



OHIO AUDITOR OF STATE  
**KEITH FABER**





**METROPARKS OF BUTLER COUNTY  
BUTLER COUNTY  
DECEMBER 31, 2021 AND 2020**

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METROPARKS OF BUTLER COUNTY  
BUTLER COUNTY  
DECEMBER 31, 2021 AND 2020

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

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

To the Park Administrators:

### ***Report on the Audit of the Financial Statements***

#### ***Opinions***

We have audited 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 (the Park District), as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Park District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Park District, as of December 31, 2021 and 2020, and the respective changes in cash-basis financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the cash-basis of accounting described in Note 2.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Park District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter - Accounting Basis***

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

#### ***Emphasis of Matter***

As discussed in Note 12 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Park District. Our opinion is not modified with respect to this matter.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Park District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Park District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Park District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**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 them.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2023, on our consideration of the Park District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Park District's 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 Park District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

February 27, 2023

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

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, 2021, 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 2021 are as follows:

- Net position increased \$134,158 which represents a 2.52% increase from 2020.
- General receipts accounted for \$6,311,905, or 87.68% of all receipts. Program specific receipts, in the form of charges for services and sales and capital grants and contributions, accounted for \$886,638 or 12.32% of total receipts of \$7,198,543.
- The District had \$7,064,385 in disbursements related to governmental activities; program-specific charges for services, grants and contributions offset only \$886,368 of these disbursements. General receipts supporting governmental activities totaling \$6,311,905 including local taxes, unrestricted grants and entitlements and miscellaneous receipts, were adequate to provide for these programs.
- The District's receipts decreased \$600,263 or, 7.7% from the prior year. Additionally, the disbursements increased \$1,381,829 or 24.32% from the prior year.

**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.

**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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

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 2021, 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.

**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 debt service fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

**The District as a Whole**

Table 1 provides a summary of the District's net position for 2021 and 2020.

	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
<b><u>Assets:</u></b>		
Cash with Fiscal Agent	\$ 5,465,890	\$ 5,274,853
Cash in Segregated Accounts	0	56,879
Total assets	\$ 5,465,890	\$ 5,331,732
<b><u>Net position:</u></b>		
Restricted	\$ 39,930	\$ 26,812
Unrestricted	5,425,960	5,304,920
Total net position	\$ 5,465,890	\$ 5,331,732

The District's cash balance and net position at December 31, 2021 amounted to \$5,465,890. Of this amount, \$39,930 is restricted as to use.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

Table 2 reflects the change in net position in 2021 and 2020.

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

	<b>Governmental Activities</b>		<b>Change</b>
	<b>2021</b>	<b>2020</b>	
<b>Receipts:</b>			
Program cash receipts:			
Charges for services and sales	\$ 786,609	\$ 315,740	\$ 470,869
Capital Grants and Contributions	100,029	100,547	(518)
Total program cash receipts	<u>886,638</u>	<u>416,287</u>	<u>470,351</u>
General receipts:			
Local taxes	5,087,701	4,918,187	169,514
Grants, entitlements and donations not restricted by specific program	819,332	1,406,840	(587,508)
Donations	250,210	-	250,210
Interest	5,488	31,292	(25,804)
Miscellaneous	149,174	489	148,685
Sale of assets	-	1,025,711	(1,025,711)
Total general receipts	<u>6,311,905</u>	<u>7,382,519</u>	<u>(1,070,614)</u>
Total receipts	<u>7,198,543</u>	<u>7,798,806</u>	<u>(600,263)</u>
<b>Disbursements:</b>			
Salaries and benefits	3,503,646	2,940,532	563,114
Materials and supplies	590,141	344,809	245,332
Contracted service	1,213,833	865,577	348,256
Other	1,112,778	154,345	958,433
Capital outlay	-	598,689	(598,689)
Debt Service:			
Principal retirement	551,800	664,468	(112,668)
Interest and fiscal charges	92,187	114,136	(21,949)
Total disbursements	<u>7,064,385</u>	<u>5,682,556</u>	<u>1,381,829</u>
Change in net position	134,158	2,116,250	(1,982,092)
Net position at beginning of year	<u>5,331,732</u>	<u>3,215,482</u>	<u>2,116,250</u>
Net position at end of year	<u>\$ 5,465,890</u>	<u>\$ 5,331,732</u>	<u>\$ 134,158</u>
<b>Governmental Activities</b>			

