



**Auditor of State
Betty Montgomery**

**METROPARKS OF BUTLER COUNTY
BUTLER COUNTY**

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Commissioners:

We have audited the accompanying financial statements of the Metroparks of Butler County, Butler County, Ohio (the District), as of and for the years ended December 31, 2003 and 2002. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the District as of December 31, 2003 and 2002, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2004 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

June 8, 2004

**METROPARKS OF BUTLER COUNTY
BUTLER COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Expendable Trust</u>	
Cash Receipts:			
General Property Tax - Real Estate	\$616,737		\$616,737
Grants	504,313		504,313
Investment Income	17,721	\$9,509	27,230
Gifts and Donations	21,746		21,746
Sales	63,782		63,782
Contracts - Services	20,503		20,503
Other Receipts	3,493		3,493
	<u>1,248,295</u>	<u>9,509</u>	<u>1,257,804</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Salaries - Employees	328,280		328,280
Supplies	1,266		1,266
Materials	33,303		33,303
Equipment	143,833		143,833
Contracts - Repair	8,305		8,305
Contracts - Services	148,297		148,297
Rentals	3,854		3,854
Travel	882		882
Public Employees Retirement	44,429		44,429
Workers' Compensation	2,749		2,749
Debt:			
Payment of Principal	17,480		17,480
Payment of Interest	463		463
Other	119,525		119,525
	<u>852,666</u>	<u>0</u>	<u>852,666</u>
Total Cash Disbursements			
Total Receipts Over Disbursements	<u>395,629</u>	<u>9,509</u>	<u>405,138</u>
Other Financing Receipts:			
Other Sources	<u>79,156</u>		<u>79,156</u>
Total Other Financing Receipts	<u>79,156</u>	<u>0</u>	<u>79,156</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	474,785	9,509	484,294
Fund Cash Balances, January 1	<u>1,219,369</u>	<u>129,968</u>	<u>1,349,337</u>
Fund Cash Balances, December 31	<u>\$1,694,154</u>	<u>\$139,477</u>	<u>\$1,833,631</u>
Reserves for Encumbrances, December 31	<u>\$59,329</u>	<u>\$0</u>	<u>\$59,329</u>

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

**METROPARKS OF BUTLER COUNTY
BUTLER COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Expendable Trust</u>	
Cash Receipts:			
General Property Tax - Real Estate	\$485,363		\$485,363
Grants	513,594		513,594
Investment Income	17,578	\$6,662	24,240
Gifts and Donations	22,232		22,232
Fees	1,304		1,304
Sales	63,122		63,122
Other Receipts	37,560		37,560
Total Cash Receipts	<u>1,140,753</u>	<u>6,662</u>	<u>1,147,415</u>
Cash Disbursements:			
Current:			
Salaries - Employees	289,176		289,176
Supplies	1,950		1,950
Materials	33,445		33,445
Equipment	173,629		173,629
Contracts - Repair	6,732		6,732
Contracts - Services	126,237		126,237
Rentals	2,702		2,702
Travel	628		628
Public Employees Retirement	32,530		32,530
Workers' Compensation	2,292		2,292
Debt:			
Payment of Principal	17,480		17,480
Payment of Interest	1,181		1,181
Other	135,139		135,139
Total Cash Disbursements	<u>823,121</u>	<u>0</u>	<u>823,121</u>
Total Receipts Over Disbursements	<u>317,632</u>	<u>6,662</u>	<u>324,294</u>
Other Financing Receipts:			
Other Sources	10,196		10,196
Total Other Financing Receipts	<u>10,196</u>	<u>0</u>	<u>10,196</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	327,828	6,662	334,490
Fund Cash Balances, January 1	<u>891,541</u>	<u>123,306</u>	<u>1,014,847</u>
Fund Cash Balances, December 31	<u>\$1,219,369</u>	<u>\$129,968</u>	<u>\$1,349,337</u>
Reserves for Encumbrances, December 31	<u>\$44,060</u>	<u>\$0</u>	<u>\$44,060</u>

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

**METROPARKS OF BUTLER COUNTY
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Fund Accounting

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

1. General Fund

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

2. Fiduciary Fund (Expendable Trust Fund)

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

Park District Trust Fund

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

**METROPARKS OF BUTLER COUNTY
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The Ohio Revised Code requires that each be budgeted annually.

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2003 and 2002 budgetary activity appears in Note 2.

F. Property, Plant and Equipment

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

G. Accumulated Leave

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

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,324,100	\$1,327,451	\$3,351
Fiduciary	9,100	9,509	409
Total	\$1,333,200	\$1,336,960	\$3,760

**METROPARKS OF BUTLER COUNTY
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

2. BUDGETARY ACTIVITY (Continued)

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,348,010	\$911,995	\$436,015
Fiduciary	0	0	0
Total	\$1,348,010	\$911,995	\$436,015

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,123,100	\$1,150,949	\$27,849
Fiduciary	0	6,662	6,662
Total	\$1,123,100	\$1,157,611	\$34,511

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,363,490	\$867,181	\$496,309
Fiduciary	0	0	0
Total	\$1,363,490	\$867,181	\$496,309

3. PROPERTY TAX

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

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

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

**METROPARKS OF BUTLER COUNTY
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

4. DEBT

Debt outstanding at December 31, 2003:

	Principal	Interest Rate
General Obligation Notes	\$1,660	2.98%

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

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

	General Obligation Notes
Year ending December 31: 2004	\$1,711

5. RETIREMENT SYSTEM

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002, members of PERS contributed 8.5% of their gross salaries. The District contributed an amount equal to 8.55% of participants' gross salaries for 2003 and 2002. The District has paid all contributions required through December 31, 2003.

6. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

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



**Auditor of State
Betty Montgomery**

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

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

To the Board of Commissioners:

We have audited the accompanying financial statements of Metroparks of Butler County, Butler County, Ohio (the District), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated June 8, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

June 8, 2004



**Auditor of State
Betty Montgomery**

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METROPARKS OF BUTLER COUNTY

BUTLER COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 1, 2004**