

**METROPARKS OF BUTLER COUNTY  
BUTLER COUNTY, OHIO**

***Basic Financial Statements***  
**(Audited)**

For the Year Ended  
December 31, 2016





# Dave Yost • Auditor of State

Board of Commissioners  
MetroParks of Butler County  
2051 Timberman Road  
Hamilton, Ohio 45013

We have reviewed the *Independent Auditor's Report* of the MetroParks of Butler County, Butler County, prepared by Julian & Grube, Inc., for the audit period January 1, 2016 through December 31, 2016. 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 MetroParks of Butler County is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost  
Auditor of State

April 27, 2018

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**METROPARKS OF BUTLER COUNTY  
BUTLER COUNTY, OHIO**

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## **Julian & Grube, Inc.**

*Serving Ohio Local Governments*

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### **Independent Auditor's Report**

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

To the Board of Park Commissioners:

#### ***Report on the Financial Statements***

We have audited the accompanying cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the MetroParks of Butler County, Butler County, Ohio, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the MetroParks of Butler County's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 1 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the MetroParks of Butler County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the MetroParks of Butler County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the MetroParks of Butler County, Butler County, Ohio, as of December 31, 2016, and the respective changes in cash financial position and the budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting basis described in Note 1.

***Accounting Basis***

We draw attention to Note 1 of the financial statements, which describes the accounting basis. The financial statements are prepared on the cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

***Emphasis of Matter***

As discussed in Note 2 to the financial statements, during 2016, the MetroParks of Butler County has elected to change its financial presentation to Governmental Accounting Standard Board Statement No. 34 *Basic Financial Statements – Cash Basis*. We did not modify our opinion regarding this matter.

***Other Matters***

***Other Information***

We applied no procedures to management's discussion & analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2018, on our consideration of the MetroParks of Butler County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the MetroParks of Butler County's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
March 21, 2018



**METROPARKS OF BUTLER COUNTY  
BUTLER COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

The discussion and analysis of the MetroParks of Butler County (the "District") financial performance provides an overall review of the District's financial activities for the year ended December 31, 2016, within the limitations of the District's cash basis of accounting. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for the year 2016 are as follows:

- Net position decreased \$1,174,743 which represents a 34.89% decrease from 2015.
- General receipts accounted for \$5,272,811, or 67.75% of all receipts. Program specific receipts, in the form of charges for services and sales and operating grants and contributions, accounted for \$2,510,504 or 32.25% of total revenues of \$7,783,315.
- The District had \$8,958,058 in disbursements related to governmental activities; program-specific charges for services, grants and contributions offset only \$2,510,504 of these disbursements. General receipts supporting governmental activities totaling \$5,272,811, including local taxes, unrestricted grants and entitlements and miscellaneous receipts, were not adequate to provide for these programs.
- The District's receipts increased \$2,266,943 or 41.09% from the prior year. Additionally, the disbursements increased \$2,488,412 or 38.46% from the prior year. These increases were primarily related to capital outlay receipts of \$1,910,142 and disbursements of \$2,104,695 for two separate purchases of land. All of the receipts and a portion of the cost, \$1,910,142, was funded from a Clean Ohio Grant.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the District's cash basis of accounting.

**Report Components**

The statement of net position - cash basis and the statement of activities - cash basis provide information about the cash activities of the District as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**METROPARKS OF BUTLER COUNTY  
BUTLER COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. As permitted in the Ohio Revised Code, the District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Under the District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of the use of this cash basis of accounting, certain assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and the effects of these items on revenues and expenses, are not recorded in these financial statements.

**Reporting the Board as a Whole**

The statement of net position - cash basis and the statement of activities - cash basis reflect how the District performed financially during 2016, within the limitations of the cash basis of accounting. The statement of net position - cash basis presents the cash balances of the governmental activities of the District at year-end. The statement of activities - cash basis compares disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

These statements report the District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, these changes are one way to measure the District's financial health. Over time, increases or decreases in the District's cash position is an indicator of whether the District's financial health is improving or deteriorating. When evaluating the District's financial condition, considerations include other non-financial factors as well, such as the District's tax base, the condition of the District's capital assets and infrastructure, the extent of the District's debt obligations, the reliance on non-local financial resources for operations, and the need for continued growth.

