

HAMILTON COUNTY PARK DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2002

Prepared by the Administration Division

JACK L. SUTTON
Director

NANCY S. MONTAGUE
Administration Director

DONALD A. RUDLER
Treasurer



**Auditor of State
Betty Montgomery**

Board of Park Commissioners
Hamilton County Park District
10245 Winton Road
Cincinnati, Ohio 45231

We have reviewed the Independent Auditor's Report of the Hamilton County Park District, prepared by BKD LLP, for the audit period January 1, 2002 through December 31, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Hamilton County Park District is responsible for compliance with these laws and regulations.

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

BETTY MONTGOMERY
Auditor of State

September 23, 2003

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**HAMILTON COUNTY PARK DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2002**

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**INTRODUCTORY
SECTION**

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10245 Winton Road • Cincinnati, Ohio 45231
(513) 521-PARK (7275) • www.greatparks.org
Board of Park Commissioners:
NANCY R. HAMANT • ROBERT A. GOERING • JAMES E. BUSHMAN
Director JACK SUTTON

July 2, 2003

TO: THE CITIZENS OF HAMILTON COUNTY AND
THE BOARD OF PARK COMMISSIONERS, OF THE
HAMILTON COUNTY PARK DISTRICT

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the Hamilton County Park District (hereafter, also referred to as the “Park District”). This report conforms to Accounting Principles Generally Accepted in the United States of America (GAAP) in accordance with early implementation of Government Accounting Standards Board (GASB) Statement No. 34 and provides full and complete disclosure of the financial position and operations of the Park District for the year ended December 31, 2002. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Park District management. To the best of our knowledge, the following data is accurate in all material respects and is reported in a manner designed to fairly present the financial position of the entity as a whole and results of operations of the various funds of the Park District. All necessary financial disclosures have been included to enable the reader to gain an understanding of the Park District’s financial activities.

Report Presentation

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

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

The CAFR is presented in three sections: Introductory, Financial and Statistical. The introductory section includes this transmittal letter, the Government Finance Officers Association (GFOA) Certificate of Achievement, our organizational chart, and a list of principal officials. The financial section includes, under the Governmental Accounting Standards Board Statement No. 34, the Report of Independent Accountants, Management’s Discussion and Analysis, the basic financial statements, notes, the required supplementary information, combining statements and the individual fund budget-to-actual schedules. GASB Statement 34 also requires that management provide a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the Management’s Discussion and Analysis letter and should be read in conjunction with it. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

Reporting Entity

The Hamilton County Park District (Park District) was created in 1930 under authority of Chapter 1545 of the Ohio Revised Code for the purpose of protecting local natural resources and providing outdoor recreation. The Park District is governed by a three member Board of Park Commissioners, each of whom is appointed to three-year terms by the Probate Court Judge of Hamilton County and who serve without pay. The first Park Board took office on July 17, 1930.

The Board of Park Commissioners appoints a Director who is also the Chief Executive Officer. The Director is responsible for executing policy of the Park Board. Since 1930, the Park District has acquired and conserved over 14,600 acres of parkland and open space, including eighteen parks and nature preserves protected and 940 acres of conservative easements.

The Mission of the Hamilton County Park District is: *“To preserve and protect natural resources and to provide outdoor recreation and education in order to enhance the quality of life for present and future generations.”*

Since its creation in the early 1930’s, the Park District has relied on a combination of funding derived from self-generated earned income sources and voter approved tax levies to fulfill its Mission.

County Structure, Local Economic Conditions and Outlook

The Park District’s base for its real estate tax levy revenue (approximately \$18 million) is Hamilton County. The County of Hamilton was named for the former Secretary of Treasury, Alexander Hamilton, and was created by proclamation of Arthur St. Clair, Governor of Northwest Territory, on January 2, 1790. The County was the second county-formed in the State of Ohio, with Cincinnati as the County seat. The County is situated in the extreme southwestern corner of the State and covers an area of 414 square miles. The County encompasses 49 municipalities, villages and townships, of which Cincinnati is the largest. The County is the third largest in the State of Ohio in terms of population (845,303). Located on the Ohio River, the County forms the core of the “Cincinnati Metropolitan Area,” which includes the counties of Hamilton, Warren, Clermont and Butler in Ohio, Dearborn in Indiana and Kenton, Campbell and Boone across the river in Kentucky.

The County Auditor serves as both the chief financial officer for the County and the real property assessor for all political subdivisions within the County. The Auditor prepares the general tax list of the County, calculates the voted and unvoted tax rates for real estate and personal property and, once collected, distributes the tax receipts to the appropriate political subdivisions and agencies within the County. The collection and distribution of tax levy proceeds is the only service provided to the Park District.

The County of Hamilton’s average unemployment rate for 2002 was 4.0%. During 2002, the County maintained an average labor force of 442,600, of which 424,700 were employed. Fifty-four percent (54%) of the U.S. population is within one hour’s flight time and the Metropolitan Area is within 600 miles of 53% of the nation’s purchasing power and 54% of the nation’s manufacturing establishments.

The corporate headquarters of numerous companies are located in Hamilton County. Cincinnati is the home of several Fortune 500 corporations, including Procter & Gamble, Kroger Company, Cinergy and American Financial Corporation. Another 370 Fortune 500 companies have operations in the Metropolitan Area.

The Metropolitan Area is a growing center for international business, with approximately 800 companies engaged in international trade. Metropolitan Area companies generate sales of approximately \$4.0 billion to customers outside the U.S. each year. Major export products include jet engines, plastics, machinery, computer software, paper and consumer goods. Directly imported products amount to over \$2.0 billion annually. Over 150 Greater Cincinnati companies are also owned by foreign companies from Japan, England, Western Europe and Canada. New investment by suppliers to the new Japanese auto plants in the Midwest is particularly strong. Foreign trade zone status is also available in Greater Cincinnati to assist firms engaged in international trade to lower import duty and tax expenses.

The County is also the location of major federal government installations, including a regional postal service center, a regional internal revenue service center, an environmental research center, an occupational health and safety research center and the Sixth Circuit Court of Appeals.

The County's primary sporting venues include Great American Ballpark with a seating capacity of 42,300; the USBank Arena, which can accommodate 17,000; Cincinnati Gardens which seats 10,800 and the Shoemaker Center at the University of Cincinnati with a capacity of 13,176, and Paul Brown Stadium seating 65,600.

For further information regarding Hamilton County, see Statistical Section.

Major Initiatives 2002

In May the voters of Hamilton County passed a 15 year one mill replacement levy. The Park District will use these funds to continue its efforts to preserve greenspace and enhance outdoor recreation, nature education and visitor service in current and future Hamilton County Park District parks and nature preserves and in cooperation with public authorities as permitted by law.

In June the Park district was awarded \$1.1 million Clean Ohio Fund grant which led to the purchase and subsequent protection of 251 acres of greenspace.

The Park District acquired 307 acres of new parkland in 2002, bringing the total parkland area including conservation easements to approximately 14,600 acres.

Two significant greenspace "partnership" projects were accomplished in 2002 including the purchase of the 68-acre Broadwell Woods in Anderson Township. The Park District acquired this tract utilizing a portion of the above referenced Clean Ohio Fund grant and then immediately entered into long-term agreement with the Anderson Township Park District to manage, operate and patrol the property as an Anderson Township park property.

The second "partnership" included the purchase of the 26-acre Speiker tract in Green Township. The Park District purchased this tract with Park District levy funds and then immediately entered into a long-term lease agreement with the Green Township Trustees to manage, operate and patrol the property as a Green Township park property.

Finally, in September 2002, the Board of Park Commissioners adopted a set of Guidelines for Cooperative Agreements and Partnerships that provide guidelines and suggested priorities for future joint projects with other public authorities.

Financial Information

The Park District's day-to-day accounting and budgetary records are maintained on a basis other than GAAP. For financial reporting purposes, the accounting records are converted to a modified accrual basis for all Governmental funds and the accrual basis for proprietary and entity wide reporting. A further discussion of the two basis of accounting can be found in Note 1-E (page 37) to the financial statements.

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

The Park District maintains budgetary control within the organizational unit and fund by not permitting expenditures and encumbrances to exceed appropriations. Various departments are subject to performance budget reviews. Funds appropriated may not be expended for purposes other than those designated in the Appropriation Resolution.

Items to be purchased costing under \$500 do not require a formal bid. Purchases over \$500 but under \$15,000 must have specifications prepared and be bid out. Purchases exceeding \$15,000 must be legally bid out under Ohio Revised Code Sections 307.88 and 307.89 or acquired through the State of Ohio purchasing program.

Services of an accountant, architect, attorney, physician, professional engineer, construction project manager, consultant, surveyor or appraiser do not have to be bid out.

Internal Controls

In developing and revising the Park District's accounting and reporting control system, management's consideration is given to the adequacy of internal controls to provide reasonable, but not absolute, assurance regarding:

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

The concept of a reasonable assurance recognizes that:

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

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

Initial responsibility for budgetary control rests with individual departments.

The Board of Park Commissioners and department heads receive a monthly report comparing budget and actual revenue and expenditures.

The Accounting Department conducts internal cash audits at park locations. During 2002, 190 such audits were performed. Bank reconciliations are completed by accounting personnel not authorized to sign checks.

Capital Project Fund

After \$4.5 million transferred in from the General Fund real estate levy proceeds, general park capital improvements approximated \$4.6 million on Non-GAAP budgetary basis. There were no loans initiated to finance Park District improvements. The Enterprise Fund finances its own improvements.

Mitchell Fund

In 2002, stock market declines resulted in unrealized portfolio loss of \$750,000. This amount is shown netted with other investment income.

Enterprise Fund

In 2002, over \$1,100,000 of positive cash flow was provided by the Golf, Fishing, Boating, Riding Center, Food Service operations and sale of Golf Merchandise. Over \$890,000 was used for Enterprise capital improvements.

Cash Management

The Park District's investment policy is based on Ohio Revised Code, Chapter 135. Policies are reviewed annually by independent auditors. The policy provided the foremost objective of safety of capital, followed by objectives of liquidity and return on investment.

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

Cash resources of a majority of individual funds are combined to form a pool of cash and investments to maximize possible returns. Investment income is allocated to the General Fund, Capital Projects Fund, Mitchell Fund and other Funds as prescribed by Ohio law and Board policy.

Risk Management

The Park District provides training and safety equipment to its employees in order to control risks of injury. The Park District also maintains comprehensive coverage from private insurance carriers for property, appointed officials, ranger liability, boilers, crime and general liability. The annual premium approximates \$190,000. Further information relating to insurance is presented in the Statistical Section.

Independent Audit

The Ohio Revised Code requires an annual audit be performed by the Auditor of State or by an independent certified public accountant approved by the Auditor of State. For years 1996 through 2001 our audit was performed by Berge & Company LTD. In 2002 Berge & Company merged and hereafter will be known as **BKD, LLP**. The auditors' report is an integral part of this CAFR. This firm has been selected to audit years 2001-2005.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Park District for its comprehensive annual financial report for the fiscal year ended December 31, 2001. This was the fourth year the Park District received this prestigious award. In order to be awarded a Certificate of Achievement, the Park District published an easy-to-read, efficiently-organized comprehensive annual financial report. This report satisfies both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. It is believed the current comprehensive annual financial report continues to meet the Certificate of Achievement Program requirements. It is being submitted to the GFOA to determine eligibility for another certificate.

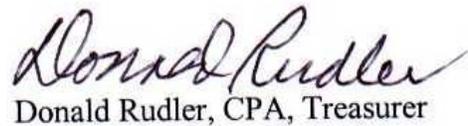
Acknowledgements

This CAFR represents a continuing commitment by the Accounting Department and the Management of the Park District to provide prudent financial information of Park District activities and to demonstrate stewardship of the funds granted to the Park District by the voters of Hamilton County.

We thank and acknowledge support of the entire staff of the Park District for their effort in developing this report. We thank Dusty Rhodes, Hamilton County Auditor, and his office for assistance in developing the Statistical Section and staff of **BKD, LLP**, our auditors, for their assistance and review during this project.



Jack Sutton, Director



Donald Rudler, CPA, Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Hamilton County Park
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2001

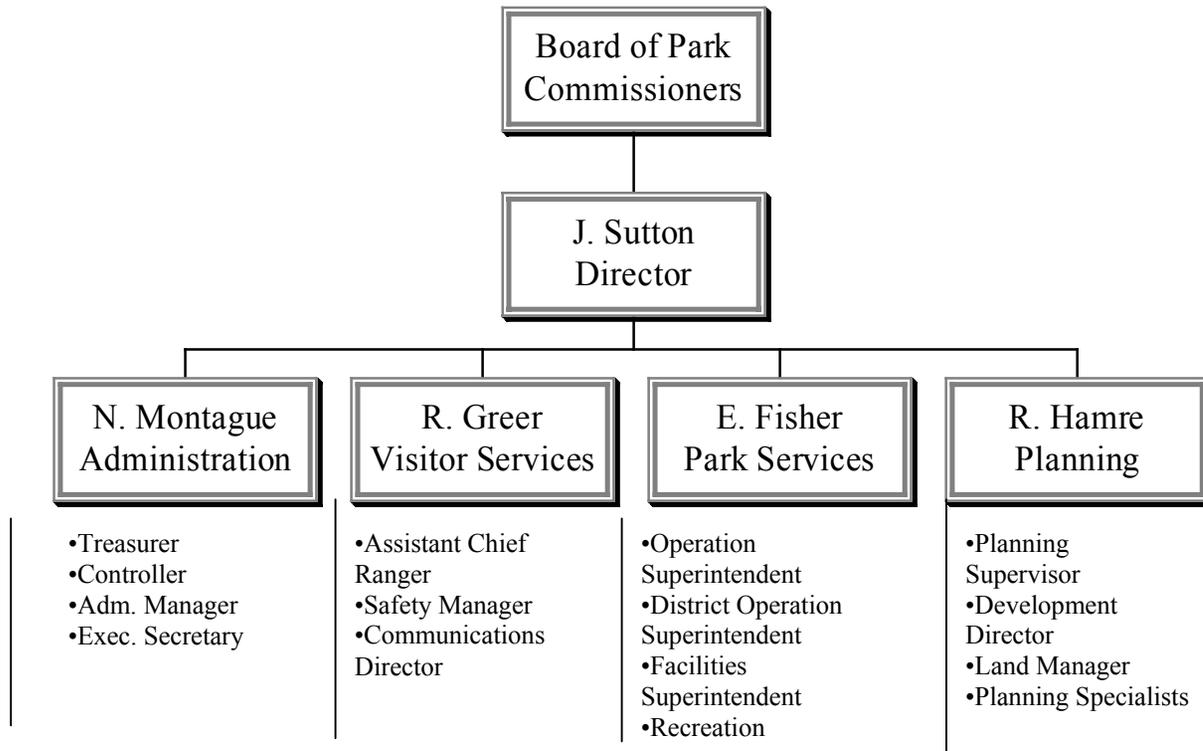
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



William Patrick Pate
President

Jeffrey L. Essler
Executive Director

HAMILTON COUNTY PARK DISTRICT 2002 Organizational Chart



**HAMILTON COUNTY PARK DISTRICT
LIST OF PRINCIPAL OFFICIALS**

DECEMBER 31, 2002

ELECTED OFFICIAL

HAMILTON COUNTY PROBATE JUDGE

HONORABLE JUDGE WAYNE F. WILKE
TERM EXPIRES FEBRUARY 8, 2003

APPOINTED BY PROBATE JUDGE

BOARD OF PARK COMMISSIONERS

		<u>TERM EXPIRES</u>
NANCY R. HAMANT	PRESIDENT	DECEMBER 31, 2004
JAMES E. BUSHMAN	VICE-PRESIDENT	DECEMBER 31, 2003
ROBERT A. GOERING, SR.	VICE-PRESIDENT	DECEMBER 31, 2005

APPOINTED BY THE BOARD OF PARK COMMISSIONERS

DIRECTOR

JACK L. SUTTON

DIVISION DIRECTORS

VISITOR SERVICES - RICHARD A. GREER
PARK SERVICES - EDWARD A. FISHER
ADMINISTRATION - NANCY S. MONTAGUE
PLANNING - ROSS HAMRE

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**FINANCIAL
SECTION**

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Independent Accountants' Report on Financial Statements and Supplementary Information

Board of Park Commissioners
Hamilton County Park District
Cincinnati, Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hamilton County Park District as of and for the year ended December 31, 2002, which collectively comprise the Park District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Park District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards for 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hamilton County Park District as of December 31, 2002, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, in 2002 the Park District changed its method of financial statement presentation and disclosure by retroactively restating prior years' financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 3, 2003, on our consideration of the Park District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying management's discussion and analysis and budgetary information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Hamilton County Park District's basic financial statements. The accompanying other supplementary information and other budgetary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information and other budgetary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We did not audit the information included in the introductory and statistical sections as listed in the table of contents and, accordingly, we do not express an opinion on it.

BKD, LLC

Cincinnati, Ohio
July 2, 2003

Management's Discussion and Analysis (Unaudited)

Our discussion and analysis of Hamilton County Park District's (Park District) financial performance provides an overview of the Park District's financial activities for the fiscal year ended December 31, 2002. Please read it in conjunction with the Park District's basic financial statements, which begin on page 23. Since this is the first year of presentation under GASB Statement No. 34, certain financial information for prior years is not available. A full comparative analysis of government-wide information will be presented in future years when comparative presentations under GASB Statement No. 34 exist.

FINANCIAL HIGHLIGHTS

- The Park District's net assets increased as a result of this year's operations. Net assets of our business-type activities decreased by \$325,267 and net assets of our governmental activities increased by \$2,490,937.
- Total cost of all of the Park District's programs was \$24,572,767 in 2002.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this annual report consists of four parts - management's discussion and analysis (this section), the basic financial statements, required supplementary information, and an optional section that presents combining statements for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the Park District:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Park District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Park District's government, reporting the Park District's operations in more detail than the government-wide statements.
 - The Governmental Funds statements describe how general government services were financed in the short term as well as what remains for future spending.
 - Proprietary Fund statements offer short- and long-term financial information about the activities the government operates like businesses, such as the golf course operation, and food service.

The financial statements also include notes that explain some of the information in the basic financial statements and provide more detailed data. The basic financial statements are followed by a section of required supplementary information that further explains and supports the information in the basic financial statements. In addition to these required elements, we have included a section with combining statements that provides details about our nonmajor governmental funds as well as additional budgetary information.

Government-wide Statements

The government-wide statements report information about the Park District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Park District's net assets and how they have changed. Net assets, the difference between the Park District's assets and liabilities, is one way to measure the Park District's financial health, or position.

- Over time, increases or decreases in the Park District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Park District you need to consider additional nonfinancial factors such as changes in the Park District's property tax base.

The government-wide financial statements of the Park District are divided into two categories:

- Governmental activities - The Park District's provided services are included here such as general administration, public safety, maintenance and visitors services. Most of these services are financed by property taxes and charges for services.
- Business-type activities - The Park District charges fees to customers for golf, fishing and boating, riding center, food service, merchandise and athletic programs to cover the cost of services it provides.

Fund Financial Statements

The fund financial statements provide more detailed information about the Park District's most significant funds - not the Park District as a whole. Funds are accounting devices that the Park District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by reporting in accordance with accounting principles generally accepted in the United States of America (GAAP).
- The Board of Park Commissioners establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The Park District has two kinds of funds:

Governmental funds: Most of the Park District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Park District's general government operations and the basic services it provides. Governmental fund information helps the reader evaluate whether there are adequate financial resources to finance the Park District's programs. The relationship (or differences) between governmental activities (reported in the *Statement of Net Assets* and the *Statement of Activities*) and governmental funds (reported in the *Balance Sheet* and *Statement of Revenues, Expenses and changes in Fund Balance*) is described in a reconciliation between these financial statements.

Proprietary fund: When the Park District charges customers for the full cost of the services it provides whether to outside customers of the Park District, these services are reported in the proprietary fund. Proprietary funds are reported in the same way that all activities are reported in the *Statement of Net Assets* and the *Statement of Activities*. In fact, the Park District's Proprietary Fund is the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows.

THE PARK DISTRICT AS A WHOLE

The Park District's total governmental assets changed from a year ago, increasing from \$80,779,492 to \$82,945,162. Looking at the net assets and net expenses of governmental and business-type activities separately. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Park District's governmental and business-type activities.

