



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**METROPARKS OF BUTLER COUNTY
BUTLER COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Similar Fiduciary Fund Types – For the Year Ended December 31, 2001	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental and Similar Fiduciary Fund Types – For the Year Ended December 31, 2000	4
Notes to the Financial Statements	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

250 West Court Street
Suite 150 E
Cincinnati, Ohio 45202
Telephone 513-361-8550
800-368-7419
Facsimile 513-361-8577
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Metroparks of Butler County
Butler County
2051 Timberman Road
Hamilton, Ohio 45013

To the Board of Commissioners:

We have audited the accompanying financial statements of the Metroparks of Butler County, Butler County, Ohio (the District), as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the District as of December 31, 2001 and 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

As discussed in Note 7, for 2000, the District has included an expendable trust fund in the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2002 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

Jim Petro
Auditor of State

July 30, 2002

**METROPARKS OF BUTLER COUNTY
BUTLER COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Expendable Trust</u>	
Cash Receipts:			
General Property Tax - Real Estate	\$442,911	\$0	\$442,911
Grants	542,643		542,643
Investment Income	24,553	3,485	28,038
Gifts and Donations	26,948		26,948
Fees	58,344		58,344
Sales	2,201		2,201
Other Receipts	5,389		5,389
	<u>1,102,989</u>	<u>3,485</u>	<u>1,106,474</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries - Employees	252,611		252,611
Supplies	34,623		34,623
Equipment	339,496		339,496
Contracts - Repair	6,195		6,195
Contracts - Services	125,686		125,686
Rentals	4,648		4,648
Travel	403		403
Public Employees Retirement	24,759		24,759
Workers' Compensation	2,106		2,106
Debt:			
Payment of Principal	17,480		17,480
Payment of Interest	3,030		3,030
Other	64,763		64,763
	<u>875,800</u>	<u>0</u>	<u>875,800</u>
Total Cash Disbursements			
Total Receipts Over Disbursements	<u>227,189</u>	<u>3,485</u>	<u>230,674</u>
Other Financing Receipts:			
Other Sources	<u>14,405</u>		<u>14,405</u>
Total Other Financing Receipts	<u>14,405</u>	<u>0</u>	<u>14,405</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	241,594	3,485	245,079
Fund Cash Balances, January 1	<u>649,948</u>	<u>119,821</u>	<u>769,769</u>
Fund Cash Balances, December 31	<u>\$891,542</u>	<u>\$123,306</u>	<u>\$1,014,848</u>
Reserves for Encumbrances, December 31	<u>\$20,195</u>	<u>\$0</u>	<u>\$20,195</u>

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

**METROPARKS OF BUTLER COUNTY
BUTLER COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Expendable Trust</u>	
Cash Receipts:			
General Property Tax - Real Estate	\$416,195	\$0	\$416,195
Grants	527,844		527,844
Investment Income	18,194	7,915	26,109
Gifts and Donations	1,005		1,005
Fees	70,312		70,312
Sales	2,107		2,107
Other Receipts	11,870		11,870
	<u>1,047,527</u>	<u>7,915</u>	<u>1,055,442</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries - Employees	242,095		242,095
Supplies	31,245		31,245
Materials	5,724		5,724
Equipment	8,908		8,908
Contracts - Repair	4,326		4,326
Contracts - Services	102,687		102,687
Rentals	4,675		4,675
Advertising and Printing	3,979		3,979
Travel	378		378
Public Employees Retirement	25,142		25,142
Workers' Compensation	3,045		3,045
Debt:			
Payment of Principal	17,480		17,480
Payment of Interest	4,175		4,175
Other	586,455		586,455
	<u>1,040,314</u>	<u>0</u>	<u>1,040,314</u>
Total Cash Disbursements			
Total Receipts Over Disbursements	7,213	7,915	15,128
Fund Cash Balances, January 1	642,737	111,906	754,643
Fund Cash Balances, December 31	<u>\$649,950</u>	<u>\$119,821</u>	<u>\$769,771</u>
Reserves for Encumbrances, December 31	<u>\$71,177</u>	<u>\$0</u>	<u>\$71,177</u>

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

**METROPARKS OF BUTLER COUNTY
BUTLER COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Metroparks of Butler County, Butler County, Ohio (the District), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a three-member Board of Commissioners appointed by the probate judge of Butler County. The District acquires lands for conversion into forest reserves and for the conservation of the natural resources, including streams, lakes, submerged lands and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of same as the Board deems conducive to the general welfare.