The statement of net position - cash basis and the statement of activities - cash basis present governmental activities, which include all the District's services. The District has no business-type activities.

**Reporting the Board's Most Significant Funds**

**Fund Financial Statements**

Fund financial statements provide detailed information about the District's major funds - not the District as a whole. The District establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. All of the operating funds of the District are governmental.

**METROPARKS OF BUTLER COUNTY  
BUTLER COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**Governmental Funds** - Most of the District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed short-term view of the District's governmental operations and the health services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the District's programs. The District's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The District's major governmental funds are the general fund and the Clean Ohio Fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

**The District as a Whole**

Table 1 provides a summary of the District's net position for 2016. In 2015, the District prepared financial statements using the regulatory basis of accounting which did not include a Statement of Net Position or a Statement of Activities, therefore comparative information is not available.

**Table 1  
Net Position**

	<b>Governmental Activities</b>
	<b>2016</b>
<b><u>Assets:</u></b>	
Cash with Fiscal Agent	\$ 2,191,863
Total assets	\$ 2,191,863
<b><u>Net position:</u></b>	
Restricted	\$ 5
Unrestricted	2,191,858
Total net position	\$ 2,191,863

The District's cash balance and net position at December 31, 2016 amounted to \$2,191,863. Of this amount, \$5 is restricted as to use.

Table 2 reflects the change in net position in 2016. In 2015, the District prepared financial statements using the regulatory basis of accounting which did not include a Statement of Net Position or a Statement of Activities, therefore comparative information is not available.

**METROPARKS OF BUTLER COUNTY  
BUTLER COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**Table 2  
Changes in Net Position - Cash Basis**

	<b>Governmental Activities</b>
	<b>2016</b>
<b>Receipts:</b>	
Program cash receipts:	
Charges for services and sales	\$ 499,706
Operating grants and contributions	100,656
Capital Grants and Contributions	1,910,142
Total program cash receipts	2,510,504
General receipts:	
Local taxes	3,303,046
Grants and entitlements not restricted	
by specific program	1,317,093
Donations	17,019
Interest	5,053
Miscellaenous	630,600
Total general receipts	5,272,811
Total receipts	7,783,315
<b>Disbursements:</b>	
Salaries and benefits	2,587,810
Materials and supplies	734,320
Contracted services	1,263,804
Other	92,030
Capital outlay	3,894,678
Debt Service:	
Principal retirement	321,557
Interest and fiscal charges	63,859
Total disbursements	8,958,058
Change in net position	(1,174,743)
Net position at beginning of year	3,366,606
Net position at end of year	\$ 2,191,863

In 2016, the District received \$1,910,142 in capital grants as part of the Clean Ohio grant. This grant was used for the purchase of land previously known as the Weatherwax golf course. The District had an increase in property taxes due to a recovery of the economy, housing market and land values. Salaries increased in 2016 due to a variety of factors including the timing of the pay periods (27 pays in fiscal year 2016 versus 26 pays in 2015), adding a full-time park planner position, less turnover, merit increases and vacations payouts.

**Governmental Activities**

If you look at the statement of activities - cash basis, you will see that the first column lists the major disbursement functions of the District. The next column identifies the disbursement amounts associated with each function. The next three columns of the statement entitled program receipts identify amounts paid by people who are directly charged for the service and grants received by the District that must be used to provide a specific purpose. The net cost column compares the program receipts to the cost of the service.

**METROPARKS OF BUTLER COUNTY  
BUTLER COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2016

This "net cost" amount represents the cost of the service which ends up being paid from money provided by taxpayers and state subsidies. These net costs are paid from the general receipts which are presented at the bottom of the statement.