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. 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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

**Table 3  
Governmental Activities**

	<u>Total Cost of Services 2021</u>	<u>Net Cost of Services 2021</u>	<u>Total Cost of Services 2020</u>	<u>Net Cost of Services 2020</u>
Disbursements:				
Salaries and benefits	\$ 3,503,646	\$ 3,074,389	\$ 2,940,532	\$ 2,749,651
Materials and supplies	590,141	517,839	344,809	322,426
Contracted service	1,213,833	1,065,118	865,577	809,389
Other	1,112,778	976,443	154,345	144,888
Capital outlay	-	-	598,689	561,689
Debt Service:				
Principal retirement	551,800	471,800	664,468	584,468
Interest and fiscal charges	92,187	72,158	114,136	93,758
Totals	<u>\$ 7,064,385</u>	<u>\$ 6,177,747</u>	<u>\$ 5,682,556</u>	<u>\$ 5,266,269</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 2021, the District had a total ending fund balance of \$5,465,890.

The general fund and the debt service fund are the major funds of the District. At the end of 2021, unassigned fund balance in the general fund was \$1,588,538. 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 24.74% of the total general fund disbursements.

Receipts exceeded disbursements in the general fund by \$678,116, excluding other financing sources and uses in 2021. Local taxes account for 71.67% of receipts in the general fund. Salaries and benefits account for 54.57% of disbursements in the general fund. The general fund balance increased \$121,040 from \$5,304,920 to an ending balance of \$5,425,960.

The debt service fund had a zero fund balance at year end. The fund had transfers in of \$0 from the general fund that were used to payment principal of \$0 and interest of \$0.

**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.

During the course of 2021, the District amended its general fund budget several times. For the general fund, final budgeted receipts and other financing sources were \$7,310,484 which remained the same with original budgeted receipts. Actual receipts and other financing sources for 2021 were \$7,098,514; this represents a \$211,970 decrease from final budgeted receipts. Variances between actual receipts and the final budgeted receipts were due to the timing of program revenues and tax revenue and the sale of land.

General fund final budgeted disbursements and other financing uses were \$10,743,769 which were more than original budgeted disbursements of \$9,682,510. Actual budget-basis disbursements and other financing uses for 2021 totaled \$8,506,709 and were \$2,237,060 less than the final budget.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)

**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:

	<u>Balance at 12.31.21</u>	<u>Balance at 12.31.20</u>
PNC Special Revenue Bonds - 2017	\$ 1,759,000	\$ 2,230,800
PNC Special Revenue Bonds - 2012	<u>80,000</u>	<u>160,000</u>
Totals	<u>\$ 1,839,000</u>	<u>\$ 2,390,800</u>

See Note 4 to the basic financial statements for additional information on the District's long-term obligations.

**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, 2021

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash with fiscal agent . . . . .	\$ 5,465,890
Total assets . . . . .	\$ 5,465,890
 <b>Net position</b>	
Restricted for:	
Debt Service . . . . .	\$ 199
Capital projects . . . . .	39,731
Unrestricted. . . . .	5,425,960
Total net position . . . . .	\$ 5,465,890

