



**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY
BUTLER COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2001



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY
BUTLER COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Butler County Regional Transit Authority
Butler County
3045 Moser Court
Hamilton, Ohio 45011

To the Board of Trustees:

We have audited the accompanying financial statements of the Butler County Regional Transit Authority, Butler County, Ohio (the Authority), as of and for the year ended December 31, 2001. These financial statements are the responsibility of the Authority'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 Authority 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 fund cash balance and reserve for encumbrances of the Authority as of December 31, 2001 and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The accompanying financial statements have been prepared assuming that the Authority will continue as a going concern. As discussed in Note 9, although the Authority's cash balance at December 31, 2001 was \$508,588, the Authority: had outstanding purchase orders totaling \$73,859; had a revenue anticipation note principal and interest payment of \$530,694 that was due in December 2001 but not paid until January 2002; and had vehicle lease payments due in 2002 totaling \$166,307. These obligations raise substantial doubt about the Authority's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 9. The Financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2002 on our consideration of the Authority'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.

We performed our audit to form an opinion on the financial statements of the Government, taken as a whole. The accompanying schedule of federal awards expenditures is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. We subjected this information to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of management, the Board of Trustees, federal awarding agencies, pass-through entities and other officials authorized to receive this report under Section 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", written in a cursive style.

Jim Petro
Auditor of State

July 26, 2002

**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY
BUTLER COUNTY**

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

Cash Receipts:	
Intergovernmental - Federal	\$2,353,710
Intergovernmental -State	928,705
Intergovernmental - Local	1,337,450
Charges for Services	1,998,461
Other Receipts	<u>3,648</u>
 Total Cash Receipts	 <u>6,621,974</u>
 Cash Disbursements:	
Current:	
Salaries	2,729,097
Supplies and Materials	624,305
Purchased Services	720,715
Rent	61,361
Other Disbursements	123,603
Capital Outlay	1,791,252
Debt-Principal	91,775
Debt-Interest	<u>24,532</u>
 Total Cash Disbursements	 <u>6,166,640</u>
 Total Receipts Over Disbursements	 <u>455,334</u>
 Fund Cash Balances, January 1	 <u>53,254</u>
 Fund Cash Balances, December 31	 <u><u>\$508,588</u></u>
 Reserve for Encumbrances, December 31	 <u><u>\$73,859</u></u>

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

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**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY
BUTLER COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Butler County Regional Transit Authority, Butler County, Ohio (the Authority), 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 Authority is directed by a nine member Board, appointed by the Board of County Commissioners of Butler County. The Authority is responsible for the safe and efficient operation and maintenance of regional transportation.

The Authority's management believes these financial statements present all activities for which the Authority 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.

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

C. Budgetary Process

The Ohio Revised requires a budget to be completed annually and approved by the Board of Trustees by July 15 of the preceding year.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees 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 Authority to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The Authority did not encumber all commitments required by Ohio Law. The budgetary presentation has been adjusted to include material items that should have been encumbered.

A summary of 2001 budgetary activity appears in Note 3.

D. Fiscal Agent

The Butler County Auditor is the Authority's fiscal agent. The County maintains Authority funds in the County's cash pool as an agency fund.

**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY
BUTLER COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Property, Plant, and Equipment

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

F. Unpaid Vacation and Sick Leave

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

2. EQUITY IN CASH AND DEPOSITS

Butler County maintains a cash pool for all of its funds, including those of the Authority. The Ohio Revised Code prescribes allowable deposits. The Authority's carrying amount of cash on deposit at December 31, 2001 was \$508,588.

Butler County is responsible for maintaining adequate depository collateral for all funds in the County's pooled cash and depository accounts.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2001 follows:

<u>2001 Budgeted vs. Actual Receipts</u>		
<u>Receipts</u>	<u>Receipts</u>	<u>Variance</u>
\$6,147,912	\$6,621,974	\$474,062

<u>2001 Budgeted vs. Actual Budgetary Basis Expenditures</u>		
<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
\$6,401,636	\$6,240,499	\$161,137

4. DEBT/LEASE

Debt outstanding at December 31, 2001 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Revenue Anticipation Note	\$500,000	5.00%
Vehicles Lease	375,758	5.76%
Total	<u>\$875,758</u>	

The Authority entered into a note payable on October 11, 2000 for \$500,000. The note matured on December 31, 2001, was paid on January 2, 2002. According to the debt agreement, a separate fund and account are to be established for the proceeds of the note. A separate fund and a separate account were not established.