**Table 3  
Governmental Activities**

	<u>Total Cost of Services 2016</u>	<u>Net Cost of Services 2016</u>
Disbursements:		
Salaries and benefits	\$ 2,587,810	\$ 2,398,187
Materials and supplies	734,320	680,513
Contracted services	1,263,804	1,171,658
Other	92,030	85,286
Capital outlay	3,894,678	1,826,610
Debt Service:		
Principal retirement	321,557	241,557
Interest and fiscal charges	63,859	43,743
Totals	<u>\$ 8,958,058</u>	<u>\$ 6,447,554</u>

**The District's Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related requirements. The focus of the District's governmental funds is to provide information on receipts, disbursements, and balances of expendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the year.

At the end of 2016, the District had a total ending fund balance of \$2,191,863.

The general fund is the chief operating fund of the District. At the end of 2016, unassigned fund balance in the general fund was \$1,052,935. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to general fund disbursements. Unassigned fund balance represents 15.44% of the total general fund disbursements.

Disbursements exceeded receipts in the general fund by \$1,059,187 in 2016. Local taxes account for 57.34% of receipts in the general fund. Salaries and benefits account for 37.95% of disbursements in the general fund.

The Clean Ohio Fund is a major fund of the District. This fund received a grant of \$1,910,142 and had capital outlay disbursements of the same amount. The fund had a zero beginning and ending fund balance.

**General Fund Budgeting Highlights**

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

**METROPARKS OF BUTLER COUNTY  
BUTLER COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

During the course of 2016, the District amended its general fund budget several times. For the general fund, final budgeted receipts were \$6,474,307, which were the same as original budgeted receipts. Actual receipts for 2016 were \$5,760,392; this represents a \$713,915 decrease from final budgeted receipts. Variances between actual receipts and the final budgeted receipts were due to the timing of grant revenue and the timing of the receipt of sponsorship fees. The District had budgeted for a grant reimbursement of \$985,000 that was not received during fiscal year 2016, but the District expects to receive this revenue in 2017 and 2018. Also, the District received both 2015 and 2016 sponsorship fees during 2016 due to receipts budgeted and recognized on the cash basis of accounting. Only one year of sponsorship fees was included in the budgeted receipts.

General fund final budgeted disbursements were \$9,193,974, which were greater than original budgeted disbursements of \$117,059. Actual budget-basis disbursements for 2016 totaled \$7,578,576 and were \$1,615,398 less than the final budget. The overall positive budget variance in the disbursements was due to a variety of factors including actual salaries and benefit disbursements being below actual budget by \$286,031, and a savings on materials and supplies due to favorable weather conditions. Also, actual advertising costs were \$129,676 less than the budget, utilities were \$45,000 less than the budget, and several projects came in below budget or were deferred for future periods.

**Capital Assets**

The District does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements.

**Long Term Obligations**

The District had the following long-term obligations outstanding at year-end:

	<b>Balance at 12/31/2016</b>	<b>Balance at 12/31/2015</b>
PNC Special Revenue Bonds - 2008	\$ 672,284	\$ 751,285
Stander Trust General Obligation Notes - 2003	225,336	262,892
PNC Special Revenue Bonds - 2012	480,000	560,000
Notes Payable	125,000	250,000
Totals	\$ 1,502,620	\$ 1,824,177

**Current Financial Related Activities**

The District is responsible for acquiring, developing, protecting and maintaining park lands and facilities. The District's mission is to provide a superior park system that maximizes the community's quality of life through conservation, education, and recreation. The District continues to seek grant funding and maximize local tax dollars to achieve its mission.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and providers with a general overview of the Board's finances and to reflect the District's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Jonathan R. Granville, Executive Director, 2051 Timberman Road, Hamilton, Ohio 45013.

