

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

FINANCIAL STATEMENTS
(UNAUDITED)

FOR THE YEARS ENDED
DECEMBER 31, 2015 AND 2014

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

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

COMBINED STATEMENT OF RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2015

	General	Capital Projects	Permanent	Totals (Memorandum Only)
Cash Receipts:				
Local Taxes	\$ 3,238,860	\$ -	\$ -	\$ 3,238,860
Charges for Services	616,784	-	-	616,784
Fines and Forfeitures	50	-	-	50
Intergovernmental	1,024,666	-	-	1,024,666
Earnings on Investments	6,101	270	608	6,979
Other Receipts	154,033	100,000	-	254,033
Total Cash Receipts	5,040,494	100,270	608	5,141,372
Cash Disbursements:				
Current:				
Conservation / Recreation:				
Salaries and Benefits	2,026,574	-	-	2,026,574
Supplies and Materials	498,416	-	-	498,416
Contracted Services	2,434,462	83,392	-	2,517,854
Other Disbursements	636,897	24,364	-	661,261
Capital Outlay	375,000	-	-	375,000
Debt Service:				
Principal Retirement	237,205	80,000	-	317,205
Interest and Fiscal Charges	44,777	28,559	-	73,336
Total Cash Disbursements	6,253,331	216,315	-	6,469,646
Excess of Receipts Over (Under) Disbursements	(1,212,837)	(116,045)	608	(1,328,274)
Other Financing Receipts (Disbursements):				
Proceeds from Note	375,000	-	-	375,000
Total Other Financing Receipts (Disbursements)	375,000	-	-	375,000
Net Change in Fund Cash Balances	(837,837)	(116,045)	608	(953,274)
Fund Cash Balances, January 1	4,017,169	186,796	115,915	4,319,880
Fund Cash Balances, December 31:				
Nonspendable	-	-	104,745	104,745
Restricted	-	-	11,778	11,778
Committed	-	70,751	-	70,751
Assigned	2,044,172	-	-	2,044,172
Unassigned (Deficit)	1,135,160	-	-	1,135,160
Fund Cash Balances, December 31	\$ 3,179,332	\$ 70,751	\$ 116,523	\$ 3,366,606

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

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

COMBINED STATEMENT OF RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2014

	General	Capital Projects	Permanent	Totals (Memorandum Only)
Cash Receipts:				
Local Taxes	\$ 3,209,959	\$ -	\$ -	\$ 3,209,959
Charges for Services	436,681	-	-	436,681
Fines and Forfeitures	629	-	-	629
Intergovernmental	661,523	983,282	-	1,644,805
Earnings on Investments	5,917	337	570	6,824
Other Receipts	174,710	100,000	-	274,710
Total Cash Receipts	4,489,419	1,083,619	570	5,573,608
Cash Disbursements:				
Current:				
Conservation / Recreation:				
Salaries and Benefits	1,856,281	-	-	1,856,281
Supplies and Materials	518,970	-	-	518,970
Contracted Services	810,613	33,752	-	844,365
Other Disbursements	372,862	17,046	-	389,908
Capital Outlay	247,758	983,282	-	1,231,040
Debt Service:				
Principal Retirement	108,091	80,000	-	188,091
Interest and Fiscal Charges	48,890	31,941	-	80,831
Total Cash Disbursements	3,963,465	1,146,021	-	5,109,486
Net Change in Fund Cash Balances	525,954	(62,402)	570	464,122
Fund Cash Balances, January 1	3,491,215	249,198	115,345	3,855,758
Fund Cash Balances, December 31:				
Nonspendable	-	-	104,745	104,745
Restricted	-	-	11,170	11,170
Committed	-	186,796	-	186,796
Assigned	151,781	-	-	151,781
Unassigned (Deficit)	3,865,388	-	-	3,865,388
Fund Cash Balances, December 31	\$ 4,017,169	\$ 186,796	\$ 115,915	\$ 4,319,880

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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 the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

C. Cash and Investments

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 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 used to account for all activities of the District not required to be included 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.

2. Capital Projects Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The District had the following significant capital project funds:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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

Capital Projects Fund

This fund is used to account for the acquisition, construction, or improvement of the capital assets of MetroParks, including the Voice of America Park.

Sycamore Bluffs Project Grant Fund

This fund was used to account for the purchase of land located at Sycamore Bluffs, which was funded through a grant from the State of Ohio.

3. Permanent Fund

This fund accounts for assets held under a trust agreement that are legally restricted to the extent that only earnings, not principal, are available to support the District's programs unless certain exceptions apply. The District had the following permanent fund:

Park District Trust Fund

This fund accounts for a trust agreement stipulating that the principal sum be invested and the interest be used for routine acquisition and maintenance of public parks, except in the event the interest is less than \$3,000 per year, all or any portion of the principal may be used for said purposes. The trust was established in 1998 with a principal amount of \$104,745.

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.

A summary of 2015 and 2014 budgetary activity appears in Note 2.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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

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.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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

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. Total Columns on Financial Statements

Total columns on the financial statements are captioned "Total (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Interfund-type eliminations have not been made in the aggregation of this data.