On January 4, 2002 the Authority issued a new note in the amount of \$500,000 with an interest rate of 2.34% and a maturity date of December 31, 2002. The note is in anticipation of revenue to be received during fiscal year 2002.

**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY
BUTLER COUNTY**

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

4. DEBT/LEASE (Continued)

The Authority entered into a lease agreement on June 13, 2000 for 17 passenger vans to be used in regular operations. At the conclusion of the lease, title to the vehicles will be transferred to the Authority. The vehicles serve as collateral.

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

Year ending December 31:	Revenue	Vehicles
	Anticipation Note	Lease
2002	\$530,694	\$116,307
2003		116,299
2004		116,307
2005		67,846
Total	<u>\$530,694</u>	<u>\$208,796,259</u>

5. RETIREMENT SYSTEMS

The Authority's 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, PERS members contributed 8.5% of their gross salaries. The Authority contributed an amount equal to 13.55 % of participants' gross salaries. The Authority has paid all contributions required through December 31, 2001.

6. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, flood and earthquake, errors and omission and employment related matters, injuries to employees and employee theft and fraud. The Authority joined together with certain other transit authorities in the State of Ohio to form the Ohio Transit Insurance Pool Association, Inc. (OTIP). OTIP is a joint self-insurance pool pursuant to Section 2744.081 of the Ohio Revised Code, currently operating as a common risk management and insurance program for member transit agencies. The Authority pays an annual premium to OTIP for its general coverage and makes quarterly payments into a loss and administration fund pursuant to OTIP's bylaws. The Agreement of Formation of the OTIP provides that OTIP will be self-sustaining through member premiums and will reinsure through commercial companies for property damage and claims in excess of \$100,000 and all liability claims in excess of \$250,000 for each occurrence. The Authority is responsible for the first \$1,000 of any claim or occurrence and amounts in excess of \$10 million for liability claims.

7. REVENUES

Some amounts recorded as charges for services in 2000 have been classified as intergovernmental receipts in the 2001 statements to better reflect their source.

**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY
BUTLER COUNTY**

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

8. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based upon experience, management believes such refunds, if any, would not be material.

The Authority is involved in a lawsuit involving a personal injury claim. The Authority is also involved in a sex and/or national origin claim filed by a former employee with the Ohio Civil Rights Commission. The Authority is of the opinion that the ultimate disposition of these claims will not have a material effect, if any, on the financial condition of the Authority.

9. GOING CONCERN

The Authority's cash balance at December 31, 2001 was \$508,588, the Authority: had outstanding purchase orders totaling \$73,859; had a revenue anticipation note principal and interest payment of \$530,694 that was due in December 2001 but not paid until January 2002; and had vehicle lease payments due in 2002 totaling \$166,307. In addition, the Authority receives Federal and State funding for Operating Assistance and Capital Projects, which require local matching funds. The Authority must certify the availability of these local funds before accessing this support. To address these issues, the Authority's Board of Trustees passed resolution number 6-02 at the July 23, 2002 board meeting that will place a 0.25% sales tax levy for a period of 5 years on the ballot for November 5, 2002 election.

**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY
BUTLER COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2001**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF TRANSPORTATION			
Federal Transit Cluster			
Federal Transit - Capital and Operating Assistance	OH-90-X353-00	20.507	\$777,319
Formula Grants	OH-90-X379-00		1,419,128
<i>Passed through the Ohio-Kentucky-Indiana Regional Council of Governments</i>			
Federal Transit - Formula Grant	OH-37-X007-00	20.507	<u>49,570</u>
Total Federal Transit - Formula Grants			<u>2,246,017</u>
<i>Passed through the Southwest Ohio Regional Transit Authority</i>			
Federal Transit Job Access/Reverse Commute Grant	OH-37-X010-00	20.500	<u>172,355</u>
Total Department of Transportation - Federal Transit Cluster			<u>\$2,418,372</u>
Total Federal Financial Assistance			<u><u>\$2,418,372</u></u>

The accompanying notes to this schedule are an integral part of this schedule.