**METROPARKS OF BUTLER COUNTY  
BUTLER COUNTY, OHIO**

STATEMENT OF NET POSITION - CASH BASIS  
DECEMBER 31, 2016

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash with fiscal agent . . . . .	\$ 2,191,863
Total assets . . . . .	\$ 2,191,863
 <b>Net position</b>	
Restricted for:	
Conservation / Recreation . . . . .	\$ 5
Unrestricted. . . . .	2,191,858
Total net position . . . . .	\$ 2,191,863

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**METROPARKS OF BUTLER COUNTY  
BUTLER COUNTY, OHIO**

STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016

		Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>					
Conservation/recreation:					
Salaries and benefits. . . . .	\$ 2,587,810	\$ 189,623	\$ -	\$ -	\$ (2,398,187)
Materials and supplies. . . . .	734,320	53,807	-	-	(680,513)
Contracted services. . . . .	1,263,804	92,146	-	-	(1,171,658)
Other. . . . .	92,030	6,744	-	-	(85,286)
Capital outlay. . . . .	3,894,678	157,386	540	1,910,142	(1,826,610)
Debt Service:					
Principal retirement. . . . .	321,557	-	80,000	-	(241,557)
Interest and fiscal charges. . . . .	63,859	-	20,116	-	(43,743)
Total governmental activities . . . . .	<u>\$ 8,958,058</u>	<u>\$ 499,706</u>	<u>\$ 100,656</u>	<u>\$ 1,910,142</u>	<u>(6,447,554)</u>
<b>General receipts:</b>					
Local taxes . . . . .					3,303,046
Grants and entitlements not restricted to specific programs. . . . .					1,317,093
Donations. . . . .					17,019
Interest. . . . .					5,053
Miscellaneous . . . . .					630,600
Total general receipts. . . . .					<u>5,272,811</u>
Change in net position . . . . .					(1,174,743)
<b>Net position at beginning of year . . . . .</b>					<u>3,366,606</u>
<b>Net position at end of year . . . . .</b>					<u>\$ 2,191,863</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**METROPARKS OF BUTLER COUNTY  
BUTLER COUNTY, OHIO**

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2016

	<b>General</b>	<b>Clean Ohio</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>				
Cash with fiscal agent. . . . .	\$ 2,120,145	\$ -	\$ 71,718	\$ 2,191,863
	\$ 2,120,145	\$ -	\$ 71,718	\$ 2,191,863
<b>Fund balances</b>				
Restricted:				
Conservation / recreation . . . . .	\$ -	\$ -	\$ 5	\$ 5
Committed:				
Conservation / recreation . . . . .	209,616	-	71,713	281,329
Assigned:				
Subsequent year appropriation . . . . .	308,213	-	-	308,213
Conservation / recreation. . . . .	549,381	-	-	549,381
Unassigned . . . . .	1,052,935	-	-	1,052,935
	\$ 2,120,145	\$ -	\$ 71,718	\$ 2,191,863
Total fund balances. . . . .	\$ 2,120,145	\$ -	\$ 71,718	\$ 2,191,863

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**METROPARKS OF BUTLER COUNTY  
BUTLER COUNTY, OHIO**

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	General	Clean Ohio	Nonmajor Governmental Funds	Total Governmental Funds
<b>Receipts:</b>				
Local taxes. . . . .	\$ 3,303,046	\$ -	\$ -	\$ 3,303,046
Charges for services. . . . .	499,706	-	-	499,706
Intergovernmental. . . . .	1,317,093	1,910,142	100,000	3,327,235
Earnings on investments. . . . .	5,053	-	656	5,709
Donations. . . . .	17,019	-	-	17,019
Miscellaneous. . . . .	618,475	-	12,125	630,600
Total receipts. . . . .	<u>5,760,392</u>	<u>1,910,142</u>	<u>112,781</u>	<u>7,783,315</u>
<b>Disbursements:</b>				
Current:				
Conservation / recreation:				
Salaries and benefits. . . . .	2,587,810	-	-	2,587,810
Materials and supplies. . . . .	734,320	-	-	734,320
Contracted services. . . . .	1,257,534	-	6,270	1,263,804
Other. . . . .	92,030	-	-	92,030
Capital outlay. . . . .	1,867,478	1,910,142	117,058	3,894,678
Debt service:				
Principal retirement. . . . .	241,557	-	80,000	321,557
Interest and fiscal charges. . . . .	38,850	-	25,009	63,859
Total disbursements. . . . .	<u>6,819,579</u>	<u>1,910,142</u>	<u>228,337</u>	<u>8,958,058</u>
Net change in fund balances. . . . .	(1,059,187)	-	(115,556)	(1,174,743)
<b>Fund balances at beginning</b>				
of year. . . . .	3,179,332	-	187,274	3,366,606
<b>Fund balances at end of year. . . . .</b>	<u>\$ 2,120,145</u>	<u>\$ -</u>	<u>\$ 71,718</u>	<u>\$ 2,191,863</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**METROPARKS OF BUTLER COUNTY  
BUTLER COUNTY, OHIO**