Table 1 – Net Assets

	Governmental		Business-type		Total	
	2001	2002	2001	2002	2001	2002
Current Assets	\$ 23,937,103	\$ 30,838,367	\$ 475,653	\$ 806,961	\$ 24,412,756	\$ 31,645,328
Capital Assets	58,781,071	61,292,853	15,275,951	14,751,479	74,057,022	76,044,332
Total Assets	82,718,174	92,131,220	15,751,604	15,558,440	98,469,778	107,689,660
Long-term debt						
Outstanding	582,435	583,347			582,435	583,347
Other Liabilities	14,085,361	21,006,558	3,022,490	3,154,593	17,107,851	24,161,151
Total Liabilities	14,667,796	21,589,905	3,022,490	3,154,593	17,690,286	24,744,498
Net Assets						
Invested in Capital Assets						
Net of Related Debt	58,781,071	61,292,853	15,275,951	14,751,479	74,057,022	76,044,332
Restricted	10,666,573	10,507,215			10,666,573	10,507,215
Unrestricted (deficit)	(1,397,266)	(1,258,753)	(2,546,837)	(2,347,632)	(3,944,103)	(3,606,385)
Total Net Assets	\$ 68,050,378	\$ 70,541,315	\$ 12,729,114	\$ 12,403,847	\$ 80,779,492	\$ 82,945,162

Table 2 - Change in Net Assets

	2002		
	Governmental Activities	Business-type Activities	Total
Revenues			
Charge for service	\$ 1,528,470	\$ 10,615,654	\$ 12,144,124
Property tax	12,791,479		12,791,479
Investment income (loss)	(332,516)		(332,516)
Grants and contributions	1,691,815		1,691,815
Miscellaneous	443,535		443,535
Total Revenue	16,122,783	10,615,654	26,738,437
Expenses			
Parks and recreation	13,631,846		13,631,846
Operating costs		10,940,921	10,940,921
Total expenses	13,631,846	10,940,921	24,572,767
Increase (decrease) in net assets	\$ 2,490,937	\$ (325,267)	\$ 2,165,670

Net assets of the Park District's governmental activities increased by 3.7% (\$70,541,315 at December 31, 2002 compared to \$68,050,378 at December 31, 2001). This increase of \$2,490,937 resulted in part from Park District success in receiving sizable grants of \$1,250,000, reservation of park facilities of \$245,000 and a successful auction of unusable park equipment for \$167,000. The grants were used for acquisition of greenspace and for restoration of a flood damaged bridge. The increase of \$2,490,937 was net after market value loss on portfolio of \$730,000. Unrestricted net assets (deficit), decreased from (\$1,397,266) at December 31, 2001 to (\$1,258,753) at December 31, 2002. Unrestricted net assets continue to be reported as a deficit, due primarily for requirement that net assets be first restricted for capital assets and non funding of long term liabilities. This does not mean that the Park District does not have resources available to pay its bills next year. Rather, revenue deferred at December 31, 2002 will be used when "available" in 2003 and future years.

Restricted net assets, those restricted for capital projects, land acquisition and certain facilities renovation decreased by \$159,358, (\$10,507,215 at December 31, 2002, from \$10,666,573 at December 31, 2001.) Investment in capital assets, with no related debt increased by \$2,511,782. This was possible because positive cash generated was reinvested in mission related property and equipment.

The net assets of our business-type activities decreased by 2.6% (\$12,403,847 at December 31, 2002 compared to \$12,729,114 at December 31, 2001). The net decrease in business assets (\$325,267) resulted from less usage by the public. Golf rounds decreased from 375,000 (2001) to 314,000 (2002), boat rentals decreased from 46,000 in 2001 to 36,000 2002, and visitor center attendance decreased from 212,000 in 2001 to 207,000 in 2002. These decreases appear to be due to unfavorable weather conditions in the peak season and decline in economic activity. By Board resolution, net assets may be transferred to reduce deficiency in governmental activities.

Financial Ratios

The following Financial Ratios should be used to assess the financial stability of the Park District over an extended period of time. The Park District has adopted guidelines regarding Return on Assets as discussed under the Governmental Activities section and the Business-type Activities section.

The Ratios of Working Capital and Days Cash and Investment in Reserve demonstrate the continuing ability to finance operations with cash. The Entity Wide reduction in Days in Receivable demonstrates that the increase in Days Cash and Investments in Reserves is being financed by a reduction in receivables.

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

Working Capital	2001	2002
Entity Wide Summary	\$ 7,304,905	\$ 7,484,117
Governmental	9,851,742	9,831,809
Business type	(2,546,837)	(2,347,692)
Current Ratio		
Entity Wide Summary	1.42	1.30
Governmental	1.69	1.46
Business-type	0.16	0.26

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

Days Cash & Investment	2001	2002
Entity Wide Summary	N/A	150
Governmental	N/A	261
Business type	N/A	12

Liabilities to Net Assets indicates extent of borrowing.

Liabilities to Net Assets	2001	2002
Entity Wide Summary	21%	29%
Governmental	21%	30%
Business types	23%	25%

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

Return on Assets	2001	2002
Entity Wide Summary	N/A	2%
Governmental	N/A	3%
Business types	N/A	(2%)

GENERAL GOVERNMENT FUNCTIONS BY INDIVIDUAL FUND

The following schedules present individual governmental funds revenues and the percentage of total for the year ended December 31, 2002 and December 31, 2001 as well as the expenditures and the percentage of total for the year ended December 31, 2002 and December 31, 2001.

General Fund

Revenue Source	2002		2001		Increase (Decrease) from 2001	Percent Increase (Decrease)
	Amount	Percent of Total	Amount	Percent Of Total		
Taxes	\$ 12,791,479	65%	\$ 12,636,072	68%	\$ 155,407	1%
Motor vehicle permits	792,443	4	849,440	4	(56,997)	(7)
Charges for service	4,127,174	21	4,255,884	23	(128,710)	(3)
Fines and damage	12,018	1	14,899	1	(2,881)	(19)
Donations and grants	1,215,932	6	324,742	2	891,190	274
Investment income	87,408	1	216,360	1	(128,952)	(60)
Miscellaneous	438,884	2	58,860	1	380,024	645
	<u>\$ 19,465,338</u>	<u>100%</u>	<u>\$ 18,356,257</u>	<u>100%</u>	<u>\$ 1,109,081</u>	<u>6</u>

Property taxes are a major source of revenue for general government functions and accounts for 65% of general government revenue. They are represented by 1.0 mill voted levy which will expire in 2016 and a .03 mill non-voted levy. Charges for services account for 21% of governmental revenue. General fund revenue increase resulted from Park District efforts in receiving \$1,200,000 grants for greenspace additions and restoration of a flood damaged bridge. Additionally a successful auction of unused park equipment generated \$167,000. Investment income decreased \$128,000 resulting from prime rate decreases several times in 2002.

The following schedule presents a summary of General Fund, expenditures and the percentage of the total for the years ended December 31, 2002 as well as December 31, 2001.

Expenditures	2002		2001		Increase (Decrease) from 2001	Percent Increase (Decrease)
	Amount	Percent of Total	Amount	Percent of Total		
General government	\$ 1,501,348	10%	\$ 1,396,204	10%	\$ 105,144	7%
Public safety	2,973,577	20	3,095,896	21	(122,319)	(3)
Operation and maintenance	7,041,843	48	6,764,415	46	277,428	4
Land management	239,858	2	208,633	2	31,225	14
Resource quality	156,165	1	164,151	1	(7,986)	(4)
Naturalist	819,400	6	799,886	6	19,514	2
Communication	502,256	3	498,177	3	4,079	1
Visitor's service	1,566,185	10	1,665,442	11	(99,257)	(5)
Total expenditures	<u>\$ 14,800,632</u>	<u>100%</u>	<u>\$ 14,592,804</u>	<u>100%</u>	<u>207,828</u>	<u>1</u>

There were no significant changes in general fund expenditures from 2001 to 2002.

Capital Project Funds

Revenue Source	2002		2001		Increase (Decrease) from 2001	Percent Increase (Decrease)
	Amount	Percent of Total	Amount	Percent of Total		
Transfers In	\$ 4,500,000	100%	\$ 7,924,614	96%	\$ (3,434,614)	(43)%
Miscellaneous			287,985	4	(287,985)	(100)
Total Revenue	<u>\$ 4,500,000</u>	<u>100%</u>	<u>\$ 8,212,599</u>	<u>100%</u>	<u>\$ (3,722,599)</u>	<u>(45)</u>
Expenditures						
Capital Outlay	\$ 3,930,944	100%	\$ 7,183,339	100%	\$ (3,252,395)	(45)
Total expenditures	<u>\$ 3,930,944</u>	<u>100%</u>	<u>\$ 7,183,339</u>	<u>100%</u>	<u>\$ (3,252,395)</u>	<u>(45)</u>

This year's major additions included:

Little Miami Bridge Project	\$ 1,800,000
Glenwood Garden Improvements	180,000
Campbell Road Property, 183 acres	925,000
Broadwell Road, 68 acres	546,000
Spieker Tract, 26 acres	228,000

The Park District's 2003 capital budget anticipates a spending level of \$7,184,000 with no plans to borrow outside the organization for this capital. More information about the Park District's capital assets is presented in Note 8 to the Basic Financial Statements.

Mitchell Fund

Revenue Source	2002 Amount	Percent of Total	2001 Amount	Percent of Total	Increase (Decrease) from 2001	Percent Increase (Decrease)
Investment loss	\$ (680,344)	100%	\$ (545,085)	100%	135,259	24%
Total Revenue	\$ (680,344)	100%	\$ (545,085)	100%	135,259	24
Expenditures						
Maintenance	\$ 114,940	30%	\$ 143,185	100%	(28,245)	(20)%
Capital Outlay	263,363	70			263,363	2633
Total expenditures	\$ 378,303	100%	\$ 143,185	100%	235,118	164

The investment loss resulted from investment income \$73,660 and market loss on portfolio of \$754,000. Comparable amounts in 2001 were investment income \$223,000 market loss \$768,000. Mitchell Memorial Forest added 16 acres of land at a cost of \$251,000 making a total of 1,344 acres.

Other Funds

Revenue Source	2002 Amount	Percent of Total	2001 Amount	Percent of Total	Increase (Decrease) from 2001	Percent Increase (Decrease)
Donation	\$ 308,883	32%	\$ 143,864	38%	\$ 165,019	311%
Grants	394,116	41	27,005	7	367,221	1359
Investment income	260,420	27	151,888	40	108,532	71
Miscellaneous	4,651	-	60,005	15	(55,354)	(92)
Total Revenue	\$ 968,070	100%	\$ 382,762	100%	585,308	152
Expenditures						
Miscellaneous	\$ 663,118	100%	\$ 211,820	100%	451,298	213
Total expenditures	\$ 663,118	100%	\$ 211,820	100%	451,298	213

The Park District received donations of \$75,000 from new donors and \$60,000 increase from recurring donors. Government grants increased during 2002 because of efforts of land-management personnel. Increases were used for bridge repair. Investment income in 2002 includes gain on sale of securities of \$142,000 compared to no sales in 2001. Expenditures for 2002 include an unusual expense of \$430,000 repairing and rebuilding the major structure of a damaged bridge in Sharon Woods which floodwaters washed out. As explained above federal and state grants helped reduce the Park District's outlay.

Proprietary Funds

The Park District enterprise fund includes operating golf courses, fishing and boating locations, a riding center, numerous food service facilities including banquet locations, golf pro shops and several ball fields and soccer fields.

User fees are reviewed on a yearly basis and changes are recommended to the Board of Park Commissioners for passage.

Proprietary Funds

Total assets	\$ 15,558,440
Net assets	12,403,847
Net income (loss) (change in net assets)	(325,267)
Return on Ending	
Total assets	(2%)
Return on ending	
Net assets	(3%)

Capital Assets

At the end of 2002, the Park District has \$76,044,332 invested in a broad range of capital assets including land, building and equipment. See table below. This amount represents a net increase of \$1,987,310 or 3% over last year.

Capital Assets at Year End
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2002	2001	2002	2001	2002	2001
Land	\$ 45,638,234	\$ 42,914,632	\$ 2,579,126	\$ 2,579,126	\$ 48,217,360	\$ 45,493,758
Building	12,239,593	12,907,708	4,188,485	4,416,011	16,428,078	17,323,719
Improvements		-	6,828,138	7,069,240	6,828,138	7,069,240
Equipment	1,337,366	1,250,334	1,155,730	1,211,574	2,493,096	2,461,908
Infrastructure	2,077,660	1,708,397			2,077,660	1,708,397
	<u>\$ 61,292,853</u>	<u>\$ 58,781,071</u>	<u>\$ 14,751,479</u>	<u>\$ 15,275,951</u>	<u>\$ 76,044,332</u>	<u>\$ 74,057,022</u>

Governmental Activities

During 2002 the Park District acquired over 300 acres of new land at a cost of \$2,800,000 which will be preserved as greenspace or added to public use facilities.. No loans were made in connection with the acquisitions since cash was generated from operations and the Park District received grants of \$1,100,000. Reporting under GASB 34 requires that capital assets used in governmental activities be depreciated, which was not required under the old reporting model. Accumulated depreciation on these capital assets was \$12,348,318 at January 1, 2002. Depreciation expense for 2002 was \$1,604,000, and is included in Parks and Recreation expenses (\$13,631,846) on Statement of Activities.

Buildings declined by \$660,000 in book value only because of depreciation. Equipment increased due to net additions \$292,000 less current depreciation \$206,000.

Because of the requirements of GASB 34, infrastructure costs are reported for the first time in this report for acquisitions in 2001 (\$1,834,000) and 2002 (\$524,092). Accumulated depreciation on infrastructure for 2001 and 2002 is \$282,000. In accordance with GASB 34 infrastructure activity prior to 2001, will be reported retroactively by 2006.

Business Activities

Capital assets used in business type activities have previously been depreciated. Depreciation expense for 2002 was \$1,418,687 and is reported in Statement of Revenues, Expenses and Changes in net Assets, Proprietary Fund. The Carrying value of building declined solely because of net depreciation \$227,000. Building improvements increased by additions \$164,000 and offset net depreciation \$406,000. Equipment net additions were \$210,000 but net depreciation was \$265,000, producing a reduction in carrying value of \$56,000.

BUDGETARY VARIANCES

General Fund

Positive variances in tax revenue and charges for services provided nearly \$560,000 more revenue than budgeted. General fund budgeted tax revenue amount is supplied by Hamilton County auditor, who collects and forwards Park District taxes. Their original budget anticipated less assessed value for taxation. When actual was determined, budget reduction was \$363,000 more than necessary. Budgeted charges for services by general fund to other funds were based on prior year; however increased charges were necessary because of additional costs in general fund. Ongoing oversight on expenses provided an additional \$750,000 positive variance. Because of these increases, transfers into general fund were not necessary. Capital Projects required less transfers from general fund to meet budgeted expenses. There were no significant variations between original budgeted general fund expenditures and revised budget except as follows:

Communication Department increased budget because of costs of publication and circulation of bi-monthly "Evergreen" supplements to daily newspapers increased in 2002 by \$225,000.

Visitor Service Department increased because equipment additions were not anticipated in the original budget.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Park District is a special purpose government operating under the authority of Chapter 1545 of the Ohio Revised Code, providing park and recreation opportunities to the citizens of Hamilton County, as well as adjoining counties, Northern Kentucky and Southeastern Indiana. Hamilton County is experiencing an increasing unemployment rate (from 2.90% in 2000 to 4.0% in 2002.) Park usage has declined, noticeably in rounds of golf (375,000 in 2001 to 312,000 in 2002) and motor vehicle permits (243,000 in 2001 to 227,000 in 2002). These declines in 2002 were primarily due to unfavorable weather conditions and decline in economic activity.

However, a recently passed tax levy will increase revenue by \$5.5 million dollars annually beginning in 2003 and budgeted expenses will increase accordingly. Arrangements with surrounding governments anticipates sharing of new park properties and maintenance and operation of other parks and green spaces.

The Park District continues to add and update computerization to provide better service to park users and more timely, useful information to management.

CONTACTING THE PARK DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, patrons and creditors with a general overview of the Park District's finances and to show the Park District's accountability for the funds it receives. If you have any questions about this report or need additional financial information, contact the Treasurer, Hamilton County Park District, 10245 Winton Road, Cincinnati, OH 45231 or call (513) 521-7275.

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HAMILTON COUNTY PARK DISTRICT
Statement of Net Assets
December 31, 2002

	Governmental Activities	Business-type Activities	Total
Assets			
Current assets			
Cash and cash equivalents.....	\$ 6,436,765	\$ 350,907	\$ 6,787,672
Investments	3,320,266		3,320,266
Receivables			
Accounts.....	3,702		3,702
Intergovernmental	228,179		228,179
Taxes	18,064,000		18,064,000
Inventories.....		359,219	359,219
Internal balances.....	2,785,455	96,835	2,882,290
Total current assets.....	<u>30,838,367</u>	<u>806,961</u>	<u>31,645,328</u>
Non current assets			
Capital assets, net of depreciation	61,292,853	14,751,479	76,044,332
Total assets.....	<u>92,131,220</u>	<u>15,558,440</u>	<u>107,689,660</u>
Liabilities			
Current liabilities			
Accounts payable and accrued expense	1,040,473	188,165	1,228,638
Deferred revenue	18,064,000	-	18,064,000
Due other governments	1,265,703	77,164	1,342,867
Compensated absences.....	539,547	103,809	643,356
Internal balances	96,835	2,785,455	2,882,290
Total current liabilities.....	<u>21,006,558</u>	<u>3,154,593</u>	<u>24,161,151</u>
Long term liabilities	583,347		583,347
Total liabilities	<u>21,589,905</u>	<u>3,154,593</u>	<u>24,744,498</u>
Net Assets			
Invested in capital assets	61,292,853	14,751,479	76,044,332
Restricted for:			
Capital projects.....	4,656,113		4,656,113
Other purpose	5,851,102		5,851,102
Unrestricted (deficit)	(1,258,753)	(2,347,632)	(3,606,385)
Total net assets.....	<u>\$ 70,541,315</u>	<u>\$ 12,403,847</u>	<u>\$ 82,945,162</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS.

HAMILTON COUNTY PARK DISTRICT
Statement of Activities
For the Year Ended December 31, 2002

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Parks and Recreation	\$ 13,631,846	\$ 1,528,470	\$ 338,490	\$ 1,353,325
Business-Type Activities				
Golf Courses	4,976,467	5,893,897		
Fishing and Boating	1,117,090	927,118		
Riding Center	299,360	256,371		
Food Service	2,892,102	2,308,367		
Golf Merchandise	1,067,611	1,013,576		
Athletics	272,026	216,325		
Recreation Management	316,265			
Total Business-Type Activities	10,940,921	10,615,654		
Total Government	\$ 24,572,767	\$ 12,144,124	\$ 338,490	\$ 1,353,325

GENERAL REVENUES

Taxes
Investment loss
Miscellaneous
Total General Revenues

CHANGE IN NET ASSETS

NET ASSETS – BEGINNING of YEAR

NET ASSETS – ENDING of YEAR

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Primary Business-Type Activities	Total
\$ (10,411,561)	\$	\$ (10,411,561)
	917,430	917,430
	(189,972)	(189,972)
	(42,989)	(42,989)
	(583,735)	(583,735)
	(54,035)	(54,035)
	(55,701)	(55,701)
	(316,265)	(316,265)
	(325,267)	(325,267)
(10,411,561)		(10,736,828)
12,791,479		12,791,479
(332,516)		(332,516)
443,535		443,535
12,902,498		12,902,498
2,490,937	(325,267)	2,165,670
68,050,378	12,729,114	80,779,492
\$ 70,541,315	\$ 12,403,847	\$ 82,945,162

HAMILTON COUNTY PARK DISTRICT
Balance Sheet
Governmental Funds
December 31, 2002

	General Fund	Capital Projects Fund	Mitchell Trust Fund	Other Funds	Total Governmental Funds
Assets					
Cash and cash equivalents.....	\$ 875,266	\$ 1,473,846	\$ 224,890	\$ 3,862,763	\$ 6,436,765
Investments			2,388,677	931,589	3,320,266
Receivables					
Accounts.....	3,702				3,702
Intergovernmental	1,063			227,116	228,179
Taxes	18,064,000				18,064,000
Receivable from other funds	479,182	3,406,998			3,886,180
Total assets.....	<u>\$ 19,423,213</u>	<u>\$ 4,880,844</u>	<u>\$ 2,613,567</u>	<u>\$ 5,021,468</u>	<u>\$ 31,939,092</u>
Liabilities					
Accounts payable	\$ 274,226	\$ 72,929	\$ 506	\$ 302,111	\$ 649,772
Accrued salaries payable.....	331,861	20,408	940		353,209
Deferred revenue	18,064,000				18,064,000
Retainage payable		37,492			37,492
Due to other funds	718,378		479,182		1,197,560
Due other government agencies	242,879	21,630	1,194	1,000,000	1,265,703
Compensated absences.....	467,275	72,272			539,547
Total liabilities.....	<u>20,098,619</u>	<u>224,731</u>	<u>481,822</u>	<u>1,302,111</u>	<u>22,107,283</u>
Fund Balances					
Reserved for:					
Encumbrances	207,265	478,116		321,470	1,006,851
Unreserved					
General Fund.....	(882,671)				(882,671)
Capital Projects Fund		4,177,997			4,177,997
Special Revenue Funds			2,131,745	3,397,887	5,529,632
Total fund balance.....	<u>(675,406)</u>	<u>4,656,113</u>	<u>2,131,745</u>	<u>3,719,357</u>	<u>9,831,809</u>
Total liabilities and fund balances.....	<u>\$ 19,423,213</u>	<u>\$ 4,880,844</u>	<u>\$ 2,613,567</u>	<u>\$ 5,021,468</u>	<u>\$ 31,939,092</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS.

