volunteers in assembling this project. These individuals have expressed a true desire to transfer knowledge and information, enabling the District to better serve its citizens in an increasingly efficient and effective manner.