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, 2021

		<b>Program Cash Receipts</b>		<b>Net (Disbursements) Receipts and Changes in Net Position</b>
	<b>Cash Disbursements</b>	<b>Charges for Services and Sales</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>
<b>Governmental activities:</b>				
Salaries and benefits. . . . .	\$ 3,503,646	\$ 429,257	\$ -	\$ (3,074,389)
Materials and supplies. . . . .	590,141	72,302	-	(517,839)
Contracted services. . . . .	1,213,833	148,715	-	(1,065,118)
Other. . . . .	1,112,778	136,335	-	(976,443)
Debt Service:				
Principal retirement. . . . .	551,800	-	80,000	(471,800)
Interest and fiscal charges. . . . .	92,187	-	20,029	(72,158)
Total governmental activities . . . . .	\$ 7,064,385	\$ 786,609	\$ 100,029	(6,177,747)
<b>General receipts:</b>				
Local taxes . . . . .				5,087,701
Grants, entitlements and donations not restricted to specific programs. . . . .				819,332
Donations. . . . .				250,210
Interest. . . . .				5,488
Miscellaneous . . . . .				149,174
Total general receipts. . . . .				6,311,905
Change in net position . . . . .				134,158
<b>Net position at beginning of year . . . . .</b>				5,331,732
<b>Net position at end of year . . . . .</b>				\$ 5,465,890

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, 2021

	<b>General</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>			
Cash with fiscal agent. . . . .	\$ 5,425,960	\$ 39,930	\$ 5,465,890
Total Assets	\$5,425,960	\$39,930	\$5,465,890
<b>Fund balances</b>			
Restricted:			
Capital projects . . . . .	\$ -	\$ 39,731	\$ 39,731
Debt service . . . . .	-	199	199
Assigned:			
Subsequent year appropriation . . . . .	2,251,308	-	2,251,308
Encumbrances . . . . .	1,586,114	-	1,586,114
Unassigned . . . . .	1,588,538	-	1,588,538
Total fund balances. . . . .	\$ 5,425,960	\$ 39,930	\$ 5,465,890

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, 2021

	<b>General</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Receipts:</b>			
Local taxes. . . . .	\$ 5,087,701	\$ -	\$ 5,087,701
Program income. . . . .	786,609		786,609
Intergovernmental. . . . .	819,332	-	819,332
Earnings on investments. . . . .	5,488	29	5,517
Donations and other grants. . . . .	250,210	100,000	350,210
Miscellaneous . . . . .	149,174	-	149,174
Total receipts. . . . .	7,098,514	100,029	7,198,543
<b>Disbursements:</b>			
Current:			
Conservation / recreation:			
Salaries and benefits. . . . .	3,503,646	-	3,503,646
Materials and supplies. . . . .	590,141	-	590,141
Contracted services. . . . .	1,213,833	-	1,213,833
Other. . . . .	1,112,778	-	1,112,778
Capital outlay. . . . .	-	-	-
Debt service:			
Principal retirement. . . . .		551,800	551,800
Interest and fiscal charges . . . . .	-	92,187	92,187
Total disbursements . . . . .	6,420,398	643,987	7,064,385
Excess of disbursements over receipts. . . . .	678,116	(543,958)	134,158
<b>Other financing sources (uses):</b>			
Transfers in . . . . .	-	557,076	557,076
Transfers (out). . . . .	(557,076)	-	(557,076)
Total other financing sources (uses). . . . .	(557,076)	557,076	-
Net change in fund balances . . . . .	121,040	13,118	134,158
<b>Fund balances at beginning</b>			
of year. . . . .	5,304,920	26,812	5,331,732
<b>Fund balances at end of year . . . . .</b>	<b>\$ 5,425,960</b>	<b>\$ 39,930</b>	<b>\$ 5,465,890</b>