**HAMILTON COUNTY PARK DISTRICT
Reconciliation of Total Governmental Funds
Balance to Net Assets of Governmental Activities
December 31, 2002**

TOTAL GOVERNMENTAL FUNDS BALANCE	\$ 9,831,809
<i>Amounts reported for governmental activities in the Statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	61,292,853
Long term liabilities are not due and payable in the current period and therefore are not recorded in the funds	<u>(583,347)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 70,541,315</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS.

HAMILTON COUNTY PARK DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2002

	General Fund	Capital Projects Fund	Mitchell Trust Fund	Other Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 12,791,479	\$	\$	\$	\$ 12,791,479
Motor Vehicle Permits	792,443				792,443
Charges for Service	4,127,174				4,127,174
Fines and Damage	12,018				12,018
Donations and Grants	1,215,932			702,999	1,918,931
Investment Income (loss)	87,408		(680,344)	260,420	(332,516)
Miscellaneous	438,884			4,651	443,535
TOTAL REVENUE	19,465,338		(680,344)	968,070	19,753,064
EXPENDITURES					
CURRENT:					
General Government	1,501,348				1,501,348
Public Safety	2,973,577				2,973,577
Operation and Maintenance	7,041,843		378,303	663,118	8,083,264
Land Management	239,858				239,858
Resource Quality	156,165				156,165
Naturalist	819,400				819,400
Communication	502,256				502,256
Visitor Services	1,566,185				1,566,185
CAPITAL OUTLAY		3,930,944			3,930,944
TOTAL EXPENDITURES	14,800,632	3,930,944	378,303	663,118	19,772,997
Excess (deficiency) of revenues over expenditures	4,664,706	(3,930,944)	(1,058,647)	304,952	(19,933)
Other financing sources (uses)					
Interfund transfers in		4,500,000	2,699	22,582	4,525,281
Interfund transfers out	(4,525,281)				(4,525,281)
Total other financing sources (uses)	(4,525,281)	4,500,000	2,699	22,582	-
Net change in fund balance	139,425	569,056	(1,055,948)	327,534	(19,933)
Fund Balances (Deficit), Beginning of Year	(814,831)	4,087,057	3,187,693	3,391,823	9,851,742
Fund Balances (Deficit), End of Year	\$ (675,406)	\$ 4,656,113	\$ 2,131,745	\$ 3,719,357	\$ 9,831,809

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS.

HAMILTON COUNTY PARK DISTRICT
Statement of Net Assets
Proprietary Funds
December 31, 2002

	Business-type activities Enterprise Fund
Assets	
Current Assets	
Cash and cash equivalents	\$ 350,907
Inventories	359,219
Due from other funds.....	96,835
Total current assets	806,961
Property and Equipment	
Land	2,579,126
Buildings and improvements	19,485,257
Equipment.....	4,429,977
	26,494,360
Less accumulated depreciation	11,742,881
Net property and equipment.....	14,751,479
Total Assets.....	15,558,440
Liabilities	
Current Liabilities	
Accounts payable.....	113,792
Accrued salaries payable	74,373
Due other funds	2,785,455
Due other government agencies.....	77,164
Compensated Absences	103,809
Total current liabilities	3,154,593
Net Assets	
Invested in capital assets.....	14,751,479
Unrestricted	(2,347,632)
Total net assets	\$ 12,403,847

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS.

HAMILTON COUNTY PARK DISTRICT
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Fund
For the year ended December 31, 2002

OPERATING REVENUES	
Charges for Sales and Service	\$ 10,615,654
TOTAL OPERATING REVENUES	10,615,654
 OPERATING EXPENSES	
Costs of Sales and Services	8,405,222
Administration	1,117,012
Depreciation.....	1,418,687
TOTAL OPERATING EXPENSE	10,940,921
 CHANGE IN NET ASSETS	 (325,267)
 TOTAL NET ASSETS, BEGINNING OF YEAR	 12,729,114
 TOTAL NET ASSETS, END OF YEAR	 \$ 12,403,847

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS.

HAMILTON COUNTY PARK DISTRICT
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2002

Cash Flows from Operating Activities

Receipts from customers	\$ 10,615,654
Paid to vendors	(1,955,459)
Paid to employees	(3,988,884)
Payments to other funds	(3,500,000)

Net Cash Provided by Operating Activities	1,171,311
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Cash Flows From Capital and Related Financing Activities

Payments for Capital Acquisition	(890,482)
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Net Cash used in Capital and Related Financing Activities	(890,482)
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Increase in Cash and Cash Equivalents	280,829
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Cash and Cash Equivalents, Beginning of Year	70,078
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Cash and Cash Equivalents, End of Year	\$ 350,907
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Reconciliation of change in net assets to net cash provided by operating activities:

Change in Net Assets	\$ (325,267)
Adjustment for items not requiring cash for operating activities:	
Depreciation	1,418,687
Changes in Assets and Liabilities	
Inventories	46,356
Accounts payable	53,500
Accrued salaries payable	15,323
Interfund payables	(100,568)
Due other governments	1,156
Compensated absences	62,124

Net Cash Provided by Operating Activities	\$ 1,171,311
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HAMILTON COUNTY PARK DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Description of Hamilton County Park District

The Hamilton County Park District (Park District) was created in 1930 under authority of Chapter 1545 of the Ohio Revised Code for the purpose of protecting local natural resources and providing outdoor recreation. The Park District is governed by a three-member Board of Park Commissioners, each of whom is appointed to three-year terms by the Probate Court Judge of Hamilton County and who serves without pay. The first Park Board took office on July 17, 1930.

The Board of Park Commissioners appoints a Director who is also the Chief Executive Officer. The Director is responsible for executing policy of the Park Board. Since 1930, the Park District has acquired and conserved over 14,600 acres of parkland, including eighteen parks and nature preserves. The Park District adopted the following mission statement “to preserve and protect natural resources and to provide outdoor recreation and education in order to enhance the quality of life for present and future generations”. Listed below are the names and locations of the parks and nature preserves owned and for management by the Park District.

- Embshoff Woods & Nature Preserve - Paul Road, off Mt. Alverno Road between Delhi Pike and Route 50, Cincinnati and Delhi Township - 332 acres.
- Farbach Werner Nature Preserve - Poole Road and Colerain Avenue, Colerain Township - 23 acres.
- Lake Isabella - Loveland-Madeira Road at I-275, Loveland-Indian Hill exit, Symmes Township - 77 acres.
- Little Miami Golf Center - Newtown Road between Route 50 and Route 32, Newtown, Anderson and Columbia Townships - 346 acres. (Includes Little Miami Golf Center, Bass Island, Avoca Park.)
- Miami Whitewater Forest - Harrison Pike, off I-74 at Dry Fork Road exit, Crosby, Harrison and Whitewater Townships - 4,411 acres.
- Mitchell Memorial Forest - Buffalo Ridge Road off Zion Road and East Miami River Road, Miami Township - 1,344 acres.
- Richardson Forest Preserve - Off Colerain Avenue between Kemper Road and Lick Road, Colerain Township - 265 acres.
- Sharon Woods - Route 42, south of I-275, Sharonville - 734 acres.
- Shawnee Lookout - South of Route 50 at Cleves, entrance off Lawrenceburg Road, Miami Township - 1,311 acres.

HAMILTON COUNTY PARK DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

- Triple Creek - Buell Road and Pippin Road, north of I-275, Colerain Township – 136 acres.
- Winton Woods - Winton Road, south of I-275, Forest Park, Greenhills, Woodlawn and Springfield Township - 2,468 acres.
- Withrow Nature Preserve - Five Mile Road, between I-275 and Route 52, Anderson Township - 270 acres.
- Woodland Mound - Old Kellogg Avenue, between Eight and Nine Mile Roads, Anderson Township and Pierce Township, Clermont County - 1012 acres.
- Kroger Hills - Off Wooster Pike, between Newtown and Terrace Park, Indian Hill and Columbia Township - 214 acres. Under 30-year lease, expiring 2008 with additional 30-year option.
- Newberry Wildlife Sanctuary - West of I-275, near Sheits and Springdale Roads, Colerain Township - 99 acres.
- W.M. Johnson Hills Park - Bridle Road, Anderson Township, leased to Anderson Park District – 45 acres.
- Oak Glen Nature Preserve - Colerain Township, 109 acres.
- Glenwood Gardens - Springfield Pike and Glendale Milford Road, 335 acres.
- Broadwell Woods - Broadwell Road, east of Newtown, 68 acres.
- Anderson Township - Forestville, I-275 and Asbury Road, 6 acres.
- I-74 Greenway – I-74 east of Race Road, 1 acre.
- Spieker Park - 4390 Overton Avenue, Green Township, 26 acres.
- Francis RecreAcres – Sharonville, 26 acres.

Total Acreage:	13,658 acres
Conservation Easements:	<u>949 acres</u>
Grand Total:	14,607 acres

HAMILTON COUNTY PARK DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

B. Reporting Entity

As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements present all funds for which the Park District is financially accountable. The Park District is considered a related organization to Hamilton County, Ohio. This decision is based on the fact that the Board of Commissioners are appointed by the Probate Court Judge of Hamilton County, but Hamilton County cannot impose its will on the Park District in any manner, nor does there exist any financial benefit or burden relationship between the Park District and Hamilton County.

For the year ended December 31, 2002, the Park District early implemented the new financial reporting requirement of the Government Accounting Standards board (GASB) statement No. 34. As a result, an entirely new financial presentation format has been implemented.

For the first time the financial statements include, among other changes, the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Park District's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the Park District activities, including infrastructure (roads, bridges, etc) activity for 2002. Infrastructure activity prior to 2001 will be reported retroactively by 2006.
- A change in the fund financial statements to focus on the major funds.

C. Basic Financial Statements – Government Wide Statements

The Statement of Net Assets and the Statement of Activities display information about the Park District. These statements include the financial activities of the overall government.

For the government-wide financial statements, eliminations have been made to remove the double reporting of internal activities. These statements distinguish between the governmental and business type activities of the Park District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole, or in part, by fees charged to external parties for goods or services. Program revenues for both types of activities include 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported as general revenues.

HAMILTON COUNTY PARK DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

C. Basic Financial Statements – Government Wide Statements (continued)

The Statement of Net Assets reports all financial and capital resources using the economic resources measurement focus and the accrual basis of accounting. The Park District presents the statement in a format that displays *assets less liabilities equal net assets*. *Net assets* is displayed in three components:

- The *Invested in Capital Assets, Net of Related Debt* component consists of capital assets, net of accumulated depreciation with no related outstanding debt.
- The *Restricted Net Assets* component represents net assets with constraints placed on their use that are either 1.) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or 2.) imposed by law through constitutional provisions or enabling legislation.
- The Unrestricted Net Assets component consists of net assets that do not meet the definition of the preceding two components.

D. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Park District are reported in individual funds in the Fund Financial Statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in the fund financial statements is on the major funds in either the governmental or business-type activities categories. Each major fund is presented in a separate column in the statements. Nonmajor funds, by category, are summarized into a single column.

The following fund types are used by the Park District:

1. Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Park District:

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

HAMILTON COUNTY PARK DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

D. Basic Financial Statements – Fund Financial Statements (continued)

1. Governmental Funds (continued)

- b. **Capital Projects Fund** is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds).
- c. **Mitchell Trust Fund** is used to account for the initial bequest from William Morris Mitchell and the subsequent accumulation of income, expenditures for contiguous land, construction, maintenance and operations of the Mitchell Memorial Forest.
- d. **Other Funds** are comprised of other Government/Drug Enforcement Funds, expendable trust funds and other special revenue funds.

2. Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The Park District applies all Financial Accounting Standards Board (FASB) pronouncements that were issued on or before November 30, 1989, unless the FASB pronouncement conflicts with or contradicts a GASB pronouncement. The Park District has elected not to apply FASB pronouncements issued after November 30, 1989. The following is a description of the proprietary fund of the Park District:

Enterprise Fund - The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Park District operates within this fund, golf courses, fishing and boating locations, riding center, food service facilities, sale of golf and fishing merchandise, and athletic facilities. In general, all activities of the Enterprise fund are classified as operating.

E. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

HAMILTON COUNTY PARK DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

2. Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Principal revenue sources considered susceptible to accrual include property and other taxes, state and federal grants, interest on investments, and fines. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

F. Pooled Cash and Cash Equivalents

The Park District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Cash Equivalents". Investments with original maturities of three months or less are considered to be cash equivalents. Cash equivalents are recorded at cost, which approximates market value. Interest earned from investments purchased with pooled cash is allocated to the funds, based on amounts in the pool, unless otherwise restricted by statute.

G. Investments

Investments are reported at fair value. Investments consist of securities owned by the Park District that are traded on a national exchange and valued at quoted market prices.

H. Inventories

Inventory is valued at the lower of cost or market, using first-in, first-out (FIFO) method. The costs of inventory items are recognized as expenses in the Enterprise Fund when sold or consumed.

I. Capital Assets

Governmental-type capital assets include land, buildings, furniture and fixtures, machinery and equipment, vehicles, and infrastructure owned by the Park District and are stated at historical or estimated historical cost. Donated assets are stated at estimated market value at the time of donation. All capital assets in excess of \$1,000 are capitalized.

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

Buildings	30 years	Parking	10 years
Machinery/Equipment	7 years	Trails	20 years
Vehicles	5 years	Sewers	20 years
Furniture/Fixtures	7 years	Dams	30 years
Water Supply	20 years	Bridges	30 years

HAMILTON COUNTY PARK DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

I. Capital Assets (continued)

Capital assets for the business-type activities (Enterprise Fund) in excess of \$1,000 are recorded at historical cost. Depreciation is charged as an expense against operations and capital assets are recorded net of accumulated depreciation on the *Statement of Net Assets*. See Note 8 for accumulated depreciation by asset class.

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

Buildings	30 Years
Machinery/Equipment	7 Years
Vehicles	5 Years
Furniture/Fixtures	7 Years

J. Compensated Absences

The Park District records accumulated unpaid sick leave, vacation and comp time benefits as compensated absences payable when earned by the employee.

Vacation - Full and part-time employees are eligible for vacation after completing one year of service with the Park District. One year is computed on the basis of 26 pay periods. After one year of service, employees may use current vacation accrual with approval from supervisor. Seasonal and hourly employees who become full or part-time will begin their accruals after 26 pay periods of continuous employment. Accrual of vacation time is as follows:

<u>Years of Service</u>	<u>Vacation Hours Earned Per 80 Hours Worked</u>	<u>Total Earned Per Year</u>
1 to 8 years	3.1 hours/80 hrs/pay	10 days/year
9 to 15 years	4.6 hours/80 hrs/pay	15 days/year
16 to 25 years	6.2 hours/80 hrs/pay	20 days/year
26 plus years	7.7 hours/80 hrs/pay	25 days/year

At the end of the 8th, 15th and 25th year, an employee will accrue an additional 40 hours of vacation leave and progress to the next accrual level.

HAMILTON COUNTY PARK DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

J. Compensated Absences (continued)

Vacation pay for eligible employees is based on current rate of pay. Overtime hours are not counted in computing vacation time. Any employee who works less than 2080 hours per year, will have vacation time determined by the percentage of the total hours they work. No vacation time is earned while an employee is on an unpaid leave of absence or an unpaid military leave.

Vacation time may be accumulated to a maximum of that earned in three years. At the time of an employee's termination, the employee is entitled to compensation at their current rate of pay for any earned but unused vacation leave up to a maximum of three years.

Sick Leave - accumulates at the rate of 4.6 hours every 80 hours worked with a maximum of 15 days per year. There is no maximum accumulation. It is to be used as needed and approved. Upon retirement or termination, an employee with 10 years or more of active service may receive a one-time payment. The payment is computed at one hour pay for each two hours of accrued sick leave but limited to accrued sick leave up to a maximum of 720 hours. At December 31, 2002 the Park District recorded a liability for sick leave totaling \$417,357 in accordance with GASB Statement No. 16, whereby sick leave is expended and accrued only for probable retirees in the upcoming three years.

Comp Time - Depending on the employee's position, comp time may be earned at regular or time and a half rate. The maximum accumulation for non-exempt employees is 240 hours of comp time and comp time earned in excess of the maximum is paid to the employee. Exempt employees are required to take current year comp time by April of the following year.

K. Long Term Obligations

Long-term obligations for vested sick leave, vacation and comp time and any claims or judgements are shown in the Statement of Net Assets.

L. Inter-Fund Transactions

During the normal course of operation, the Park District has certain transactions between funds. Charges from the General Fund to the Enterprise Fund and Other Funds for administration, maintenance, utilities and other costs are identified as Charges for Services (Revenue) by the General Fund and Expenditures in the Enterprise Fund and Other Funds. All other inter-fund transactions are reported as transfers.

Amounts identified as Interfund Receivable/Payable represent lending/borrowing arrangements outstanding at year's end. All other outstanding balances between funds are reported as "due to/from other funds."

M. Use of Restricted/Unrestricted Net Assets

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Park District's policy is to apply restricted net assets first.

HAMILTON COUNTY PARK DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

Note 2. Change in Accounting Principle

During 2002, the Park District retroactively changed its method of financial statement presentation and disclosure by adopting the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, as amended.

The changes in financial statement presentation provide a comprehensive look at the total governmental entity, and include a narrative Management’s Discussion and Analysis of the government’s financial activities. The effect of retroactive application of the new method prior to the beginning of 2002 on net assets at the beginning of 2002 is as follows:

Adjustment to record capital assets, net of accumulated depreciation	\$ 58,781,071
Adjustment to record long-term obligations	<u>(582,435)</u>
Increase in net assets at January 1, 2002	<u>\$ 58,198,636</u>

Note 3. Cash and Investments

The Park District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed in the Balance Sheet, Governmental Funds and Statement of Net Assets, Proprietary Funds.

Legal Requirements

Statutes require the classification of monies held by the Park District into three categories - active monies, inactive money and interim monies. "Active" monies consists of those monies required to be kept in a "cash" or "near-cash" status for current demands upon the Park District treasury. Such monies must be maintained either as cash in the Park District's treasury or in depository accounts payable or withdrawable on demand; including negotiable order of withdrawal (NOW) accounts.

"Inactive" monies consists of those monies not required for use within the current two-year period of designation of depositories. Inactive monies may be deposited or invested only as Certificates of Deposit maturing not later than the end of the current period of designation of depositories.

"Interim" monies consists of those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim monies may be invested or deposited in the following securities:

- Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- Bonds, notes, debentures or other obligations or securities issued by any Federal government agency or the Export-Import Bank of Washington.
- Interim deposits in the eligible institutions applying for interim monies.

HAMILTON COUNTY PARK DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

Note 3. Cash and Investments (continued)

- Bonds and other obligations of the State of Ohio.
- The State of Ohio Treasurer's investment pool.
- No Load money market mutual funds consisting exclusively of obligations of the United States or governmental agencies.

Notwithstanding the foregoing requirements, the Park District may invest any monies not required to be used for a period of six months in the following classes of investments:

- Bonds or other obligations of the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- Discount notes of the Federal National Mortgage Association.
- Bonds issued by the Home Owner's Loan Corporation.
- Bonds of the State of Ohio; and
- Bonds of any municipal corporation, village, county, township, or other political subdivision of this state - as to which there is no default of principal, interest or coupons.