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

B. Basis of Accounting

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

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

C. Cash and Deposits

As permitted by the Ohio Revised Code, the Butler County Treasurer holds the District's cash as custodian for the District. The District's assets are held in the County's cash and investment pool, and are valued at the Treasurer's reported carrying amount.

D. Fund Accounting

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

1. General Fund

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

2. Fiduciary Funds (Expendable Trust Funds)

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

Park District Trust Fund

This fund accounts for the proceeds of monies left by an estate to be used for the routine acquisition and maintenance of public parks.

**METROPARKS OF BUTLER COUNTY
BUTLER COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. Appropriation Authority includes current year appropriations plus encumbrances carried over from the prior year (if any). The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

3. Encumbrances

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

A summary of 2002 and 2001 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the basis of accounting the District uses.

2. BUDGETARY ACTIVITY

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

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,069,100	\$1,117,394	\$48,294
Fiduciary	0	3,485	3,485
Total	\$1,069,100	\$1,120,879	\$51,779

**METROPARKS OF BUTLER COUNTY
BUTLER COUNTY**

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

2. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,189,295	\$895,995	\$293,300
Fiduciary	0	0	0
Total	\$1,189,295	\$895,995	\$293,300

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,006,651	\$1,047,527	\$40,876
Fiduciary	0	7,915	7,915
Total	\$1,006,651	\$1,055,442	\$48,791

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,243,277	\$1,111,491	\$131,786
Fiduciary	0	0	0
Total	\$1,243,277	\$1,111,491	\$131,786

3. PROPERTY TAX

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

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

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

4. DEBT

Debt outstanding at December 31, 2001:

	Principal	Interest Rate
General Obligation Notes	\$36,621	6.65%

The District issued a General Obligation Park Improvement Notes on February 10, 1993, in the amount of \$262,202 at 70% of prime for a term of ten years to improve the parks and to acquire additional park land. Interest and principal payments are due semi-annually to the Bank One. The Notes are collateralized by the taxing authority of the District.

**METROPARKS OF BUTLER COUNTY
BUTLER COUNTY**

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

4. DEBT (Continued)

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

	General Obligation Notes
Year ending December 31:	
2002	\$19,428
2003	18,373
2004	1,711
Total	\$39,512

5. RETIREMENT SYSTEM

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2001, members of PERS contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000 and for 2001. PERS temporarily reduced employer contributions to 8.13% effective July 1 through December 31, 2000. The District has paid all contributions required through December 31, 2001.

6. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

7. RESTATEMENT OF FUND CASH BALANCES

For the years ending December 31, 2001 and 2000, a fund not previously disclosed in prior audit reports has been added. The fund is an expendable trust fund used to record activity for monies left to the park district for park maintenance. The Butler County Treasurer accounts for all cash activity for the Metropark District and has the fund segregated under the Metropark District name.

The fund inclusion to the financial statements is as follows:

	Fund Balance at December 31, 1999	Expendable Trust Fund Adjustment	Restated Fund Balance at December 31, 1999
Trust Fund	\$0	\$111,906	\$111,906

**METROPARKS OF BUTLER COUNTY
BUTLER COUNTY**

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

7. RESTATEMENT OF FUND CASH BALANCES (Continued)

	Fund Balance at January 1, 2000	Excess of revenues over expenditures	Fund Balance at December 31, 2000
Trust Fund	\$111,906	\$7,915	\$119,821

	Fund Balance at January 1, 2001	Excess of revenues over expenditures	Fund Balance at December 31, 2001
Trust Fund	\$119,821	\$3,485	\$123,306

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

250 West Court Street
Suite 150 E
Cincinnati, Ohio 45202
Telephone 513-361-8550
800-368-7419
Facsimile 513-361-8577
www.auditor.state.oh.us

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

Metroparks of Butler County
Butler County County
2051 Timberman Road
Hamilton, Ohio 45013

To the Board of Commissioners:

We have audited the accompanying financial statements of Metroparks of Butler County, Butler County, Ohio (the District), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated July 30, 2002, in which we noted the District has included an expendable trust fund. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

Jim Petro
Auditor of State

July 30, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

METROPARKS OF BUTLER COUNTY

BUTLER 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
AUGUST 27, 2002**