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, 2021

	<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. . . . .	\$ 4,891,000	\$ 4,891,000	\$ 5,087,701	\$ 196,701
Program income. . . . .	497,380	497,380	786,609	289,229
Intergovernmental. . . . .	820,000	820,000	819,332	(668)
Earnings on investments. . . . .	30,000	30,000	5,488	(24,512)
Grants and donations. . . . .	962,569	962,569	250,210	(712,359)
Miscellaneous. . . . .	109,535	109,535	149,174	39,639
<b>Total receipts. . . . .</b>	<u>7,310,484</u>	<u>7,310,484</u>	<u>7,098,514</u>	<u>(211,970)</u>
<b>Disbursements:</b>				
Current:				
Conservation / recreation:				
Salaries and benefits. . . . .	4,295,592	4,277,439	3,446,767	830,672
Materials and supplies. . . . .	751,555	869,115	721,878	147,237
Contracted services. . . . .	1,740,604	2,227,998	1,616,643	611,355
Other. . . . .	2,337,683	2,812,141	2,164,345	647,796
<b>Total disbursements. . . . .</b>	<u>9,125,434</u>	<u>10,186,693</u>	<u>7,949,633</u>	<u>2,237,060</u>
Excess of disbursements over receipts. . . . .	<u>(1,814,950)</u>	<u>(2,876,209)</u>	<u>(851,119)</u>	<u>2,025,090</u>
<b>Other financing sources (uses):</b>				
Transfers out. . . . .	<u>(557,076)</u>	<u>(557,076)</u>	<u>(557,076)</u>	<u>-</u>
<b>Total other financing sources (uses). . . . .</b>	<u>(557,076)</u>	<u>(557,076)</u>	<u>(557,076)</u>	<u>-</u>
Net change in fund balance . . . . .	(2,372,026)	(3,433,285)	(1,408,195)	2,025,090
<b>Fund balance at beginning of year. . . . .</b>	4,797,443	4,797,443	4,797,443	-
<b>Prior year encumbrances appropriated. . . . .</b>	450,598	450,598	450,598	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 2,876,015</u>	<u>\$ 1,814,756</u>	<u>\$ 3,839,846</u>	<u>\$ 2,025,090</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 1 - REPORTING 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.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING**

**A. 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.

*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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**B. Cash with Fiscal Agent/Segregated Accounts**

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. The cash in segregated accounts are District funds held in a clearing account for health insurance payments.

**C. 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.

Other governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

**D. 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**E. 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 nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash

**2. Restricted**

Fund balance is reported as 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. Enabling legislation authorizes the District to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the District can be compelled by an external party—such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

**3. Committed**

The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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.

**F. Capital Assets**

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

**G. 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.

**H. 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.

**I. 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.

**J. 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.

**K. Interfund Activity**

Transfers within governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities.

Exchange transactions between funds are reported as receipts in the seller funds and disbursements in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented on the financial statements.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**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, 2021, the encumbrances outstanding at year end (budgetary basis) amounted to \$1,586,114 for the general fund.

**NOTE 4 - DEBT**

At December 31, 2021, debt obligations consisted of the following issuances:

<u>Description</u>	<u>Balance at 12/31/2021</u>
PNC Special Revenue Bonds, Series 2017 to refinance Series 2008 Special Revenue bonds and for capital projects, interest rate between 3.8% and 4.1%. Payments are made from the bond fund, a nonmajor governmental fund, and matures in 2022.	\$ 80,000
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.	1,759,000
Total	<u><u>\$ 1,839,000</u></u>

Transactions for the year ended December 31, 2021 is summarized as follows:

	<u>Balance at 12/31/2020</u>	<u>Proceeds</u>	<u>Retirements</u>	<u>Balance at 12/31/2021</u>
PNC Special Revenue Bonds - 2012	\$ 160,000	\$ -	\$ (80,000)	\$ 80,000
PNC Special Revenue Bonds - 2017	<u>2,230,800</u>	<u>-</u>	<u>(471,800)</u>	<u>1,759,000</u>
Total	<u>\$ 2,390,800</u>	<u>\$ -</u>	<u>\$ (551,800)</u>	<u>\$ 1,839,000</u>

The principal and interest requirements to retire the debt obligations outstanding at December 31, 2021, are as follows:

Year Ending December 31,	2017		2012		Total	
	<u>PNC Special Revenue Bonds Principal</u>	<u>Interest</u>	<u>PNC Special Revenue Bonds Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	<u>1,759,000</u>	<u>66,608</u>	<u>80,000</u>	<u>3,560</u>	<u>1,839,000</u>	<u>66,608</u>
Totals	<u>\$ 1,759,000</u>	<u>\$ 66,608</u>	<u>\$ 80,000</u>	<u>\$ 3,560</u>	<u>\$ 1,839,000</u>	<u>\$ 66,608</u>



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**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.