Stocks, bonds and notes received as donations may be held by the Park District until such time as the Park District's Board of Park Commissioners deems it advisable to sell such items.

Deposits

GASB Statement No. 3. "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" requires that the Park District's deposits be classified as to credit risk within the following three categories.

Category 1 – Deposits that are insured or collateralized with securities held by the Park District or by its agent in the Park District's name.

Category 2 – Deposits that are collateralized with securities held by the pledging financial institution's trust department or agent in the Park District's name.

Category 3 – Deposits that are uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Park District's name.

HAMILTON COUNTY PARK DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

Note 3. Cash and Investments (continued)

Deposits (continued)

The Park District bank balances and reported balances, categorized by level of risk, at December 31, 2002 were as follows:

	<u>Bank Balance</u>	<u>Reported Balance</u>
Category 1	\$ 100,000	\$ 100,000
Category 2		
Category 3	<u>3,271,947</u>	<u>3,226,814</u>
Total Deposits	<u>\$ 3,371,947</u>	<u>\$ 3,326,814</u>

Investments

GASB Statement No. 3. "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" - requires that the Park District's investments be classified as to credit risk within the following three categories.

Category 1 - Insured or registered, or securities held by the Park District or its agent in the Park District's name.

Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department (if a bank) or agent in the Park District's name.

Category 3 - Uninsured and unregistered, with securities held by the counterparty in the Park District's name, or by the counterparty's trust department (if a bank) or agent but not in the Park District's name.

The Park District's investments, categorized by level of risk, at December 31, 2002 were as follows:

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Fair Value Carrying Amount</u>	<u>Cost</u>
STAR Ohio	\$	\$	\$	\$ 3,460,858	\$ 3,460,858
Corporate stocks	<u>3,320,266</u>	_____	_____	<u>3,320,266</u>	<u>903,058</u>
	<u>\$ 3,320,266</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,781,124</u>	<u>\$ 4,363,943</u>

HAMILTON COUNTY PARK DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

Note 3. Cash and Investments (continued)

Investments (continued)

The Park District's investments in the Ohio State Treasurer's pool (STAROHIO) are not categorized because they are not evidenced by securities that exist in physical or book entry form. The fair value carry amount is equivalent to the value of the pool shares. Star Ohio is authorized by Section 135.45 of the Ohio Revised Code and managed by the State Treasurer. General limitations are described in Section 135.143 of the Ohio Revised Code. The fund is audited annually by an independent CPA firm. STAROHIO issues stand alone financial report copies of which maybe obtained by making written requests to Director of Investments, Treasurer of State, 30 East Broad Street, 9th Floor, Columbus, Ohio 43215 or by calling (614) 466-2160.

The classification of cash and investments in the financial statements is based on criteria set forth in GASB Statement 9. A reconciliation between the classification of cash and investments on the combined financial statements and the classifications per GASB Statement No. 3 is as follows:

	<u>Deposits</u>	<u>Investments</u>
GASB Statement 9 classification:		
Cash and Investments	\$ 6,787,672	\$ 3,320,266
STAR Ohio	<u>(3,460,858)</u>	<u>3,460,858</u>
GASB Statement 3 classification:	<u>\$ 3,326,814</u>	<u>\$ 6,781,124</u>

Note 4. Property Tax Revenues

Property taxes include amounts levied against real, public utility and tangible (used in business) property. The assessed value upon which the 2002 tax collection was based follows: (Amounts in 000's.)

Real Property - 2001 Valuation	
Residential/Agricultural	\$ 9,997,681
Commercial/Industrial/Public Utilities	4,491,712
Tangible Personal Property - 2002 Valuation	
General	2,054,198
Public Utilities	<u>718,507</u>
Total Valuation	<u>\$ 17,262,098</u>

HAMILTON COUNTY PARK DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

Note 4. Property Tax Revenues (continued)

Real property taxes are levied each October on the assessed values as of the preceding January 1st, the lien date. Assessed values are established the preceding year by the County Auditor at 35% of appraised market value. A revaluation of real property is required to be completed no less than every six years, with a statistical update every third year.

Public Utility property taxes are assessed on tangible personal property, as well as land and land improvements at true value, which is, in general, net book value. Tangible personal property is assessed at 25% of true value except for inventories which are assessed at 25% of average value.

The County Treasurer bills and collects property taxes on behalf of all taxing districts in Hamilton County, including the Hamilton County Park District. Taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. The county's practice is to extend the December 31 due date to January. Unpaid taxes become delinquent after December 31 of the year they are due. Foreclosure proceedings may be initiated by the County Prosecutor if delinquent taxes are not paid within one year.

The County Auditor periodically remits to the Hamilton County Park District its portion of the taxes collected. The final settlement of real and public utility property taxes is made in April and September and tangible taxes in July and November for the first and second halves of the year, respectively. Collections of the taxes are accounted for in these statements.

The Hamilton County Park District accrues property taxes as receivables since they can be measured and recorded when levied and recognizes them as deferred revenue since they are recorded in advance of the year for which they are levied. Property taxes are recognized as revenue in the year for which they are levied.

The Park District property tax is generated from two sources. The first is an unvoted .03 mill levy granted annually by the Hamilton County Commissioners. The second is a voted 1.0 mill 15-year levy passed in November, 1988. It should be noted that the 1988 voted levy is subject to the Ohio Revised Code Reduction Factors and in 2001 was levied at effective rates of approximately .83 million. In May 2002, voters approved a replacement levy of 1.0 mill which is scheduled to expire in 2016. The current 1.0 mill levy was cancelled for 2003. The new levy is not subject to a reduction factor.

Note 5. Operating Lease

The Park District leases various park properties, land and water, over varying periods. None of the agreements contain unusual renewal or purchase options. The Park District is responsible for preservation and maintenance of the properties. Future minimum rental payments under operating leases are \$1 per year for 2003 to 2009.

The Park District leases certain undeveloped land to another park district for a term of 50 years at no charge.

HAMILTON COUNTY PARK DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

Note 6. Defined Benefit Plans

All full time and part time employees are required to join the Public Employees Retirement System of Ohio (PERS). PERS is a cost-sharing, multiple-employer defined Benefit Pension Plan operated by the State of Ohio. PERS issues a stand-alone Comprehensive Annual Financial Report, copies of which may be obtained by making a written request to: Public Employees Retirement System of Ohio, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 466-2085.

Pension Benefits - PERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. For employees other than law enforcement, benefits fully vest upon reaching five years of service and are established by state statute. Non law enforcement participants may retire at any age with 30 years of service, at or after age 60 with five years of credited service and at age 55 with a minimum of 25 years of service. Those individuals retiring with less than 30 years of service or less than age 65 receive reduced retirement benefits. Upon retirement, non law enforcement participants are entitled to a retirement benefit, payable monthly for life, equal to 2.2% of their final average salary for each year of credited service up to 30 years. These members are entitled to 2.5% of their final average salary for each year of service in excess of 30 years. Final average salary is calculated as the participant's average salary over the highest three years of earnings. Law enforcement officers, as defined in Chapter 145 of the Ohio Revised Code, are eligible for special retirement options. These options are available to such members at age 48 or older with 25 or more years of credited service. The annual benefit is calculated by multiplying 2.5 percent of final average salary by the actual years of service for the first 25 years of service credit and 2.1 percent of final average salary for each year of service over 25 years. These options also permit early retirement under qualifying circumstances as early as age 48.

Pension Contributions - Employer and employee required contributions to PERS are established under Chapter 742 of the Ohio Revised Code and are based on percentages of covered employees' gross salaries. Contribution rates are calculated annually by the PERS actuaries. Contribution rates for calendar year 2002 were as follows:

	<u>Employee Share</u>	<u>Employer Share</u>
Regular Employees	8.50%	13.55%
Law Enforcement Employees	9.00%	16.70%

Employer contributions required and made for the last three years were as follows:

<u>For the Year Ended</u> <u>December 31</u>	<u>Employer's Contribution</u> <u>for Regular</u> <u>Employees</u>	<u>Employer's Contribution</u> <u>for Law Enforcement</u> <u>Employees</u>
2002	\$ 894,110	\$ 245,166
2001	862,934	229,950
2000	668,845	178,549

HAMILTON COUNTY PARK DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

Note 6. Defined Benefit Plans (continued)

Other Post-employment Benefits - All age and service retirees with 10 or more years of service credit qualify for healthcare coverage under PERS. Healthcare coverage for disability recipients and primary survivor recipients is also available. Chapter 145, Ohio Revised Code, provides the statutory authority for employer contributions. The employer contribution rate that is used to fund healthcare is 5% for all employees. Employees do not fund any portion of healthcare costs.

The 2002 actuarially determined employer healthcare contribution requirement paid was:

Regular Employees	\$ 415,639
Law Enforcement Employees	<u>85,016</u>
	<u>\$ 500,655</u>

Note 7. Commitments

The Park District has contractual commitments to various vendors for future supplies and services for the Park District. Determinable amounts are recorded as encumbrances at December 31, 2002, as follows:

General Fund	\$ 207,265
Capital Projects Fund	478,116
Other Funds	<u>321,470</u>
	<u>\$ 1,006,851</u>

The Park District is the beneficiary of certain assets held in two charitable remainder trusts. Upon the death of the last surviving noncharitable recipient of the trust, the Park District shall receive all of the principal and income of these trusts.

HAMILTON COUNTY PARK DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

Note 8. Capital Assets

A. Governmental Activities - changes in capital assets during the year ended December 31, 2002 is as follows:

	Balance <u>January 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>December 31, 2002</u>	Less Accumulated Depreciation	Net Book Value
Land	\$ 39,311,482	\$ 2,129,739		\$ 41,441,221	\$	\$ 41,441,221
Land Improvements	3,797,712	740,119		4,537,831	340,818	4,197,013
Buildings	20,043,438			20,043,438	7,803,845	12,239,593
Equipment	4,234,134	342,500	257,084	4,319,550	3,600,775	718,775
Vehicles	1,907,692	452,261	244,897	2,115,056	1,496,465	618,591
Infrastructure	<u>1,834,831</u>	<u>524,092</u>	<u> </u>	<u>2,358,923</u>	<u>281,263</u>	<u>2,077,660</u>
	<u>\$ 71,129,289</u>	<u>\$ 4,188,711</u>	<u>\$ 501,981</u>	<u>\$ 74,816,019</u>	<u>\$ 13,523,166</u>	<u>\$ 61,292,853</u>

B. Changes in Accumulated Depreciation - Governmental Activities for the year ended December 31, 2002 are as follows:

	Balance <u>January 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	Accumulated Depreciation <u>December 31, 2002</u>
Land Improvements	\$ 194,562	\$ 146,256		\$ 340,818
Buildings	7,135,730	668,115		7,803,845
Equipment	3,476,517	359,529	235,271	3,600,775
Vehicles	1,414,975	275,546	194,056	1,496,465
Infrastructure	<u>126,434</u>	<u>154,829</u>	<u> </u>	<u>281,263</u>
	<u>\$ 12,348,218</u>	<u>\$ 1,604,275</u>	<u>\$ 429,327</u>	<u>\$ 13,523,166</u>

C. Business Activities – Changes in capital assets during the year ended December 31, 2002 are as follows:

	Balance <u>January 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>December 31, 2002</u>	Less Accumulated Depreciation	Net Book Value
Land	\$ 2,579,126	\$		\$ 2,579,126	\$	\$ 2,579,126
Buildings	7,774,901			7,774,901	3,586,416	4,188,485
Building Improvements	11,545,616	249,866	85,126	11,710,356	4,882,218	6,828,138
Equipment	3,967,369	590,642	401,352	4,156,659	3,058,406	1,098,253
Vehicles	<u>252,833</u>	<u>49,974</u>	<u>29,489</u>	<u>273,318</u>	<u>215,841</u>	<u>57,477</u>
	<u>\$ 26,119,845</u>	<u>\$ 890,482</u>	<u>\$ 515,967</u>	<u>\$ 26,494,360</u>	<u>\$ 11,742,881</u>	<u>\$ 14,751,479</u>

HAMILTON COUNTY PARK DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

Note 8. Capital Assets (continued)

D. Changes in Accumulated Depreciation – Business Activities for the year ended December 31, 2002 is as follows:

	<u>Accumulated Depreciation January 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>Accumulated Depreciation December 31, 2002</u>
Buildings	\$ 3,358,890	\$ 256,758	\$ 29,232	\$ 3,586,416
Building Improvements	4,476,376	493,975	88,133	4,882,218
Equipment	2,801,952	640,547	384,093	3,058,406
Vehicles	<u>206,676</u>	<u>27,407</u>	<u>18,242</u>	<u>215,841</u>
	<u>\$ 10,843,894</u>	<u>\$ 1,418,687</u>	<u>\$ 519,700</u>	<u>\$ 11,742,881</u>

Note 9. Risk Management

The Park District is exposed to various risks of loss related to torts - theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years, nor has there been a significant reduction in insurance coverage in the same period.

The Park District pays into the State of Ohio Bureau of Workers Compensation System through a pooled risk arrangement with Hamilton County. The rate is established by the County, based on gross salaries. Workers claims are submitted to the State of Ohio for authorization and payment to the injured employee. The Park District has no further risk. The State of Ohio establishes employer payments, employee payments, and adequate reserves.

Beginning in 2003, the Park District will pay directly to State of Ohio Bureau of Workmen's Compensation based on a group rate. Prior claims will be settled with Hamilton County as they occur.

Note 10. Long-Term Obligations

A summary of changes in amount to be provided for compensated absences is as follows:

	<u>Balance January 1, 2002</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2002</u>
Compensated Absences Payable	\$ 582,435	\$ 120,366	\$ 119,454	\$ 583,347

Compensated absences will be paid from the fund in which employees salaries are paid.

HAMILTON COUNTY PARK DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

Note 11. Due to/From Other Funds

Individual fund asset and liability balances at December 31, 2002 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Mitchell Funds	\$ 479,182
Capital Project Fund	Enterprise Fund	2,785,455
Capital Project Fund	General Fund	621,543
Enterprise Fund	General Fund	96,835

The balances represent timing differences related to routine transfers for operating and capital transactions.

As reported herein, transfer in and transfer out are as follows:

GENERAL FUND

Transfers out to	
Capital Project Fund	\$ 4,500,000
Mitchell Fund	2,699
Other Funds	<u>22,582</u>
Total	<u>\$ 4,525,281</u>

MITCHELL FUNDS

Transfers in from General Fund	2,699
--------------------------------	-------

CAPITAL PROJECT FUND

Transfers in from General Fund	4,500,000
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OTHER FUNDS

Transfers in from General Fund	<u>22,582</u>
--------------------------------	---------------

Total	<u>\$ 4,525,281</u>
-------	---------------------

Transfers from the General Fund to the Capital Projects fund represent the Park District's funding of capital projects.

Note 12. Governmental Activities and Business Activities Unrestricted Net Assets Negative Balances

The negative balance in the unrestricted net assets for governmental activities and business activities is the result of net assets reserved for capital assets.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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HAMILTON COUNTY PARK DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
(Non-GAAP Budgetary Basis)
General Fund
For the Year Ended December 31, 2002

	Original <u>Budget</u>	Revised <u>Budget</u>	<u>Actual</u>	Variance Between Actual and Revised <u>Budget</u>
REVENUES				
Taxes	\$ 12,428,700	\$ 12,428,700	\$ 12,791,479	\$ 362,779
Motor Vehicle Permits	820,000	820,000	792,443	(27,557)
Charges for Service	3,920,500	3,720,500	4,245,823	525,323
Fines and Damage	19,000	19,000	20,017	1,017
Interest and Dividends.....	200,000	200,000	62,127	(137,873)
Miscellaneous.....	351,000	118,222	273,048	154,826
Grants	425,600	1,534,900	1,215,931	(318,969)
Total Revenue	18,164,800	18,841,322	19,400,868	559,546
EXPENDITURES				
CURRENT:				
General Government	2,141,000	2,100,700	2,032,437	68,263
Public Safety	3,025,400	3,113,400	3,025,836	87,564
Operation and Maintenance	7,225,100	7,225,100	6,938,566	286,534
Land Management.....	223,800	223,975	210,070	13,905
Resource Quality	165,000	165,000	156,185	8,815
Naturalist.....	837,800	863,600	797,940	65,660
Communication	341,000	413,889	384,917	28,972
Visitor Services	1,142,600	1,535,859	1,345,267	190,592
Total Expenditures	15,101,700	15,641,523	14,891,218	750,305
Excess (deficiency) of revenues over expenditures	3,063,100	3,199,799	4,509,650	1,309,851
Other Financing Sources (Uses)				
Operating transfers in	2,049,300	2,061,300		(2,061,300)
Operating transfers out	(5,112,400)	(5,689,773)	(4,525,281)	1,164,492
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	\$ (428,674)	(15,631)	\$ 413,043
Fund Balances, Beginning of Year			207,826	
Prior Year Encumbrances			220,848	
Fund Balances, End of Year			\$ 413,043	

HAMILTON COUNTY PARK DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
(Non-GAAP Budgetary Basis)
Mitchell Fund
For the Year Ended December 31, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	Variance Between Actual and <u>Revised Budget</u>
REVENUES				
Interest and dividends	\$ 60,000	\$ 60,000	\$ 73,660	\$ 13,660
Miscellaneous	303,800	303,800		(303,800)
Total Revenue	<u>363,800</u>	<u>363,800</u>	<u>73,660</u>	<u>(290,140)</u>
EXPENDITURES				
Salaries	37,400	37,400	35,512	1,888
Fringe	8,600	8,600	5,002	3,598
Supplies	28,000	28,000	14,068	13,932
Utilities	9,000	9,000	6,530	2,470
Miscellaneous	430,000	430,000	1,494	428,506
Capital	330,500	334,151	263,363	70,788
Total Expenditures	<u>843,500</u>	<u>847,151</u>	<u>325,969</u>	<u>521,182</u>
Excess (deficiency) of revenues over expenditures	(479,700)	(483,351)	(252,309)	231,042
OTHER FINANCING SOURCES				
Interfund transfers in	13,700	13,700	2,699	(11,001)
Excess (deficiency) of revenue and other financing sources over expenditures	<u>\$ (466,000)</u>	<u>\$ (469,651)</u>	<u>(249,610)</u>	<u>\$ 220,041</u>
Fund Balance, Beginning of Year			3,187,693	
Fund Balance, End of Year			<u>\$ 2,938,083</u>	

HAMILTON COUNTY PARK DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Process

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

Estimated Resources - The County Budget Commission certifies its actions to the Park District by September 1. As part of this certification, the Park District receives the official certificate of estimated resources which states the projected receipts of each fund. On or about January 1, this certificate is amended to include any unencumbered balances from the preceding year. Prior to December 31, the Park District must revise its budget so that the total budgeted expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the annual appropriation measure. Budget receipts, as shown on the accompanying financial statements, do not include January 1, 2001 unencumbered fund balances. However, those fund balances are available for appropriations.

Appropriations - A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources, as certified.

Encumbrances - The Park District is required to use the encumbrance method of accounting by mandate of Ohio law. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded on the Non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

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

All governmental and proprietary fund types of the Park District have legally adopted budgets at the departmental level for estimated resources and appropriations. Revisions to estimated resources or budgeted appropriations must be approved by the Board of Park Commissioners and submitted to the Hamilton County auditor. Division directors are responsible for operating within the approved budget, as periodically amended. Transfer of appropriations within departments does not require approval of the Board of Park Commissioners.

HAMILTON COUNTY PARK DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Process (continued)

Listed below is a reconciliation of the results of operations for the year ended December 31, 2002 from modified accrual (GAAP) basis to the Non-GAAP budgetary basis.

Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses

	General <u>Fund</u>	Mitchell <u>Fund</u>
GAAP Basis:	\$ 139,425	\$ (1,055,948)
Adjustments:		
Revenue Accrued	(64,770)	754,004
Expenses Accrued	(93,098)	52,334
Encumbrances Change	<u>2,812</u>	<u> </u>
Budget Basis:	\$ <u>(15,631)</u>	\$ <u>(249,610)</u>

OTHER SUPPLEMENTARY INFORMATION

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HAMILTON COUNTY PARK DISTRICT
Combining Balance Sheet
Non-Major Governmental Funds
For the Year ended December 31, 2002

	<u>Law Enforcement Fund</u>	<u>Law Enforcement and Education Fund</u>	<u>Drug Law Enforcement Fund</u>	<u>Evergreen Fund</u>	<u>Burchenal Fund</u>	<u>Benedict Fund</u>	<u>Total Non Major Governmental Funds</u>
ASSETS							
Cash and Cash Equivalents	\$ 9,800	\$ 2,195	\$ 1,012	\$ 2,488,644	\$ 587,199	\$ 773,913	\$ 3,862,763
Investments					931,589		931,589
Accounts receivable				227,116			227,116
TOTAL ASSETS	\$ 9,800	\$ 2,195	\$ 1,012	\$ 2,715,760	\$ 1,518,788	\$ 773,913	\$ 5,021,468
LIABILITIES AND FUND BALANCES							
Accounts payable	\$	\$	\$ 659	\$ 301,452	\$	\$	\$ 302,111
Due other government agencies				1,000,000			1,000,000
Total Liabilities			659	1,301,452			1,302,111
Fund Balances:							
Reserved for encumbrances			276,328	45,142			321,470
Unreserved	9,800	2,195	(275,975)	1,369,166	1,518,788	773,913	3,397,887
Total fund balances	9,800	2,195	353	1,414,308	1,518,788	773,913	3,719,357
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,800	\$ 2,195	\$ 1,012	\$ 2,715,760	\$ 1,518,788	\$ 773,913	\$ 5,021,468

HAMILTON COUNTY PARK DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non Major Governmental Funds
December 31, 2002

	<u>Law Enforcement Fund</u>	<u>Law Enforcement and Education Fund</u>	<u>Drug Law Enforcement Fund</u>	<u>Evergreen Fund</u>	<u>Burchenal Fund</u>	<u>Benedict Fund</u>	<u>Total Non Major Governmental Fund</u>
REVENUES							
Donations and grants	\$	\$	\$	\$ 692,111	\$ 10,888	\$	\$ 702,999
Investment income					157,946	102,474	260,420
Miscellaneous		100	4,551				4,651
Total Revenue		100	4,551	692,111	168,834	102,474	968,070
EXPENDITURES							
Operation and Maintenance			19,945	642,173	500	500	663,118
Total Expenditures			19,945	642,173	500	500	663,118
Excess (Deficiency) of Revenues		100	(15,394)	49,938	168,334	101,974	304,952
Other Financing Sources (Uses)							
Operating Transfers in	123	32	102	17,982	2,093	2,250	22,582
Net Change In Fund Balances	123	132	(15,292)	67,920	170,427	104,224	327,534
Fund Balances Beginning of Year	9,677	2,063	15,645	1,346,388	1,348,361	669,689	3,391,823
Fund Balances End of Year	\$ 9,800	\$ 2,195	\$ 353	\$ 1,414,308	\$ 1,518,788	\$ 773,913	\$ 3,719,357

OTHER BUDGETARY INFORMATION

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GOVERNMENTAL FUNDS

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GENERAL FUND

The General Fund is the general operating fund of the Park District. It is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

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HAMILTON COUNTY PARK DISTRICT
Detailed Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
(Non-GAAP Budgetary Basis) by Department
General Fund
For the Year Ended December 31, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	Variance Between Actual and <u>Revised Budget</u>
<u>REVENUES</u>				
Taxes	\$ 12,428,700	\$ 12,428,700	\$ 12,791,479	\$ 362,779
Motor Vehicle Permits	820,000	820,000	792,443	(27,557)
Charges for Service	3,920,500	3,720,500	4,245,823	525,323
Fines and Damage	19,000	19,000	20,017	1,017
Interest and Dividends.....	200,000	200,000	62,127	(137,873)
Miscellaneous.....	351,000	118,222	273,048	154,826
Grants	425,600	1,534,900	1,215,931	(318,969)
TOTAL REVENUE	18,164,800	18,841,322	19,400,868	559,546
<u>EXPENDITURES</u>				
ADMINISTRATION DEPARTMENT				
Salaries	1,133,700	1,110,200	1,094,203	15,997
Fringes.....	305,000	278,300	261,359	16,941
Supplies.....	314,700	306,800	286,364	20,436
Insurance Utilities	200,000	200,000	199,523	477
Miscellaneous.....	146,600	175,400	161,104	14,296
Capital Outlay	41,000	30,000	29,884	116
TOTAL ADMINISTRATION DEPARTMENT	2,141,000	2,100,700	2,032,437	68,263
SAFETY DEPARTMENT				
Salaries	2,136,100	2,136,100	2,120,506	15,594
Fringes.....	603,600	603,600	539,165	64,435
Supplies.....	127,800	140,100	137,129	2,971
Insurance Utilities	3,500	3,400	2,772	628
Miscellaneous.....	6,400	6,400	4,533	1,867
Capital Outlay	148,000	223,800	221,731	2,069
TOTAL SAFETY DEPARTMENT	3,025,400	3,113,400	3,025,836	87,564
OPERATIONS DEPARTMENT				
Salaries	3,594,700	3,594,700	3,462,283	132,417
Fringes.....	968,900	968,900	876,288	92,612
Supplies.....	1,093,600	1,101,900	1,094,438	7,462
Insurance Utilities	908,800	900,500	851,574	48,926
Miscellaneous.....	9,400	9,400	8,995	405
Capital Outlay	649,700	649,700	644,988	4,712
TOTAL OPERATIONS DEPARTMENT	7,225,100	7,225,100	6,938,566	286,534

(continued)

HAMILTON COUNTY PARK DISTRICT
Detailed Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
(Non-GAAP Budgetary Basis) by Department - continued
General Fund
For the Year Ended December 31, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	Variance Between Actual and <u>Revised Budget</u>
LAND MANAGEMENT DEPARTMENT				
Salaries	\$ 161,100	\$ 161,100	\$ 160,548	\$ 552
Fringes.....	42,600	42,600	31,100	11,500
Supplies.....	19,300	20,075	18,227	1,848
Miscellaneous.....	800	200	195	5
TOTAL LAND MANAGEMENT DEPARTMENT	223,800	223,975	210,070	13,905
RESOURCE QUALITY DEPARTMENT				
Salaries	96,100	96,100	93,588	2,512
Fringes.....	28,900	28,900	27,081	1,819
Supplies.....	14,800	14,800	13,115	1,685
Miscellaneous.....	900	900	547	353
Capital Outlay	24,300	24,300	21,854	2,446
TOTAL RESOURCE QUALITY DEPARTMENT	165,000	165,000	156,185	8,815
NATURALIST DEPARTMENT				
Salaries	385,400	388,100	388,074	26
Fringes.....	107,400	109,700	109,075	625
Supplies.....	315,000	321,547	264,282	57,265
Miscellaneous.....	30,000	30,000	23,781	6,219
Capital Outlay	-	14,253	12,728	1,525
TOTAL NATURALIST DEPARTMENT	837,800	863,600	797,940	65,660
COMMUNICATIONS DEPARTMENT				
Salaries	138,200	140,000	139,861	139
Fringes.....	38,300	41,200	40,709	491
Supplies.....	163,300	228,389	201,400	26,989
Miscellaneous.....	1,200	3,100	1,748	1,352
Capital Outlay	-	1,200	1,199	1
TOTAL COMMUNICATIONS DEPARTMENT	341,000	413,889	384,917	28,972

(continued)

HAMILTON COUNTY PARK DISTRICT
Detailed Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
(Non-GAAP Budgetary Basis) by Department - continued
General Fund
For the Year Ended December 31, 2002

	Original Budget	Revised <u>Budget</u>	<u>Actual</u>	Variance Between Actual and <u>Revised Budget</u>
VISITOR SERVICES DEPARTMENT				
Salaries	\$ 628,200	\$ 628,200	\$ 609,209	\$ 18,991
Fringes.....	179,400	179,400	129,523	49,877
Supplies.....	335,000	527,755	426,948	100,807
Miscellaneous.....	-	15,000	7,845	7,155
Capital Outlay	-	185,504	171,742	13,762
TOTAL VISITOR SERVICES DEPARTMENT	<u>1,142,600</u>	<u>1,535,859</u>	<u>1,345,267</u>	<u>190,592</u>
TOTAL EXPENDITURES	<u>15,101,700</u>	<u>15,641,523</u>	<u>14,891,218</u>	<u>750,305</u>
EXCESS OF REVENUES OVER EXPENDITURES	3,063,100	3,199,799	4,509,650	1,309,851
OTHER FINANCING SOURCES (USES)				
Operating Transfers In.....	2,049,300	2,061,300		(2,061,300)
Operating Transfers Out.....	(5,112,400)	(5,689,773)	(4,525,281)	1,164,492
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ (428,674)</u>	<u>\$ (15,631)</u>	<u>\$ 413,043</u>
Fund Balance, Beginning of Year			207,826	
Prior Year Encumbrances			<u>220,848</u>	
Fund Balance, End of Year			<u>\$ 413,043</u>	

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SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS ARE USED TO ACCOUNT FOR SPECIFIC GOVERNMENTAL REVENUES (OTHER THAN MAJOR CAPITAL PROJECTS) REQUIRING SEPARATE ACCOUNTING BECAUSE OF LEGAL OR REGULATORY PROVISIONS OR ADMINISTRATIVE ACTION AND EXPENDITURES FOR SPECIFIED PURPOSE.

LAW ENFORCEMENT FUND – To account for money which is contraband or is derived from sale of contraband. Ten percent is to be used for community prevention programs and 90% for discretionary law enforcement projects.

LAW ENFORCEMENT AND EDUCATION FUND – To account for fines related to driving under the influence (DUI) of drugs or alcohol. This fund may be spent on any DUI related enforcement or education programs.

DRUG LAW ENFORCEMENT FUND – To account for drug fines remitted by the Courts. The fund may be used for efforts that pertain to drug offenses.

MITCHELL TRUST FUND (Mitchell Memorial Forest) - To account for initial bequest from William Morris Mitchell, subsequent accumulation of income, expenditures for contiguous land, construction, maintenance and operations of the Mitchell Memorial Forest. The Detailed Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual is located in the Required Supplementary Information Section of this report.

BENEDICT TRUST FUND – Established as an expendable trust fund for protection and development of property located on Springfield Pike, Woodlawn, Ohio.

BURCHENAL TRUST FUND - Established as an expendable trust for establishment of trails, garden and appropriate memorial and other capital improvements on Burchenal Tract – Glenwood Gardens, Woodlawn, Ohio.

EVERGREEN FUND - To account for donations identified by the donor to be used for a specific purpose and to account for the following separate funds which are combined for reporting purposes:

- Estate of Betty Martin
- Estate of Elsie Heinichen
- Estate of Virginia Miller
- Mildred Foman Trust
- Newberry Wildlife Sanctuary Fund
- Robert M. Burton Fund
- Seasongood Fund
- Seasongood Bird Feeding Fund
- Estate of Earl C. Malott
- Estate of Margaret Embshoff
- Withrow Nature Preserve

HAMILTON COUNTY PARK DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Budgetary Basis)
Non Major Special Revenue Funds
For the Year Ended December 31, 2002

	Law Enforcement Fund			Variance between Actual and Revised Budget
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	
REVENUES				
Donations	\$ 4,000	\$ 4,000	\$	\$ (4,000)
Miscellaneous				
TOTAL REVENUE	<u>4,000</u>	<u>4,000</u>		<u>(4,000)</u>
EXPENDITURES				
Salaries				
Supplies	14,300	3,164		(3,164)
Miscellaneous				
Capital Outlay				
TOTAL BUDGETARY EXPENSES	<u>14,300</u>	<u>3,164</u>		<u>(3,164)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) BUDGETARY EXPENDITURES	(10,300)	836		(836)
OTHER FINANCING SOURCES				
Transfers In	300		123	123
NET CHANGE IN FUND BALANCE	<u>\$ 10,000</u>	<u>\$ 836</u>	<u>123</u>	<u>\$ (713)</u>
BUDGETARY FUND BALANCES (DEFICIT) BEGINNING OF YEAR			<u>10,176</u>	
BUDGETARY FUND BALANCES, END OF YEAR			<u>\$ 10,299</u>	

Law Enforcement and Education Fund				Drug and Law Enforcement Fund			
Original Budget	Revised Budget	Actual	Variance between Actual and Revised Budget	Original Budget	Revised Budget	Actual	Variance between Actual and Revised Budget
\$ 500	\$ 500	\$	\$ (500)	\$ 8,000	\$ 8,000	\$ 4,653	\$ (3,347)
500	500	-	(500)	8,000	8,000	4,653	(3,347)
3,000	14,477	-	(14,477)	34,300	26,610	19,945	6,665
3,000	14,477	-	(14,477)	34,300	26,610	(19,945)	6,665
(2,500)	(13,977)		13,977	(26,300)	(18,610)	(15,292)	3,318
100	100	132	32	2,300	102	101	(1)
<u>\$ (2,400)</u>	<u>\$ (13,977)</u>	132	<u>\$ 14,009</u>	<u>\$ (24,000)</u>	<u>\$ (18,508)</u>	(15,191)	<u>\$ 3,317</u>
		<u>2,400</u>				<u>16,310</u>	
		<u>\$ 2,532</u>				<u>\$ 1,119</u>	

(continued)

HAMILTON COUNTY PARK DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP Budgetary Basis)
Non Major Special Revenue Funds
For the Year Ended December 31, 2002

	Evergreen Fund			Variance between Actual and Revised Budget
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	
REVENUES				
Donations	\$ 500,000	\$ 500,000	\$ 463,961	\$ (36,039)
Miscellaneous				
TOTAL REVENUE	<u>500,000</u>	<u>500,000</u>	<u>463,961</u>	<u>(36,039)</u>
EXPENDITURES				
Capital Outlay	650,000	650,000	314,311	335,689
TOTAL BUDGETARY EXPENSES	<u>650,000</u>	<u>650,000</u>	<u>314,311</u>	<u>335,689</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) BUDGETARY EXPENDITURES	(150,000)	(150,000)	149,650	299,650
OTHER FINANCING SOURCES				
Transfers In	10,000	10,000	9,159	(841)
NET CHANGE IN FUND BALANCE	<u>\$ (160,000)</u>	<u>\$ (140,000)</u>	<u>158,809</u>	<u>\$ 298,809</u>
BUDGETARY FUND BALANCES, BEGINNING OF YEAR			<u>593,316</u>	
BUDGETARY FUND BALANCES, END OF YEAR			<u>\$ 752,125</u>	

CAPITAL PROJECT FUND

The Capital Project Fund is established to account for financial resources to be used for the acquisition of major capital facilities (other than those financed by the Enterprise Fund).

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HAMILTON COUNTY PARK DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual
(Non-GAAP Budgetary Basis)
Capital Project Fund
For the Year Ended December 31, 2002

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	Variance Between Actual and <u>Revised Budget</u>
REVENUES				
Charges for Service	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Capital Outlay	5,542,400	6,697,833	4,597,876	2,099,957
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,542,400)	(6,697,833)	(4,597,876)	2,099,957
OTHER FINANCING SOURCES				
Operating transfers in	5,042,400	6,000,000	4,500,000	(1,500,000)
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ (500,000)</u>	<u>\$ (697,833)</u>	(97,876)	<u>\$ (599,957)</u>
Budgetary Fund Balance, Beginning of Year			97,920	
Prior Year Encumbrances			726,459	
Budgetary Fund Balance, End of Year			<u>\$ 726,503</u>	

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PROPRIETARY FUNDS

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ENTERPRISE FUND

The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to a private enterprise. The Hamilton County Park District's enterprise fund is comprised of the following departments: Golf Management, Fishing and Boating, Riding Center, Food Service, Golf Merchandise, Athletics and Recreation Management.

HAMILTON COUNTY PARK DISTRICT
Enterprise Fund
Schedule of Revenues and Expenses by Department
For the Year Ended December 31, 2002

	<u>Golf Management</u>	<u>Fishing and Boating</u>	<u>Riding Center</u>	<u>Food Service</u>
OPERATING REVENUES				
Charges for sales and services	\$ 5,893,897	\$ 927,118	\$ 256,371	\$ 2,308,367
OPERATING EXPENSES				
Cost of sales and services	3,448,090	876,306	252,002	2,417,893
Administration	612,804	95,774	27,748	248,982
Depreciation	915,573	145,210	19,410	225,227
TOTAL OPERATING EXPENSES	<u>4,976,467</u>	<u>1,117,090</u>	<u>299,360</u>	<u>2,892,102</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>\$ 917,430</u>	<u>\$ (189,972)</u>	<u>\$ (42,989)</u>	<u>\$ (583,735)</u>

<u>Golf Merchandise</u>	<u>Athletics</u>	<u>Recreation Management</u>	<u>Total</u>
\$ 1,013,576	\$ 216,325	\$	\$ 10,615,654
928,250	166,416	316,265	8,405,222
113,188	18,516		1,117,012
26,173	87,094		1,418,687
1,067,611	272,026	316,265	10,940,921
\$ (54,035)	\$ (55,701)	\$ (316,265)	\$ (325,267)

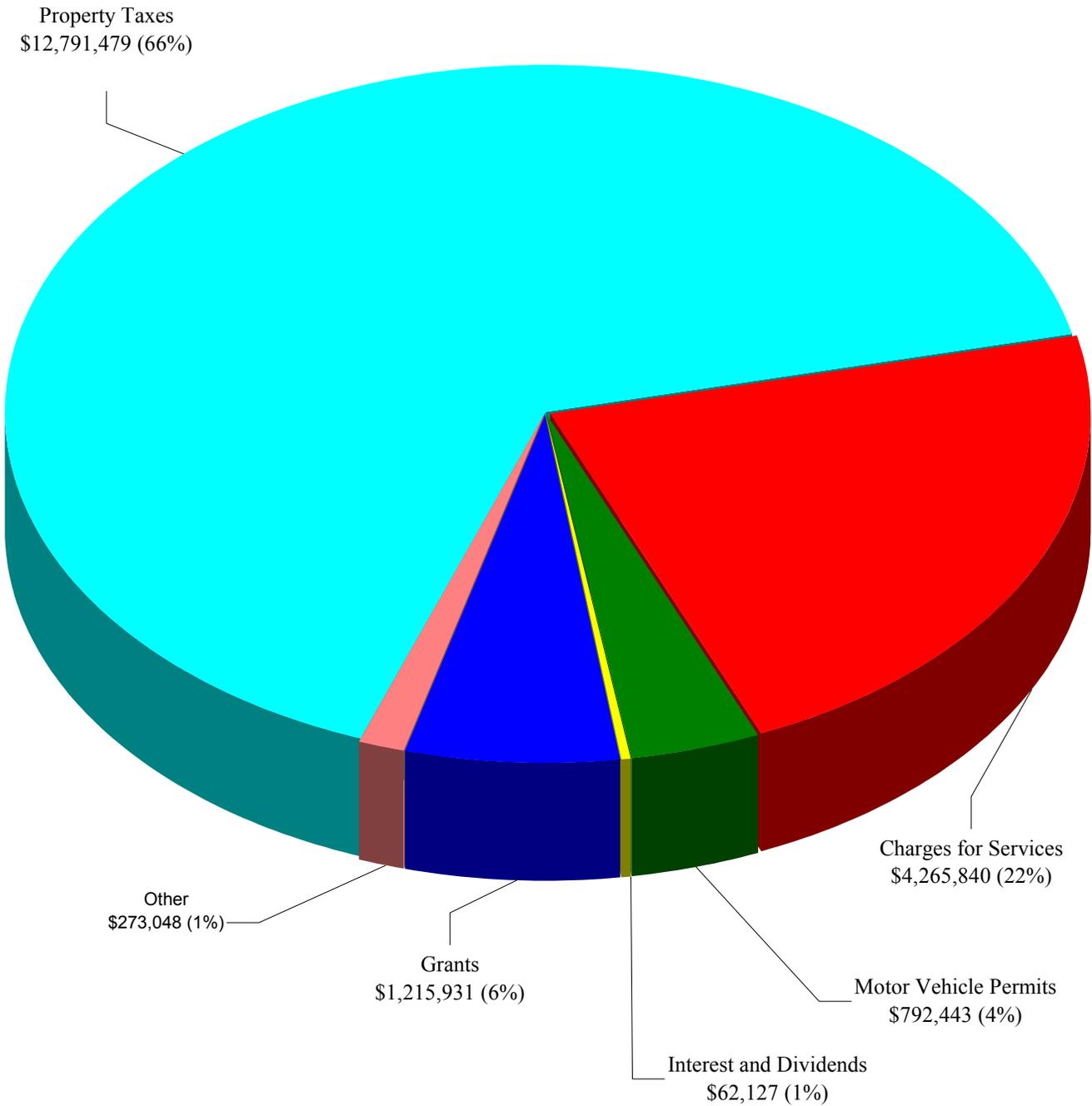
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Statistical Section

The statistical section provides selected financial, economic and demographic information which may be used to indicate trends for comparative fiscal periods.