**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY
BUTLER COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
DECEMBER 31, 2001**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the Regional Transit Authority's federal awards programs. The schedule has been prepared on the cash basis on accounting.

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require that the Regional Transit Authority contribute non-Federal funds (matching funds) to support the Regional Transit Authority Federally-funded programs. The Regional Transit Authority has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



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

Butler County Regional Planning Authority
Butler County
3045 Moser Court
Hamilton, Ohio 45011

To the Board of Trustees:

We have audited the financial statements of the Butler County Regional Transit Authority, Butler County, Ohio (the Authority), as of and for the year ended December 31, 2001, and have issued our report thereon dated July 26, 2002. 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 Authority'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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2001-60409-001 and 2001-60409-002.

We also noted certain immaterial instances of noncompliance that we have reported to management of the Authority in a separate letter dated July 26, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority'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. However, we noted a matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Authority's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 2001-60409-002.

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

A material weakness is a condition in which the design or operation on 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. 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 reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Authority in a separate letter dated July 26, 2002.

This report is intended solely for the information and use of management, Board of Trustees, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

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

Jim Petro
Auditor of State

July 26, 2002.



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

Butler County Regional Transit Authority
Butler County
3045 Moser Court
Hamilton, OH 45011

To the Board of Trustees:

Compliance

We have audited the compliance of the Butler County Regional Transit Authority, Butler County, Ohio (the Authority), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2001. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

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

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2001. However, we noted an instance of noncompliance that does not require inclusion in this report that we have reported to the management of the Authority in a separate letter dated July 26, 2002.

Internal Control Over Compliance

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

Butler County Regional Transit Authority
Butler County
Report of Independent Accountants on Compliance With Requirements
Applicable to Each Major Federal Program and Internal Control Over
Compliance In Accordance With OMB Circular A-133
Page 2

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses. However we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Authority in a separate letter dated July 26, 2002.

This report is intended for the information and use of the management, Board of Trustees and federal awarding agencies and pass-through entities, 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", written in a cursive style.

Jim Petro
Auditor of State

July 26, 2002

**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY
BUTLER COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 §.505
DECEMBER 31, 2001**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Federal Transit Cluster (20.500/20.507)
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

Finding Number 2001-60409-001

Material Noncompliance Citation

Board of Trustees Resolution 27-00, Section 7, requires that a special account, designated as the Current Revenue Note Special Account 2001-1, be established in the Bond Retirement Fund, into which there shall be paid moneys to pay the principal and interest on the Notes. The required fund and account were not established by the Regional Transit Authority. We recommend the Regional Transit Authority review the debt agreement and follow all requirements.

Finding Number 2001-60409-002

Material Noncompliance Citation / Reportable Condition

Ohio Rev. Code, Section 5705.41(D), provides that no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon. This section also provides for two exceptions to the above requirement:

- A. Then and Now Certificates – If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the Board of Trustees may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate.
- B. If the amount involved is less than \$1,000, the fiscal officer may authorize payment through a Then and Now Certificate without affirmation of the Board of Trustees, if such expenditure is otherwise valid.

Contrary to the above requirement, the availability of funds was not certified for 75% of the disbursements tested. Failure to certify the availability off funds and encumber appropriations can result in overspending and negative cash balances. Therefore, we recommend the Authority obtain approved purchase orders, which contain the Fiscal Officer's certification that the amount required to meet the obligation has been lawfully appropriated and authorized, prior to making a commitment.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY
BUTLER COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2000-60409-001	Resolution 27-00 was cited failing to establish a separate account to pay principal and interest on the Revenue Anticipation Notes.	No	Reissued as finding 2001-60409-001.
2000-60409-002	Ohio Rev. Code §5705.36 was cited for not requesting an amended certificate when actual revenue collected will be less than the official certificate.	Yes	
2000-60409-003	Ohio Rev. Code §5705.41(D) was cited for not properly certifying funds.	No	Reissued as finding 2001-60409-002.



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BUTLER COUNTY REGIONAL TRANSIT AUTHORITY

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 20, 2002**