NOTE 2 - BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2015 and 2014 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 4,881,369	\$ 5,415,494	\$ 534,125
Capital Projects	100,700	100,270	(430)
Permanent	1,000	608	(392)
Total	\$ 4,983,069	\$ 5,516,372	\$ 533,303

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 8,717,341	\$ 8,297,503	\$ 419,838
Capital Projects	287,497	221,297	66,200
Permanent	116,415	-	116,415
Total	\$ 9,121,253	\$ 8,518,800	\$ 602,453

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 4,676,000	\$ 4,489,419	\$ (186,581)
Capital Projects	1,130,800	1,083,619	(47,181)
Permanent	1,750	570	(1,180)
Total	\$ 5,808,550	\$ 5,573,608	\$ (234,942)

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 7,094,264	\$ 4,115,246	\$ 2,979,018
Capital Projects	1,379,999	1,146,021	233,978
Permanent	10,000	-	10,000
Total	\$ 8,484,263	\$ 5,261,267	\$ 3,222,996

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 3 - DEBT

At December 31, 2015 and December 31, 2014, debt obligations consisted of the following issuances:

Description	Balance at 12/31/15	Balance at 12/31/14
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 \$528,100, bearing interest of 5.65%.	\$ 751,285	\$ 825,934
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.	262,892	300,448
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%.	560,000	640,000
Note Payable, to purchase 1976 Timberman Road, due in annual principal installments of \$125,000, through 2017, bearing no interest.	<u>250,000</u>	<u>-</u>
Total	<u><u>\$1,824,177</u></u>	<u><u>\$1,766,382</u></u>

**METROPARKS OF BUTLER COUNTY OHIO
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 3 – DEBT – (Continued)

Transactions for the years ended December 31, 2015 and December 31, 2014 are summarized as follows:

2015				
Description	Balance at 12/31/14	Proceeds	Retirements	Balance at 12/31/15
PNC Special Revenue Bonds - Series 2008	\$ 825,934	\$ -	\$ (74,649)	\$ 751,285
Stander Trust General Obligation Notes - Series 2003	300,448	-	(37,556)	262,892
PNC Special Revenue Bonds - Series 2012	640,000	-	(80,000)	560,000
Note Payable	-	375,000	(125,000)	250,000
Total	<u>\$1,766,382</u>	<u>\$375,000</u>	<u>\$(317,205)</u>	<u>\$1,824,177</u>
2014				
Description	Balance at 12/31/13	Proceeds	Retirements	Balance at 12/31/14
PNC Special Revenue Bonds - Series 2008	\$ 896,469	\$ -	\$ (70,535)	\$ 825,934
Stander Trust General Obligation Notes - Series 2003	338,004	-	(37,556)	300,448
PNC Special Revenue Bonds - Series 2012	720,000	-	(80,000)	640,000
Total	<u>\$1,954,473</u>	<u>\$ -</u>	<u>\$(188,091)</u>	<u>\$1,766,382</u>

**METROPARKS OF BUTLER COUNTY OHIO
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 3 – DEBT – (Continued)

The principal and interest requirements to retire the debt obligations outstanding at December 31, 2015, are as follows:

Year Ending December 31	2008 PNC Special Revenue Bonds		2003 Stander Trust General Obligation Notes		2012 PNC Special Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 79,003	\$ 40,423	\$ 37,556	\$ -	\$ 80,000	\$ 24,920
2017	83,584	35,842	37,556	-	80,000	21,360
2018	73,344	28,604	37,556	-	80,000	17,800
2019	515,354	-	37,556	-	80,000	14,240
2020	-	-	37,556	-	80,000	10,680
2021 - 2022	-	-	75,112	-	160,000	10,680
Total	\$ 751,285	\$ 104,869	\$ 262,892	\$ -	\$ 560,000	\$ 99,680

Year Ending December 31	Note Payable		Total	
	Principal	Interest	Principal	Interest
2016	\$ 125,000	\$ -	\$ 321,559	\$ 65,343
2017	125,000	-	326,140	57,202
2018	-	-	190,900	46,404
2019	-	-	632,910	14,240
2020	-	-	117,556	10,680
2021 - 2022	-	-	235,112	10,680
Total	\$ 250,000	\$ -	\$ 1,824,177	\$ 204,549

NOTE 4 - 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 OHIO
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 5 - RETIREMENT SYSTEMS

Retirement Rates	Year	Member Rate	Employer Rate
PERS - Local	2014-2015	10%	14%

The District's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2015 and 2014, OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2015.

NOTE 6 - RISK MANAGEMENT

The Government 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, except OPRM retains 41.5% (effective November 1, 2011) 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, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 and 783 members as of December 31, 2013 and 2014 respectively.

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.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2013 and 2014 (the latest information available).

	<u>2014</u>	<u>2013</u>
Assets	\$ 14,830,185	\$ 13,774,304
Liabilities	<u>(8,942,504)</u>	<u>(7,968,395)</u>
Members' Equity	<u>\$ 5,887,681</u>	<u>\$ 5,805,909</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 7 - 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.