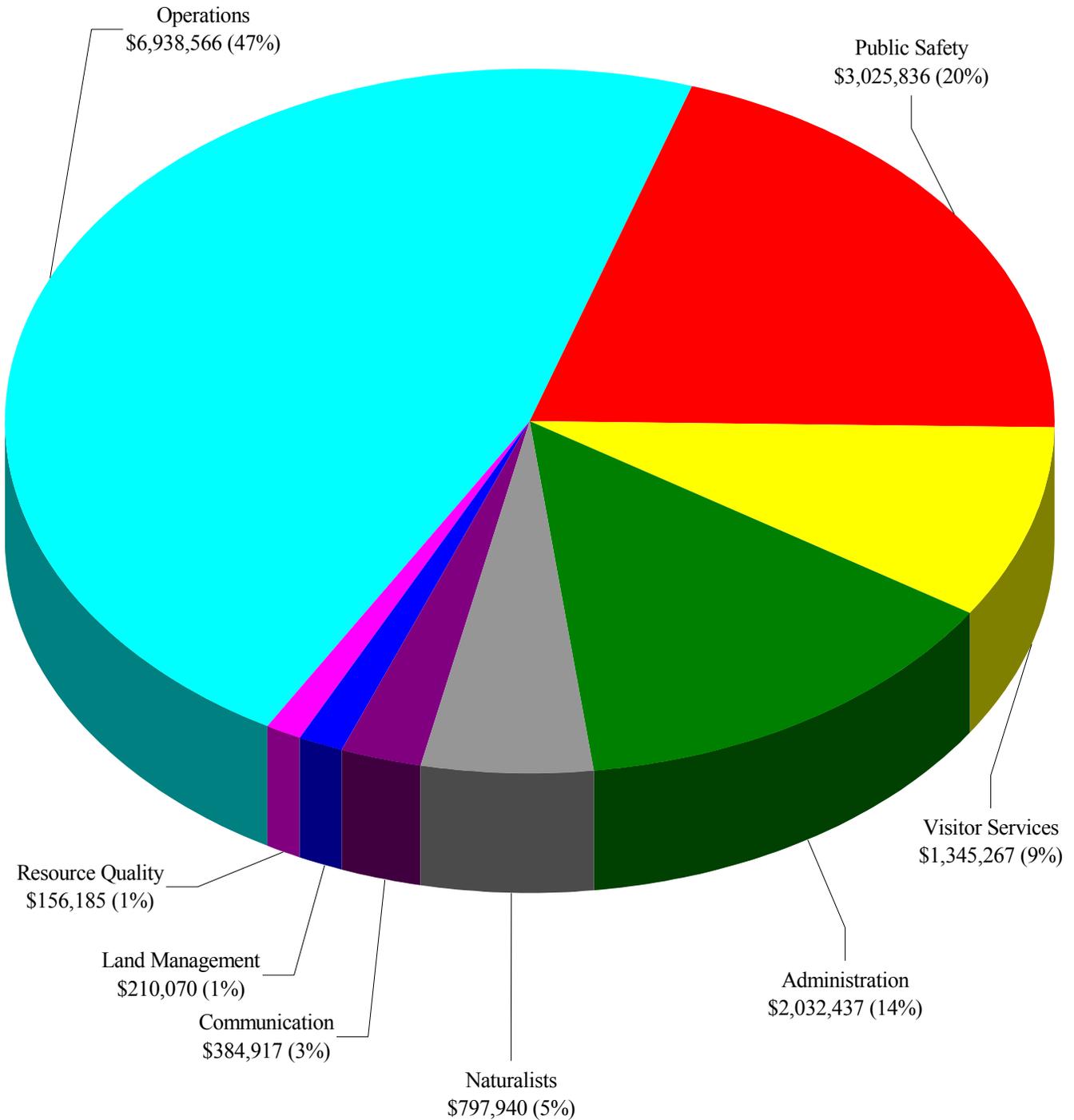
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**HAMILTON COUNTY PARK DISTRICT
GENERAL FUND - REVENUES BY SOURCE
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2002**



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**HAMILTON COUNTY PARK DISTRICT
GENERAL FUND - EXPENDITURES BY FUNCTION
(Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2002**

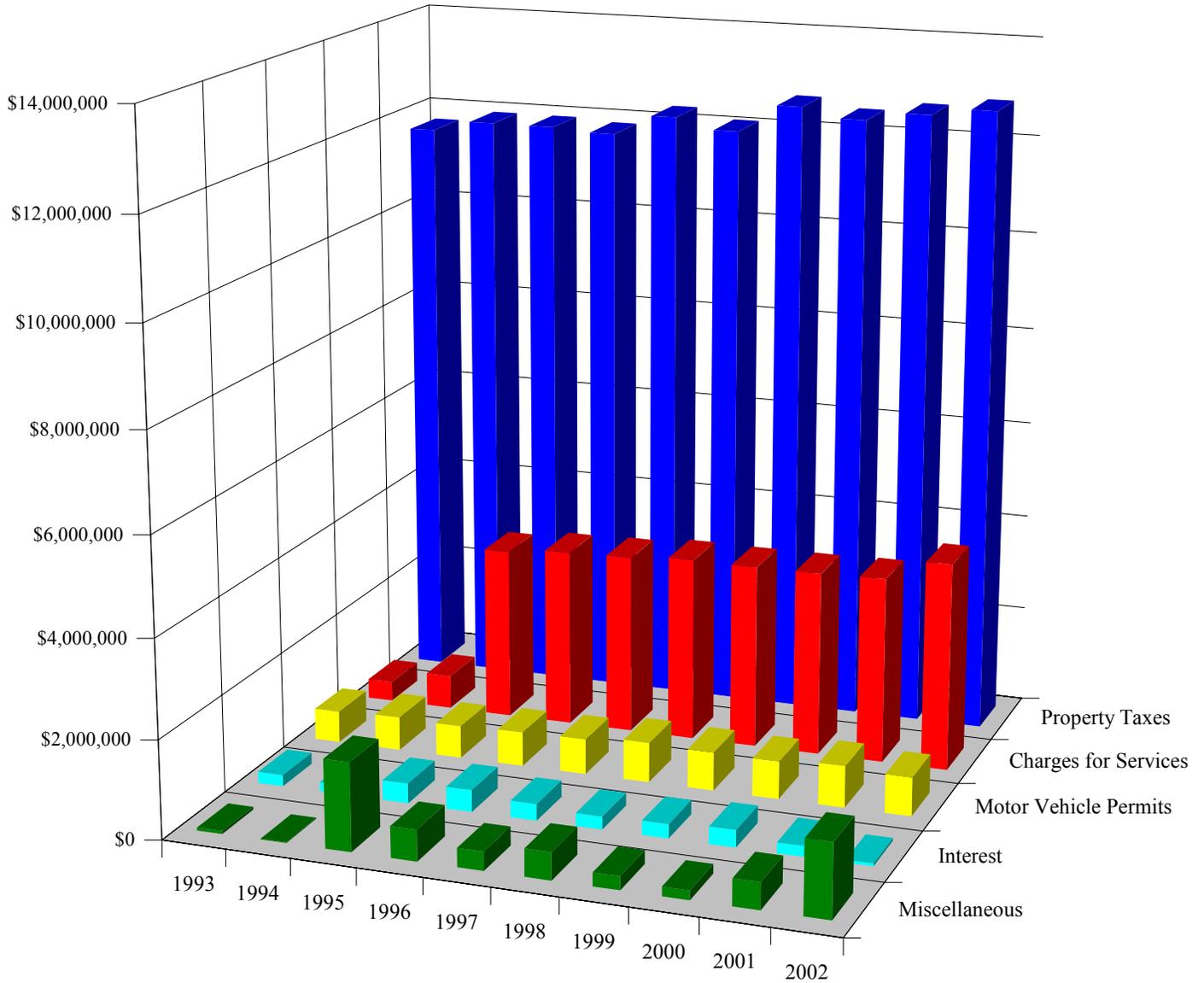


HAMILTON COUNTY PARK DISTRICT
General Fund
Revenues by Source and Expenditures by Function
(Non-GAAP Budgetary Basis)
Last Ten Years

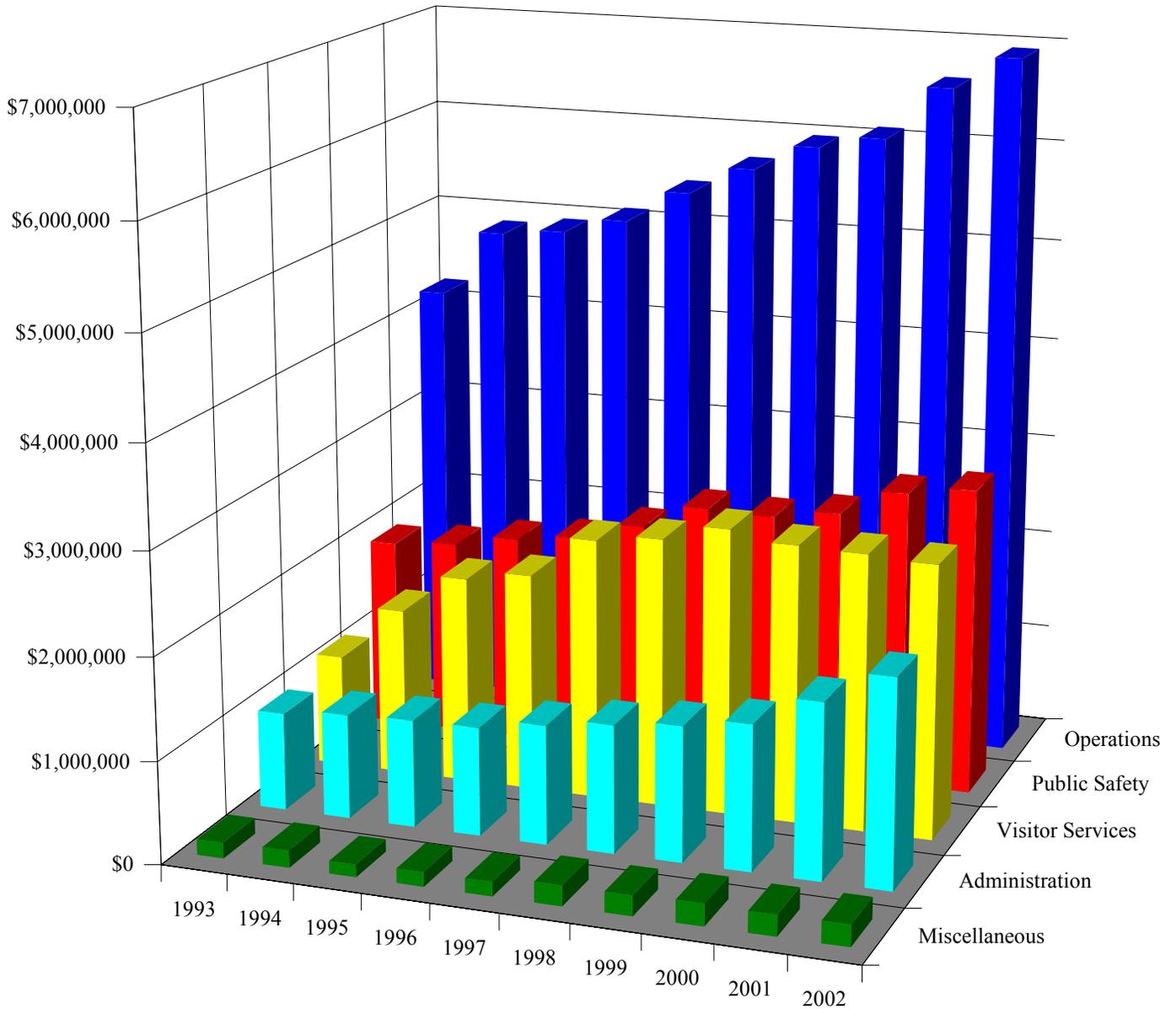
	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
REVENUES					
Taxes	\$ 11,685,982	\$ 11,910,802	\$ 11,909,960	\$ 11,845,742	\$ 12,271,916
Motor Vehicle Permit	645,903	689,163	668,135	703,350	723,527
Charges for Service	407,365	691,164	3,541,865	3,663,773	3,699,827
Investment Income	232,476	191,759	407,377	447,128	338,128
Miscellaneous	<u>59,169</u>	<u>15,230</u>	<u>1,785,622</u>	<u>631,483</u>	<u>380,484</u>
TOTAL REVENUE	<u>\$ 13,030,895</u>	<u>\$ 13,498,118</u>	<u>\$ 18,312,959</u>	<u>\$ 17,291,476</u>	<u>\$ 17,413,882</u>
EXPENDITURES					
Administration	\$ 960,000	\$ 1,027,169	\$ 1,055,050	\$ 1,065,111	\$ 1,167,313
Safety	1,889,094	1,948,624	2,071,100	2,147,453	2,336,878
Operations	4,197,405	4,863,544	4,929,003	5,086,214	5,416,016
Visitor Services and Other	1,104,247	1,651,845	2,045,930	2,150,294	2,570,152
Land Management	<u>154,554</u>	<u>165,850</u>	<u>121,375</u>	<u>140,153</u>	<u>140,710</u>
TOTAL EXPENDITURES	<u>\$ 8,305,300</u>	<u>\$ 9,657,032</u>	<u>\$ 10,222,458</u>	<u>\$ 10,589,225</u>	<u>\$ 11,631,069</u>

<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
\$ 12,062,982	\$ 12,642,955	\$ 12,451,951	\$ 12,636,073	\$ 12,791,479
818,657	792,074	775,897	849,440	792,443
3,787,460	3,780,721	3,791,236	3,824,199	4,265,840
261,179	291,022	354,991	216,360	62,127
<u>554,539</u>	<u>275,314</u>	<u>188,575</u>	<u>539,187</u>	<u>1,488,979</u>
<u>\$ 17,484,817</u>	<u>\$ 17,782,086</u>	<u>\$ 17,562,650</u>	<u>\$ 18,065,259</u>	<u>\$ 19,400,868</u>
\$ 1,254,394	\$ 1,327,256	\$ 1,426,047	\$ 1,719,454	\$ 2,032,437
2,589,823	2,572,623	2,666,474	2,933,745	3,025,836
5,697,135	5,957,631	6,082,528	6,614,834	6,938,566
2,650,357	2,816,257	2,729,479	2,714,835	2,684,309
<u>199,326</u>	<u>197,433</u>	<u>215,465</u>	<u>205,942</u>	<u>210,070</u>
<u>\$ 12,391,035</u>	<u>\$ 12,871,200</u>	<u>\$ 13,119,993</u>	<u>\$ 14,188,810</u>	<u>\$ 14,891,218</u>

**HAMILTON COUNTY PARK DISTRICT
GENERAL FUND - REVENUES BY SOURCE
(Non-GAAP Budgetary Basis)
Last Ten Years**

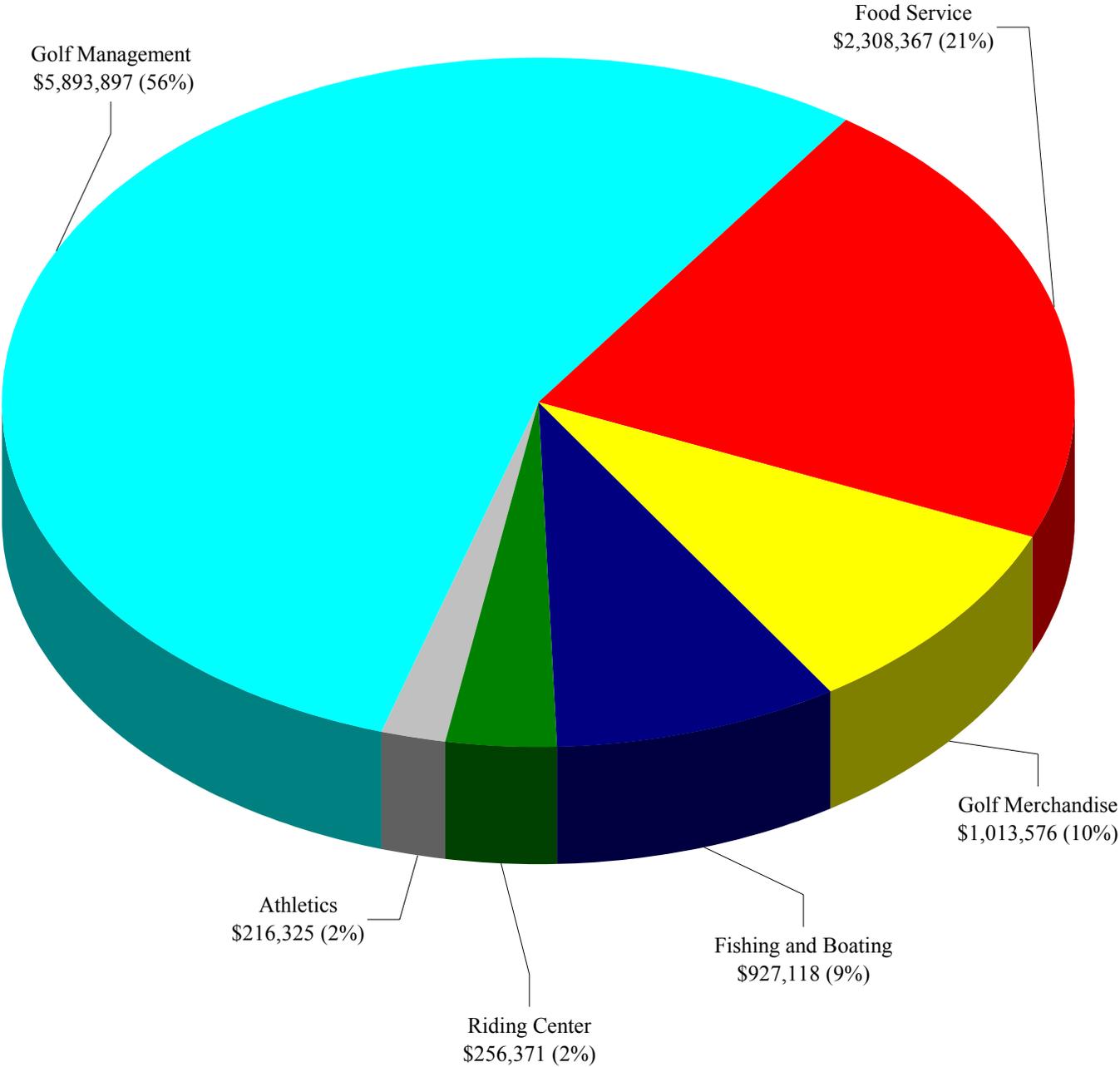


**HAMILTON COUNTY PARK DISTRICT
GENERAL FUND - EXPENDITURES BY FUNCTION
(Non-GAAP Budgetary Basis)
Last Ten Years**



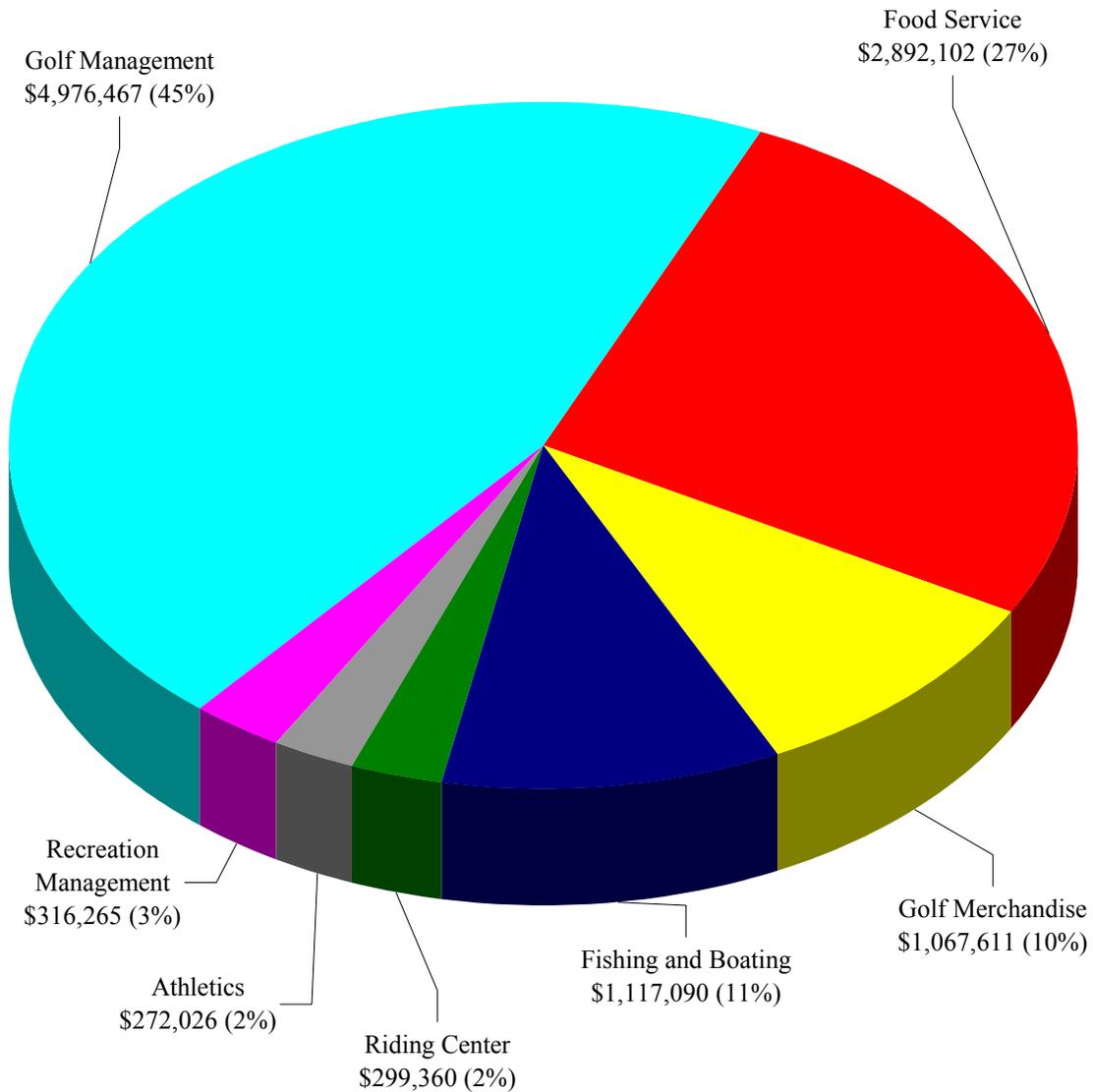
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**HAMILTON COUNTY PARK DISTRICT
ENTERPRISE FUND
OPERATING REVENUES BY DEPARTMENT
For the Year Ended December 31, 2002**