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Local taxes. . . . .	\$ 3,235,000	\$ 3,235,000	\$ 3,303,046	\$ 68,046
Charges for services. . . . .	576,270	576,270	499,706	(76,564)
Intergovernmental. . . . .	1,666,500	1,666,500	1,317,093	(349,407)
Earnings on investments. . . . .	5,100	5,100	5,053	(47)
Donations. . . . .	9,000	9,000	17,019	8,019
Miscellaneous. . . . .	982,437	982,437	618,475	(363,962)
Total receipts. . . . .	<u>6,474,307</u>	<u>6,474,307</u>	<u>5,760,392</u>	<u>(713,915)</u>
<b>Disbursements:</b>				
Current:				
Conservation / recreation:				
Salaries and benefits. . . . .	2,873,841	2,873,841	2,587,810	286,031
Materials and supplies. . . . .	1,087,725	1,094,550	911,347	183,203
Contracted services. . . . .	1,501,217	1,545,693	1,433,694	111,999
Other. . . . .	1,466,247	1,532,005	497,840	1,034,165
Capital outlay. . . . .	1,867,478	1,867,478	1,867,478	-
Debt service:				
Principal retirement. . . . .	241,557	241,557	241,557	-
Interest and fiscal charges. . . . .	38,850	38,850	38,850	-
Total disbursements. . . . .	<u>9,076,915</u>	<u>9,193,974</u>	<u>7,578,576</u>	<u>1,615,398</u>
Net change in fund balance . . . . .	(2,602,608)	(2,719,667)	(1,818,184)	901,483
<b>Fund balance at beginning of year. . . . .</b>	1,135,160	1,135,160	1,135,160	-
<b>Prior year encumbrances appropriated. . . . .</b>	2,044,172	2,044,172	2,044,172	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 576,724</u>	<u>\$ 459,665</u>	<u>\$ 1,361,148</u>	<u>\$ 901,483</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**METROPARKS OF BUTLER COUNTY  
BUTLER COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the MetroParks of Butler County, Butler County, Ohio (the "District"), as a body corporate and politic. The probate judge of Butler County appoints a three-member Board of Commissioners to govern the District. The Commissioners are authorized to acquire, develop, protect, maintain, and improve park lands and facilities. The Commissioners may convert acquired land into forest reserves. The Commissioners are also responsible for activities related to conserving 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 these assets 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 and Presentation**

The financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting.

The District's basic financial statements consist of government-wide financial statements, including a statement of net position - cash basis and a statement of activities - cash basis, and cash fund financial statements, which provide a more detailed level of financial information.

*Government-wide Financial Statements*

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements show those activities of the District that are governmental. Governmental activities generally are financed through intergovernmental receipts or other nonexchange transactions.

The statement of net position - cash basis presents the cash balance of the governmental activities of the District at year-end. The statement of activities - cash basis compares disbursements and program receipts for each program or function of the District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the District is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational requirements of a particular program. Receipts which are not classified as program receipts are presented as general receipts of the District, with certain, limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program is self-financing on a cash basis or draws from the general receipts of the District.