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**HAMILTON COUNTY PARK DISTRICT
ENTERPRISE FUND
OPERATING EXPENSES BY DEPARTMENT
For the Year Ended December 31, 2002**



COUNTY OF HAMILTON, OHIO
Property Tax Levies and Collections
Real, Utility and Tangible Personal Property Taxes
Last Ten Years

<u>Tax Year</u> <u>Collection Year</u>	<u>Current Levy</u>	<u>Delinquent Levy</u>	<u>Total Levy</u>
1992/1993	\$ 193,440,457	\$ 14,230,795	\$ 207,671,252
1993/1994	196,180,296	14,947,756	211,128,052
1994/1995	210,573,806	14,153,427	224,727,233
1995/1996	210,661,835	14,350,515	225,012,350
1996/1997	234,466,576	18,367,236	252,833,812
1997/1998	232,576,991	15,588,698	248,165,689
1998/1999	243,871,859	15,353,864	259,225,723
1999/2000	268,875,736	16,101,819	284,977,555
2000/2001	258,587,877	17,663,002	276,250,879
2001/2002	279,619,746	20,798,346	300,418,092

Source: Hamilton County Auditor's Office, Budget Commission

<u>Current Collection</u>	<u>Current Levy Collected</u>	<u>Delinquent Collection</u>	<u>Total Collection</u>	<u>Total Collections As a Percent of Current Levy</u>
\$ 188,145,245	97.26%	\$ 6,681,286	\$ 194,826,531	100.72%
190,711,343	97.21	7,294,666	198,006,009	100.93
205,057,328	97.38	6,736,884	211,794,212	100.58
204,316,902	96.99	6,648,968	210,965,870	100.14
227,575,547	97.06	10,357,890	237,933,437	101.48
226,682,488	97.47	8,297,212	234,979,700	101.03
236,690,049	97.06	8,282,287	244,972,336	100.45
260,266,951	96.80	8,599,370	268,866,321	100.00
250,641,616	96.93	9,753,318	260,394,934	100.70
270,041,922	96.57	10,965,600	281,007,522	100.50

COUNTY OF HAMILTON, OHIO
Assessed and Estimated Actual Value
of Taxable Property
Last Ten Years
(Amounts in Thousands)

<u>Tax Year</u> <u>Collection Year</u>	<u>Real Property</u>		<u>Personal Property</u>	
	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>
1992/1993	\$ 9,695,519	\$ 27,701,483	\$ 2,044,098	\$ 8,176,392
1993/1994	11,029,482	31,512,777	2,012,269	8,049,076
1994/1995	11,165,437	31,901,249	1,985,287	7,941,148
1995/1996	11,305,422	32,301,206	2,029,232	8,116,928
1996/1997	11,989,588	34,255,966	2,063,161	8,252,645
1997/1998	12,096,491	34,561,402	2,074,756	8,299,024
1998/1999	12,205,425	34,872,643	2,105,777	8,423,108
1999/2000	14,193,173	40,551,923	2,080,609	8,322,436
2000/2001	14,312,437	40,892,677	2,120,376	8,481,504
2001/2002	14,489,393	41,398,266	2,054,198	8,216,792

Source: Hamilton County Auditor's Office, Budget Commission

[1] Beginning in tax year 1990, percentages for valuing estimated actual value of Public Utility properties vary by class, type and age.

<u>Public Utility</u>		<u>Total</u>		<u>Ratio of Assessed to Estimated Actual Value</u>
<u>Assessed Value</u>	<u>Estimated Actual Value [1]</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	
\$ 1,045,831	\$ 2,091,662	\$ 12,785,448	\$ 37,969,537	33.67%
1,084,285	2,168,570	14,126,036	41,730,423	33.85
1,126,311	2,252,622	14,277,035	42,095,019	33.92
1,065,606	2,131,212	14,400,260	42,549,346	33.84
1,071,857	2,143,714	15,124,606	44,652,325	33.87
1,022,980	2,045,960	15,194,227	44,906,386	33.85
1,040,198	2,080,396	15,351,400	45,376,147	33.83
1,040,460	2,080,934	17,314,242	50,955,293	33.98
977,417	1,954,834	17,410,230	51,329,015	33.92
718,507	1,437,014	17,262,098	51,052,072	33.81

**COUNTY OF HAMILTON, OHIO
PROPERTY TAX RATES
ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS
(PER \$1,000 OF ASSESSED VALUATION)**

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<u>HAMILTON COUNTY</u>										
GENERAL OPERATING	2.26	2.26	2.26	2.26	2.26	2.26	2.26	2.26	2.26	2.26
DEBT (Bond retirement)	0.26	0.21	0.19	0.19	0.18	0.18	0.18	0.18	0.17	0.16
DRAKE HOSPITAL	1.95	1.95	1.76	1.76	1.76	1.76	1.76	1.59	1.59	1.59
UNIVERSITY OF CINCINATI HOSPITAL	4.73	4.73	4.73	4.73	4.73	4.73	4.73	4.73	4.73	5.39
COUNTY PARK DISTRICT	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03
COUNTY POLICE INFORMATION CENTER	0.54	0.54	0.54	0.54	0.54	0.54	0.83	0.83	0.83	0.83
CARE AND TRAINING MENTALLY RETARDED	2.73	2.73	2.73	2.73	2.73	2.73	2.73	3.53	3.53	3.53
COMMUNITY MENTAL HEALTH	1.99	1.81	1.99	1.99	1.99	1.99	2.47	2.47	2.47	2.47
SUPPORT OF CHILDREN SERVICES	1.62	1.62	1.62	1.62	2.77	2.77	2.11	2.77	1.87	2.77
RECREATION/ ZOOLOGICAL PURPOSES	0.45	0.45	0.45	0.45	0.45	0.00	0.42	0.42	0.42	0.42
SENIOR SERVICES	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.02</u>	<u>1.02</u>	<u>1.02</u>	<u>1.02</u>	<u>1.02</u>
TOTAL	18.56	18.33	18.30	18.30	19.44	19.01	19.54	20.83	19.92	21.47
<u>TOWNSHIPS</u>										
ANDERSON	7.24	8.90	8.90	8.90	8.90	8.90	8.90	9.90	9.90	11.87
ANDERSON TOWNSHIP PARK DISTRICT	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28
COLERAIN	12.34	12.34	12.34	12.34	12.34	12.34	12.34	10.84	15.18	15.18
COLUMBIA	19.66	17.76	17.96	17.96	17.96	17.96	17.96	17.96	17.96	17.96
CROSBY	9.24	9.24	9.24	9.24	9.24	9.24	9.24	9.24	9.24	9.24
DELHI	15.86	19.66	19.46	19.46	19.46	19.46	19.46	19.46	19.46	19.46
DELHI TOWNSHIP PARK DISTRICT	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
GREEN	7.06	7.06	8.81	8.81	8.81	8.81	8.81	8.81	8.81	8.31
HARRISON	3.74	3.74	3.74	3.74	3.74	3.74	3.74	3.74	3.74	3.74
MIAMI	5.20	5.56	5.56	6.85	6.85	6.85	6.45	6.45	7.45	7.45
SPRINGFIELD	15.66	15.67	15.67	15.67	15.67	14.30	14.30	14.30	14.30	20.30
SYCAMORE	7.74	7.60	7.60	7.60	7.60	7.60	7.75	7.75	7.75	7.75
SYMMES	10.30	10.30	11.00	11.00	11.00	11.00	11.90	11.75	11.75	11.75
WHITEWATER	10.84	10.84	10.84	10.84	10.84	10.84	10.84	10.84	10.84	10.84
<u>SCHOOLS</u>										
CINCINNATI	49.94	48.75	48.58	53.52	53.19	53.13	53.13	51.94	56.93	57.15
DEER PARK	55.10	55.10	55.10	62.01	62.01	62.01	62.01	62.01	70.00	70.00
FINNEYTOWN	69.42	68.77	68.70	68.64	72.60	72.39	72.39	72.39	72.39	80.34
FOREST HILLS	43.16	43.04	49.51	49.23	51.37	51.37	51.37	51.16	50.97	50.97
INDIAN HILL	42.92	44.69	44.63	44.58	44.48	44.51	42.92	42.92	47.10	47.10
LOCKLAND	27.68	35.12	35.12	35.89	58.34	59.07	57.96	56.59	55.95	37.69
LOVELAND	57.46	56.69	56.13	55.44	60.14	59.58	64.21	63.79	70.14	70.14
MADEIRA	61.28	68.97	68.97	68.97	72.13	72.13	72.13	71.71	80.22	80.14
MARIEMONT	67.96	67.97	67.97	74.97	74.97	74.97	84.92	82.92	85.15	85.67
MILFORD	51.90	57.50	57.50	57.50	54.52	59.10	59.10	59.10	59.10	63.20
MT. HEALTHY	56.06	55.89	55.79	55.77	55.66	54.99	61.98	61.85	61.66	61.71
NORTH COLLEGE HILL	54.14	54.12	53.97	53.57	53.57	53.57	53.57	57.47	57.47	57.47
NORTHWEST	43.18	43.18	43.15	42.98	42.98	50.18	50.18	50.13	49.80	49.80
NORWOOD	49.94	47.98	46.63	49.92	49.51	48.90	48.82	48.57	62.80	52.95
OAK HILLS	35.30	35.30	40.20	40.20	40.20	46.97	46.97	46.97	46.97	46.97
PRINCETON	42.24	42.24	42.24	42.24	42.24	42.24	42.24	46.19	46.19	46.19
READING	43.30	43.30	51.28	51.28	51.28	57.18	57.18	57.18	57.18	57.18
ST. BERNARD	29.90	29.75	36.67	36.67	36.71	35.72	34.97	34.97	43.25	43.86
SOUTHWEST	39.04	45.13	45.13	45.13	44.77	44.74	48.22	48.22	47.88	47.75
SYCAMORE	54.14	54.14	54.14	54.14	54.14	54.14	61.53	60.84	80.84	60.84
THREE RIVERS	39.40	39.40	32.06	36.96	37.86	37.54	37.48	37.26	39.95	39.95
WINTON WOODS	54.62	62.12	62.12	62.12	62.12	62.13	70.08	70.08	70.08	70.08
WYOMING	63.02	63.03	64.98	64.98	64.98	64.98	73.18	71.03	70.39	70.29
GREAT OAKS JOINT VOCATIONAL	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70

COUNTY OF HAMILTON, OHIO
PROPERTY TAX RATES (continued)
ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS
(PER \$1,000 OF ASSESSED VALUATION)

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<u>CITIES & VILLAGES</u>										
ADDYSTON	6.59	6.59	6.59	7.59	7.59	7.59	7.59	7.59	5.59	5.59
AMBERLEY	4.00	4.00	4.00	4.00	4.00	4.00	6.00	6.00	7.00	7.00
ARLINGTON HEIGHTS	11.00	10.87	10.81	10.77	10.02	10.82	10.82	10.82	10.82	10.82
BLUE ASH	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08
CHEVIOT	13.68	13.38	13.38	13.02	13.00	12.84	12.82	12.66	12.62	12.56
CINCINNATI	11.46	11.46	11.46	11.46	11.46	11.46	11.46	10.90	10.76	10.76
CLEVES	16.36	19.36	19.36	19.36	23.71	23.71	20.71	20.71	17.41	13.66
DEER PARK	6.84	6.68	6.68	6.58	7.20	7.20	4.50	3.55	3.55	3.55
ELMWOOD PLACE	17.78	17.78	17.78	17.78	17.78	17.78	17.78	17.78	17.78	17.78
EVENDALE	3.34	3.34	3.34	3.34	3.34	3.34	3.34	0.00	0.00	0.00
FAIRFAX	2.76	2.76	2.76	2.76	2.76	2.76	2.76	2.76	2.76	2.76
FOREST PARK	8.00	8.01	8.01	8.01	8.01	8.01	8.01	8.01	8.01	12.76
GLENDALE	26.98	25.38	25.38	23.68	23.26	22.34	19.66	21.93	21.66	21.55
GOLF MANOR	12.60	12.60	19.60	19.60	19.60	19.42	19.42	19.42	25.32	24.52
GREENHILLS	18.28	18.04	18.04	21.54	21.91	26.22	26.47	25.99	25.99	25.93
HARRISON	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
INDIAN HILL	1.30	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96
LINCOLN HEIGHTS	24.34	24.34	10.08	20.08	20.08	20.08	20.08	20.08	20.06	24.58
LOCKLAND	6.02	6.02	6.02	6.02	6.02	6.02	6.02	6.02	6.02	6.02
LOVELAND	9.72	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	12.00
MADEIRA	7.50	7.50	7.50	7.50	9.92	7.50	7.50	7.50	7.50	7.50
MARIEMONT	8.94	8.94	8.94	8.94	8.94	12.44	12.44	12.44	12.44	12.44
MILFORD	13.10	13.10	13.10	13.10	12.60	12.60	12.60	12.60	12.00	12.00
MONTGOMERY	9.14	9.15	9.15	9.15	9.15	9.15	9.15	10.75	10.75	10.05
MT. HEALTHY	4.60	4.61	7.11	7.11	7.11	7.11	7.11	6.61	8.11	8.11
NEWTOWN	8.86	8.87	8.87	8.87	8.87	8.87	8.87	6.87	6.67	6.87
NORTH BEND	15.40	13.82	16.59	17.88	17.88	17.88	14.88	10.38	10.09	10.09
NORTH COLLEGE HILL	6.18	6.18	6.18	6.18	7.98	7.98	7.98	7.98	7.98	7.98
NORWOOD	11.40	11.40	11.40	11.40	11.40	11.40	11.40	11.40	11.40	11.40
READING	3.52	3.52	1.76	1.76	1.76	1.76	1.76	1.76	3.52	3.52
ST. BERNARD	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.20	2.28
SHARONVILLE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SILVERTON	6.14	11.15	11.15	11.15	11.15	11.15	8.15	8.15	8.15	8.15
SPRINGDALE	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08
TERRACE PARK	21.96	18.32	14.86	14.86	14.86	14.86	14.86	14.86	14.86	14.86
WOODLAWN	4.08	4.08	4.08	4.08	4.08	5.08	5.08	5.08	5.08	5.08
WYOMING	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
SPECIAL DISTRICTS:										
Deer Park/Silverton Joint Ambulance	0.00	0.00	0.00	0.00	0.00	0.00	6.50	6.50	6.50	6.50
Eastern Joint Ambulance District	0.00	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	3.00
Western Joint Ambulance District	0.00	0.00	0.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Fairfax/Madison Pl. Joint Fire and Rescue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.50

Source: Hamilton County Auditor's Office-Budget Commission-Tax Year Data

HAMILTON COUNTY PARK DISTRICT
Computation of Legal Debt Margin
December 31, 2002
(Amounts in Thousands)

• Tax valuation of all property subject to ad valorem taxation in the Hamilton County Park District as shown by the tax duplicate for the year 2002, the latest tax duplicate at the date hereof.	\$ 17,262,098
Aggregate permitted principal amount of bonds issued in anticipation of the collection of the voted tax levy of a Park district pursuant to Section 1545.21, O.R. C. (1 percent of tax valuation).	\$ 172,620
• Total remaining principal of all outstanding bonds issued.	None
• Available principal amount of bonds issued.	\$ 172,620

**COUNTY OF HAMILTON, OHIO
DEMOGRAPHIC STATISTICS**

POPULATION

1940	621,897
1950	723,953
1960	864,121
1970	925,944
1980	866,714
1990	866,228
2000	845,303

AGE DISTRIBUTION OF POPULATION – 2000

	<u>Number</u>	<u>Percentage</u>
Under 5 years	56,548	6.69%
5-9 years	60,719	7.18
10-14 years	63,822	7.56
15-19 years	60,987	7.21
20-24 years	56,941	6.74
25-34 years	117,694	13.92
35-44 years	132,973	15.73
45-54 years	112,172	13.27
55-59 years	37,992	4.49
60-64 years	31,557	3.73
65-74 years	58,302	6.90
75-84 years	40,462	4.79
85 years and over	<u>15,134</u>	<u>1.79</u>
Total	<u>845,303</u>	<u>100.00%</u>
Median age: 35.5		

Source: United States Bureau of the Census
Greater Cincinnati Chamber of Commerce for the Hamilton County Area

**COUNTY OF HAMILTON, OHIO
DEMOGRAPHIC STATISTICS (continued)**

DISTRIBUTION OF FAMILIES BY INCOME BRACKET (Average 2.45 Persons)

	<u>2000</u>	
	<u>Number</u>	<u>Percentage</u>
0-\$9,999	47,530	13.97%
\$10,000-\$19,999	47,850	14.06
\$20,000-\$29,999	44,720	13.14
\$30,000-\$39,999	52,480	15.42
\$40,000-\$49,999	46,410	13.64
\$50,000-\$59,999	31,440	9.24
\$60,000-\$74,999	29,030	8.53
\$75,000-\$99,999	20,920	6.15
\$100,000-\$124,999	7,960	2.34
\$125,000-\$149,999	3,620	1.06
Over \$150,000	<u>8,310</u>	<u>2.45</u>
Total	<u>340,270</u>	<u>100.00%</u>
Per Capita Income	\$ <u>32,753</u>	

Source: U.S. Department of Commerce

**COUNTY OF HAMILTON, OHIO
DEMOGRAPHIC STATISTICS (continued)
LAST TEN YEARS**

EMPLOYMENT – ANNUAL AVERAGE

	<u>Total Labor Force</u>	<u>Total Employed</u>	<u>Total Unemployed</u>	<u>Unemployment Rate</u>
1993	441,600	417,300	24,300	5.5
1994	435,800	415,000	20,800	4.8
1995	436,900	419,300	17,600	4.0
1996	449,000	432,800	16,200	3.6
1997	450,300	435,700	14,600	3.2
1998	459,100	445,900	13,200	2.9
1999	458,600	444,700	13,900	3.0
2000	449,000	436,100	12,900	2.9
2001	447,600	430,800	16,800	3.8
2002	442,600	424,700	17,500	4.0

**EMPLOYMENT BY SECTOR
(Amounts in Thousands)**

	<u>Manufacturing</u>		<u>Wholesale-Retail Trade</u>		<u>Professional and Related Services</u>		<u>State and Local Government</u>	
	<u>Number</u>	<u>Percent of Total</u>	<u>Number</u>	<u>Percent of Total</u>	<u>Number</u>	<u>Percent of Total</u>	<u>Number</u>	<u>Percent of Total</u>
1992	110.1	21.0	131.8	25.1	147.0	28.0	48.1	9.2
1993	105.4	20.0	131.1	25.0	150.2	28.6	48.4	9.2
1994	101.0	18.9	135.0	25.3	155.8	29.2	49.3	9.2
1995	99.9	18.5	137.8	25.5	160.6	29.7	49.6	9.2
1996	98.1	17.7	143.8	25.8	169.2	30.4	50.1	9.0
1997	97.0	17.3	138.2	24.7	179.5	32.0	48.4	8.9
1998	96.4	17.1	137.6	24.5	182.9	32.5	48.3	8.6
1999	92.8	16.5	136.0	24.2	187.9	33.5	48.4	8.6
2000	90.3	16.0	141.6	25.1	189.6	33.6	47.2	8.4
2001	85.9	15.6	130.4	23.8	190.1	34.6	47.3	8.8

	<u>Finance, Insurance and Real Estate</u>		<u>Transportation and Public Utilities</u>		<u>Other</u>		<u>Total</u>	
	<u>Number</u>	<u>Percent of Total</u>	<u>Number</u>	<u>Percent of Total</u>	<u>Number</u>	<u>Percent of Total</u>	<u>Number</u>	<u>Percent of Total</u>
1992	36.0	6.9	26.1	5.0	25.0	4.8	524.1	100
1993	37.4	7.1	26.1	5.0	26.8	5.1	525.4	100
1994	38.6	7.2	27.3	5.1	27.4	5.1	534.4	100
1995	38.5	7.1	27.3	5.0	26.8	5.0	540.5	100
1996	41.0	7.4	27.3	4.9	26.9	4.8	556.4	100
1997	39.9	7.1	27.0	4.8	29.5	5.2	559.5	100
1998	41.1	7.3	28.3	5.0	28.3	5.0	562.9	100
1999	38.8	6.9	27.6	4.9	30.2	5.4	561.7	100
2000	39.8	7.0	26.9	4.8	28.7	5.1	564.1	100
2001	39.4	7.2	26.7	4.9	29.2	5.3	549.0	100

Source: Ohio Bureau of Employment Services. Employment by Sector information for 2002 is not available at the time of this publication.

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COUNTY OF HAMILTON, OHIO
PRINCIPAL TAXPAYERS

December 31, 2002
(Amounts in Thousands)

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
CINERGY Corporation	Public Utility	\$ 490,138	2.84%
Procter & Gamble Co.	Consumer Goods – Manufacturing	250,523	1.44
Cincinnati Bell Telephone	Public Utility	164,627	0.95
Ford Motor Company	Automotive Manufacturing	72,083	0.42
General Electric	Aircraft Engines	61,232	0.35
City of Cincinnati	City Government	55,776	0.32
Duke Realty Limited Partnership	Real Estate Management	55,553	0.32
Cognis Corporation	Chemical Manufacturing	54,116	0.31
Concordia Properties	Real Estate Management	52,569	0.30
Kroger Company	Consumer Goods – Distribution	<u>42,247</u>	<u>0.24</u>
		<u>\$ 1,298,864</u>	<u>7.49%</u>

Source: Hamilton County Auditor's Office

HAMILTON COUNTY PARK DISTRICT

Schedule of Insurance Coverage

December 31, 2002

Coverage	Carrier	Policy Number
General Liability (Include liquor liability)	CAN Hartford Folksamerica Hannover	OH1694179
Umbrella	General Star National Insurance	NXG352027D
Automobile	Hartford CAN Folksamerica Hannover	OH1094179
Building and Content	Hartford Folksamerica	OH1694179
Inland Marine	Hartford Folksamerica	OH1694179
Law Enforcement Liability	Hartford CAN Folksamerica Hannover	OH1694179
Crime	Hartford Folksamerica	OH1694179
Public Officials Liability	Hartford CAN Folksamerica Hannover	OH1694179
Boiler	Hartford	FBP 2214397
EDP	Hartford Folksamerica	OH1694179

<u>Expiration Date</u>	<u>Limits Aggregate</u>	<u>Deductible</u>	<u>Annual Premium</u>
7-1-03	\$ 7,000,000	\$ -	\$ 84,886
7-1-03	10,000,000	-	12,432
7-1-03	5,000,000	1,000	41,716
7-1-03	31,391,922	1,000	15,497
7-1-03	3,986,967	250	10,089
7-1-03	7,000,000	1,000	9,981
7-1-03	25,000	-	271
7-1-03	7,000,000	1,000	10,288
7-1-03	5,000,000	1,000	3,533
7-1-03	64,000	-	<u>1,208</u>
	Annual Premium Total		<u>\$ 189,901</u>

HAMILTON COUNTY PARK DISTRICT
Facility Utilization
Last Ten Years

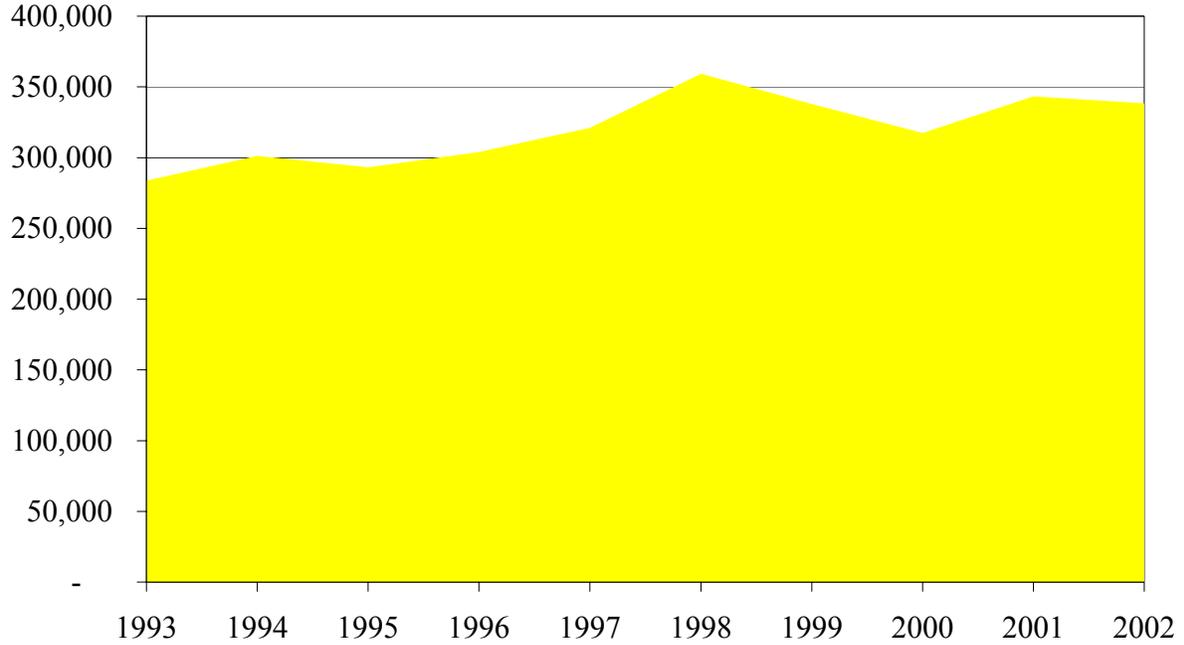
	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>
Reservations picnic areas	1,908	1,815	2,201	2,101
Pounds of fish stocked	54,700	59,050	53,000	50,000
Boat rentals	47,925	46,469	45,238	35,042
Rounds of golf	281,639	330,254	324,575	309,267
Horseback riding lessons	5,625	5,965	8,934	10,191
Visitor center attendance	125,364	149,232	144,448	165,500
Programs presented	1,315	1,202	1,421	1,634
Program attendance	55,575	63,012	66,726	74,258
Volunteer hours	44,327	45,160	45,537	50,873
Motor vehicle permits – annual	181,333	194,265	187,737	199,834
Motor vehicle permits – other	102,426	106,964	105,367	104,061
Special events	25	28	30	15

<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
1,957	2,044	2,507	2,799	2,793	2,493
56,400	41,000	41,500	39,000	36,000	36,000
38,492	54,548	47,796	44,856	45,811	36,291
357,989	360,254	341,601	369,695	375,337	314,032
9,642	10,009	9,566	9,878	10,509	10,095
141,215	138,706	181,252	195,546	211,993	207,298
1,971	2,010	1,937	2,083	2,326	2,318
95,098	85,746	74,379	85,427	82,230	83,967
50,960	60,489	56,095	56,226	65,246	66,409
204,966	233,257	227,093	220,509	243,106	227,158
116,012	126,082	110,705	96,993	100,117	111,291
20	22	28	34	29	38

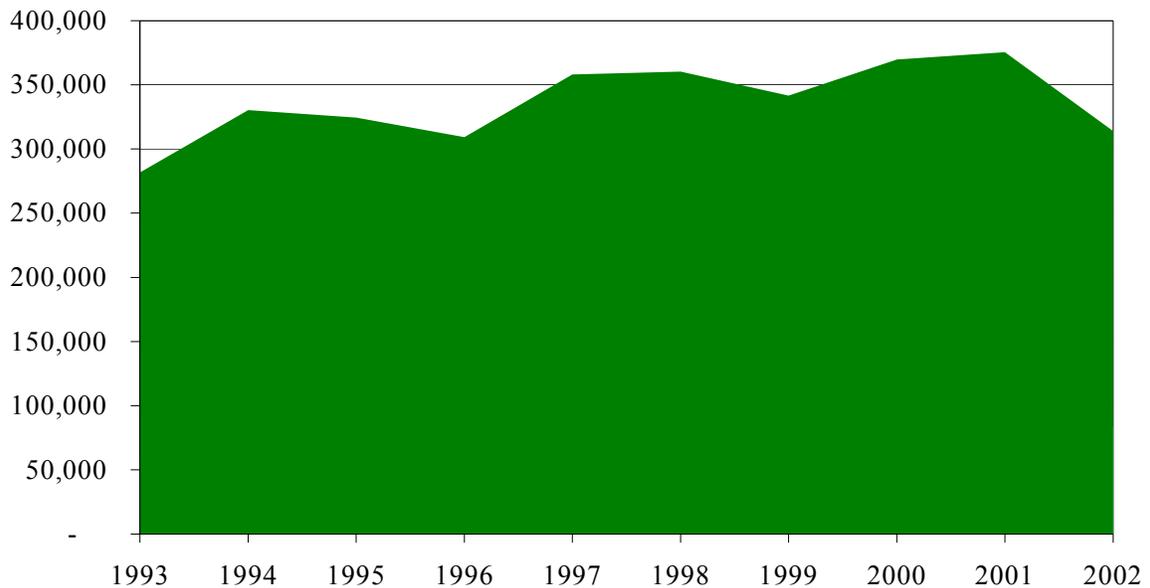
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**HAMILTON COUNTY PARK DISTRICT
FACILITIES UTILIZATION
Last Ten Years**

Motor Vehicle Permits



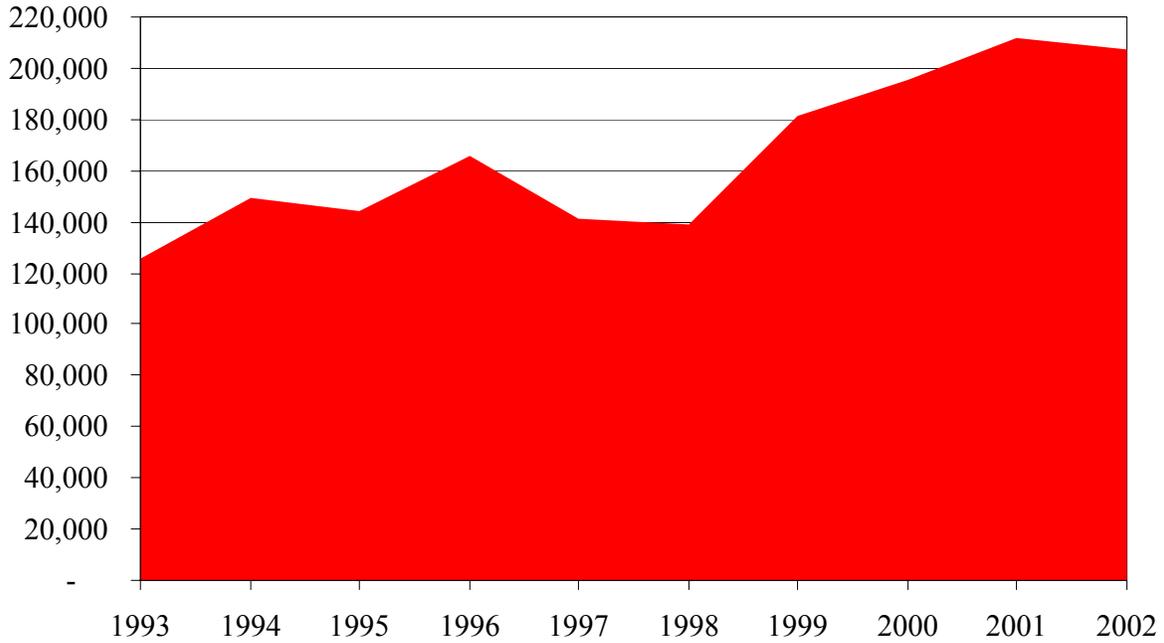
Rounds of Golf



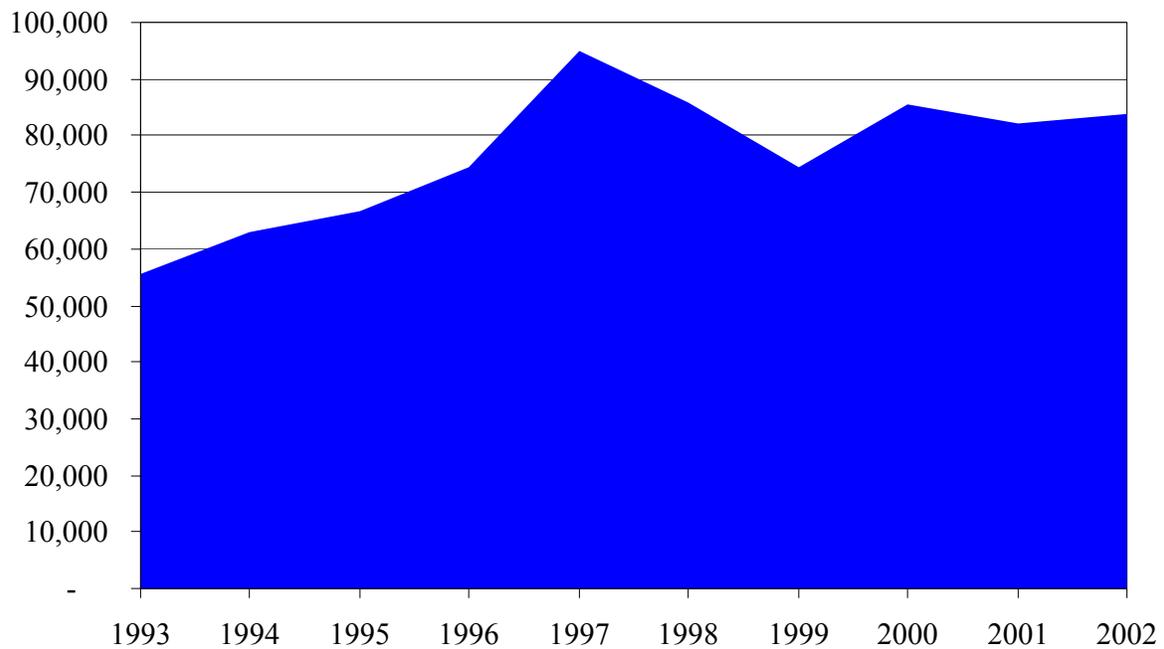
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**HAMILTON COUNTY PARK DISTRICT
FACILITIES UTILIZATION
Last Ten Years**

Visitor Center Attendance



Program Attendance



**HAMILTON COUNTY PARK DISTRICT
PARK FACILITIES AND RECREATIONAL ACTIVITIES**

Recreational Activities	Embshoff	Farbach-Werner	Lake Isabella	Little Miami	Miami Whitewater	Mitchell Memorial	Sharon Woods	Shawnee Lookout	Triple Creek	Winton Woods	Withrow	Woodland Mound
Amphitheater-Outdoor		X			X					X		X
Ballfields	X				X		X		X	X		X
Bike Trails/Bike Rentals					X		X					
Boating - Canoes			X							X		
Boating - Hydrobikes					X							
Boating - Lake Cruises							X			X		
Boating - Pedal Boats					X		X			X		
Boating - Row Boats			X		X		X			X		
Campgrounds					X					X		X
Cross Country Skiing	X	X	X	X	X	X	X	X	X	X	X	X
Fishing			X	X	X	X	X	X	X	X		
Food-Snack Bars				X	X		X	X	X	X		X
Frisbee Golf Courses	X				X					X		X
Gift/Bookstores		X			X		X			X		X
Golf – Courses				X	X		X	X		X		X
Golf - Driving Ranges				X	X					X		
Golf – Miniature Golf				X								
Hiking Trails	X	X			X	X	X	X		X	X	X
Historic Restoration							X	X				
Horseback Riding Trails					X					X		
Ice Skating	X				X	X			X	X		X
Lawn Bowling				X								
Naturalist Offices		X			X		X			X		X
Parcours Fitness Trails	X				X		X		X	X		X
Picnic Areas	X		X	X	X	X	X	X		X		X
Playgrounds/Special Features	X				X		X			X		X
Reservable Lodges			X				X			X	X	X
Reservable Shelters	X				X		X	X		X		X
Scenic Overlooks			X		X	X				X		X
Sledding					X		X			X		
Visitor Center					X		X			X		X
Wet Playground					X		X			X		X

**Independent Accountants' Report on Compliance and Internal Control Over
Financial Reporting Based on the Audit of the Financial Statements in
Accordance with *Government Auditing Standards***

Board of Park Commissioners
Hamilton County Park District
Cincinnati, Ohio

We have audited the financial statements of the Hamilton County Park District (Park District) as of and for the year ended December 31, 2002, and have issued our report thereon dated July 2, 2003. 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 Park District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our 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 Park District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. 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 Park District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 1 and 2.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control 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 none of the reportable conditions described above is a material weakness. We also noted other matters involving the internal control over financial reporting and its operation that we have reported to the Park District's management in a separate letter dated July 2, 2003.

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

BKD, LLP

July 2, 2003

HAMILTON COUNTY PARK DISTRICT
Schedule of Findings and Questioned Costs
Year Ended December 31, 2002

<u>Reference Number</u>	<u>Finding</u>
1.	<p>We have reported in prior years that the accounting software which the Park District uses for tracking cash receipts and disbursements is an internally developed software which is not supported by anyone other than the controller, who wrote the software package. While the package might meet the Park District's processing needs, this situation continues to present several internal control issues. First, there is no one to support the software should the controller leave the Park District. This could present a major problem for the Park District in the case of his departure. Second, the controller's role in the cash receipts and cash disbursements functions are incompatible with his unlimited access to the underlying databases and access controls. He has access to nearly every function in the system and controls the access provided to others. Finally, certain internal controls that should be in place for in-house designed software are not in place at the Park District. There is virtually no supervision in programming changes or data access changes. There are no formalized procedures regarding programming or reporting changes and live data is used in these changes.</p> <p>The following are issues related to the accounting software that we noted during the years audit:</p> <ul style="list-style-type: none">• There were four checks that were incorrectly reported on the check register and entirely omitted from the Board Resolution.• There was a report that was modified during the year that had a programming computation error that was not detected until the audit. <p>While we understand there is some reluctance in changing due to prior bad experiences with software vendors and consultants, we believe there has been great advancement in packaged governmental and not-for-profit software in the past five years. We recommend that a search be renewed to implement an accounting system with the appropriate controls and functions.</p>
2.	<p>The accounts payable clerk and controller have nearly unlimited access to the signature plate for writing checks. We recommend that control of the signature plate be given to someone who does not have access to the accounting and accounts payable system.</p>



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HAMILTON COUNTY PARK DISTRICT

HAMILTON 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
OCTOBER 9, 2003**