**METROPARKS OF BUTLER COUNTY  
BUTLER COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*Fund Financial Statements*

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

**C. Cash with Fiscal Agent**

As the Ohio Revised Code permits, the Butler County Treasurer holds the District's cash as the District's custodian. The County holds the District's assets in its investment pool, valued at the Treasurer's reported carrying amount.

**D. Fund Accounting**

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The District has no proprietary or fiduciary funds. Funds are used to segregate resources that are restricted as to use.

*Governmental Funds*

Governmental funds are those through which most governmental functions of the District are financed. The following are the District's major governmental funds:

*General Fund* - The general fund accounts for and reports all financial resources, except those required to be accounted for in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

*Clean Ohio Fund* - This fund accounts for monies received from the Clean Ohio grant and used for the purchase of land.

The other governmental funds of the District are used to account for and report grants and other resources, the use of which is restricted for a particular purpose.

**METROPARKS OF BUTLER COUNTY  
BUTLER COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or item level of control, and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. 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. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

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

**F. Fund Balance**

Under GASB No. 54, fund balances are divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Nonspendable**

The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**2. Restricted**

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**3. Committed**

The Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**METROPARKS OF BUTLER COUNTY  
BUTLER COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Board or a District official delegated that authority by resolution, or by State Statute.

**5. Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**G. Property, Plant, and Equipment**

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**H. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**I. Net Position**

Net position is reported as restricted to the extent of limitations imposed on its use, either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes monies restricted by grantors and reported in special revenue funds.

The Board's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position is available.

**J. Employer Contributions to Cost-Sharing Pension Plans**

The District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 6 and 7, the employer contributions include portions for pension benefits and for postemployment health care benefits.



**METROPARKS OF BUTLER COUNTY  
BUTLER COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**K. Long-Term Obligations**

The District's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid.

**NOTE 2 - CHANGE IN BASIS OF ACCOUNTING**

Last year, the District reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. This year, the District has implemented the cash basis of accounting described in Note 1. The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type.

**NOTE 3 - BUDGETARY ACTIVITY**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The statement of cash receipts, cash disbursements and changes in fund cash balance - budget and actual (budgetary basis) presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements on the budgetary basis but are not on a cash basis. At December 31, 2016, the encumbrances outstanding at year end (budgetary basis) amounted to \$758,997 for the general fund.

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**METROPARKS OF BUTLER COUNTY  
BUTLER COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 4 - DEBT**

At December 31, 2016, debt obligations consisted of the following issuances:

<u>Description</u>	<u>Balance at 12/31/2016</u>
PNC Special Revenue Bonds, Series 2008 to refinance Old Hueston Farm debt due in monthly installments of \$9,952 through 2018, with a final payment of \$515,354, bearing interest of 5.65%. Payments are made from the general fund.	\$ 672,284
Stander Trust General Obligation Notes, Series 2003 to finance the purchase of land to be used for future development due in annual installments of \$37,556 through 2022, bearing no interest. Payments are made from the general fund.	225,336
PNC Special Revenue Bonds, Series 2012 to finance the multi-purpose athletic fields project at Voice of America Park due in annual principal installments of \$80,000 through 2022, bearing interest at 4.45%. Payments are made from the capital projects fund, a nonmajor governmental fund.	480,000
Note Payable, to purchase 1976 Timberman Road, due in annual principal installments of \$125,000, through 2017, bearing no interest. Payments are made from the general fund.	<u>125,000</u>
Total	<u><u>\$1,502,620</u></u>

Transactions for the year ended December 31, 2016 is summarized as follows:

	<u>Balance at 12/31/2015</u>	<u>Proceeds</u>	<u>Retirements</u>	<u>Balance at 12/31/2016</u>
PNC Special Revenue Bonds - 2008	\$ 751,285	\$ -	\$ (79,001)	\$ 672,284
Stander Trust General Obligation Notes - 2003	262,892	-	(37,556)	225,336
PNC Special Revenue Bonds - 2012	560,000	-	(80,000)	480,000
Note Payable	<u>250,000</u>	<u>-</u>	<u>(125,000)</u>	<u>125,000</u>
Total	<u>\$ 1,824,177</u>	<u>\$ -</u>	<u>\$ (321,557)</u>	<u>\$ 1,502,620</u>

**METROPARKS OF BUTLER COUNTY  
BUTLER COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 4 - DEBT - (Continued)**

The principal and interest requirements to retire the debt obligations outstanding at December 31, 2016, are as follows:

Year Ending December 31,	2008		2003		2012	
	<u>PNC Special Revenue Bonds</u>		<u>Stander Trust General Obligation Notes</u>		<u>PNC Special Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 83,584	\$ 35,842	\$ 37,556	\$ -	\$ 80,000	\$ 21,360
2018	588,700	28,604	37,556	-	80,000	17,800
2019	-	-	37,556	-	80,000	14,240
2020	-	-	37,556	-	80,000	10,680
2021	-	-	37,556	-	80,000	7,120
2022	-	-	37,556	-	80,000	3,560
Totals	<u>\$ 672,284</u>	<u>\$ 64,446</u>	<u>\$ 225,336</u>	<u>\$ -</u>	<u>\$ 480,000</u>	<u>\$ 74,760</u>

Year Ending December 31,	<u>Note Payable</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
	2017	\$ 125,000	\$ -	\$ 326,140
2018	-	-	706,256	46,404
2019	-	-	117,556	14,240
2020	-	-	117,556	10,680
2021	-	-	117,556	7,120
2022	-	-	117,556	3,560
Totals	<u>\$ 125,000</u>	<u>\$ -</u>	<u>\$ 1,502,620</u>	<u>\$ 139,206</u>

**NOTE 5 - PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the District.

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, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 6 - PENSION PLAN**

Plan Description - District employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. District employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 2.25 percent.

**METROPARKS OF BUTLER COUNTY  
BUTLER COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 6 - PENSION PLAN - (Continued)**

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
<b>2016 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
 <b>2016 Actual Contribution Rates</b>	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	14.0 %
Employee	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The District's contractually required contribution was \$248,975 for fiscal year 2016.

**NOTE 7 - POSTEMPLOYMENT BENEFIT PLAN**

Plan Description - OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but does not mandate, OPERS to provide Other Post-Employment Benefits (OPEB) to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code Section 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care.

**METROPARKS OF BUTLER COUNTY  
BUTLER COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE 7 - POSTRETIREMENT BENEFIT PLAN - (Continued)**

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2016, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional Plan and Combined Plan for 2016 was 2.00%.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.00% of the employer contributions toward the health care fund after the end of the transition period.

The District's contribution to fund post-employment healthcare was \$41,496 for fiscal year 2016. The previous two years were unavailable.

**NOTE 8 - RISK MANAGEMENT**

The District belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Until November 1, 2016, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 762 members as of December 31, 2016.

*Plan members are responsible* to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

**METROPARKS OF BUTLER COUNTY  
BUTLER COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**NOTE 8 - RISK MANAGEMENT - (Continued)**

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2016.

	<u>2016</u>
Assets	\$ 14,765,712
Liabilities	<u>(9,531,506)</u>
Members’ Equity	<u>\$5,234,206</u>

You can read the complete audited financial statements for OPRM at the Plan’s website, [www.ohioplan.org](http://www.ohioplan.org).

**NOTE 9 - CONTINGENT LIABILITES**

LITIGATION

The District is involved in no material litigations as either plaintiff or defendant.

GRANT FUNDING

Amounts grantor agencies pay to the District are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

CONTRACTUAL OBLIGATIONS

The District has entered into contractual agreements with third parties that provide for future receipts to be provided to the District in exchange for certain sponsorships and naming rights of District-owned facilities and District-managed events. Based on the accounting basis these financial statements have been prepared on, more fully described in Note 1, no amounts have been recorded in the financial statements related to these future receipts or the District’s future obligations under the contractual agreements.

**NOTE 10 - OTHER COMMITMENTS**

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the District’s commitments for encumbrances in the governmental funds were as follows:

	Year-End
<u>Fund</u>	<u>Encumbrances</u>
General fund	\$ 758,997
Other governmental	<u>5,821</u>
Total	<u>\$ 764,818</u>

**METROPARKS OF BUTLER COUNTY  
BUTLER COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE 11 - SUBSEQUENT EVENT**

The District issued \$1,500,000 in Series 2017 Tax Anticipation Bonds and \$2,218,000 in Series 2017 Special Revenue Bonds dated January 20, 2017. The Tax Anticipation Bonds mature on November 1, 2022 and have an interest rate of 3.8%. The Special Revenue Bonds mature on November 1, 2022 and have an interest rate of 4.10%. The proceeds of the bonds will be used to refinance the series 2008 Special Revenue Bonds and for capital projects.





**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

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**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards***

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

To the Board of Park Commissioners:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the MetroParks of Butler County, Butler County, Ohio, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the MetroParks of Butler County's basic financial statements and have issued our report thereon dated March 21, 2018, wherein we noted the MetroParks of Butler County changed its accounting basis to Governmental Accounting Standard Board Statement No. 34 *Basic Financial Statements – Cash Basis*, which is a special purpose framework other than generally accepted accounting principles.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the MetroParks of Butler County's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the MetroParks of Butler County's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the MetroParks of Butler County's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider a significant deficiency. We consider finding 2016-001 to be a significant deficiency.

Board of Park Commissioners  
MetroParks of Butler County

***Compliance and Other Matters***

As part of reasonably assuring whether the MetroParks of Butler County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***MetroParks of Butler County's Response to Finding***

The MetroParks of Butler County's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the MetroParks of Butler County's response and, accordingly, we express no opinion on it.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results and does not opine on the effectiveness of the MetroParks of Butler County's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the MetroParks of Butler County's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.  
March 21, 2018

**METROPARKS OF BUTLER COUNTY  
BUTLER COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2016**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>	
Finding Number	2016-001

Significant Deficiency - Financial Statement Presentation

Accurate financial reporting is required in order to provide management and the Board of Park Commissioners with objective and timely information to enable well-informed decisions.

The following audit adjustments were made to correct misstatements identified in the audit of the MetroParks of Butler County's financial statements.

- It was necessary to record an audit adjustment to increase Capital outlay disbursements by \$1,789,983 and decrease Other disbursements by the same amount within the General fund on the Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances – Governmental Funds. It was also necessary to increase Capital outlay cash disbursements by \$1,789,983 and decrease Other cash disbursements by the same amount on the Statement of Activities – Cash Basis.

The District's financial statements and records have been adjusted to reflect these adjustments.

The presentation of materially correct financial statements and related footnotes is the responsibility of management.

We recommend that the District implement additional control procedures that enable management to timely record information/transactions in their accounting system as well as prevent or detect and correct potential misstatements in the financial statements prior to filing. We also recommend the District make full use of their accounting software by segregating different revenue and expenditure types within their system.

*Client Response:* MetroParks is not aware of any untimely recording of transactions and is already utilizing the system in segregated detail for revenues and expenditures in the sub-ledger. MetroParks has used segregation of revenue and expenditures in the system since 2014 at the sub-ledger level or this adjustment would not have been easily obtainable to calculate. In 2017, MetroParks began diminishing use of the non-descriptive "other expenses" and further segregating this sub-ledger account into more descriptive accounts such as vehicles, capital projects, capital outlay, refunds, etc. Only true miscellaneous expenses that do not fall in any other category and do not qualify as capital are to be booked in the "other expense" sub-ledger account.

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# Dave Yost • Auditor of State

**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  
MAY 10, 2018**