**NOTE 6 - DEFINED BENEFIT PENSION PLANS**

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - District employees, other than full-time police and firefighters, 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 Pension Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension 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 Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS ACFR referenced above for additional information):

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 6 - DEFINED BENEFIT PENSION PLANS - (Continued)**

<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>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<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>Traditional Plan 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>Traditional Plan 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>Traditional Plan 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
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
<b>Public Safety</b>	<b>Public Safety</b>	<b>Public Safety</b>
<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Law Enforcement</b>	<b>Law Enforcement</b>	<b>Law Enforcement</b>
<b>Age and Service Requirements:</b> Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>
<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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 3.00% 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 3.00%.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 6 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

	<u>State and Local</u>	<u>Law Enforcement</u>
<b>2021 Statutory Maximum Contribution Rates</b>		
Employer	14.0 %	18.1 %
Employee	10.0 %	**
<b>2021 Actual Contribution Rates</b>		
Employer:		
Pension	14.0 %	18.1 %
Post-employment Health Care Benefits	<u>0.0 %</u>	<u>0.0 %</u>
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>13.0 %</u>

\*\* This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

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

The District's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$368,675 for 2021.

**NOTE 7 - DEFINED BENEFIT OPEB PLANS**

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

**METROPARKS OF BUTLER COUNTY  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 7 - DEFINED BENEFIT OPEB PLANS - (Continued)**

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care was 0.00% for the Traditional and Combined plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021 was 4.00%.

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

**NOTE 8 - RISK MANAGEMENT**

The District belongs to the Ohio Plan Risk Management, Inc. (OPRM) (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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM’s property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 776 members as of December 31, 2019.

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, 2020 (the latest information available).

	<u>2020</u>
Assets	\$18,826,974
Liabilities	<u>(13,530,267)</u>
Members’ Equity	<u>\$5,296,707</u>

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

**NOTE 9 - CONTINGENT LIABILITES**

LITIGATION

The District is involved in no material litigation as either a 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.

**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:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 1,586,114

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**NOTE 11 - INTERFUND TRANSFERS**

Interfund transfers for the year ended December 31, 2021, consisted of the following, as reported on the fund financial statements:

<u>Transfers to nonmajor governmental funds from:</u>	<u>Amount</u>
General Fund	\$ 557,076

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers between governmental funds are eliminated for reporting in the statement of activities. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

**NOTE 12 - COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the District received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(UNAUDITED)**

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, 2020, 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 2020 are as follows:

- Net position increased \$2,116,250 which represents a 65.81% increase from 2019.
- General receipts accounted for \$7,382,519, or 94.66% of all receipts. Program specific receipts, in the form of charges for services and sales and capital grants and contributions, accounted for \$416,287 or 5.34% of total receipts of \$7,798,806.
- The District had \$5,682,556 in disbursements related to governmental activities; program-specific charges for services, grants and contributions offset only \$416,287 of these disbursements. General receipts supporting governmental activities totaling \$7,382,519 including local taxes, unrestricted grants and entitlements and miscellaneous receipts, were adequate to provide for these programs.
- The District's receipts remained stable with a slight increase of \$20,128 or .26% from the prior year. Additionally, the disbursements decreased \$1,769,075 or 23.74% from the prior year. This decrease was primarily a result of the District's completion of Clean Ohio projects.

**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.

**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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(UNAUDITED)**

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 2020, 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.

**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 debt service fund. The programs reported in the governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.



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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(UNAUDITED)

**The District as a Whole**

Table 1 provides a summary of the District's net position for 2020 and 2019.

**Table 1  
Net Position**

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
<b><u>Assets:</u></b>		
Cash with Fiscal Agent	\$ 5,274,853	\$ 3,186,853
Cash in Segregated Accounts	56,879	28,629
Total assets	\$ 5,331,732	\$ 3,215,482
<b><u>Net position:</u></b>		
Restricted	\$ 26,812	\$ 106,729
Unrestricted	5,304,920	3,108,753
Total net position	\$ 5,331,732	\$ 3,215,482

The District's cash balance and net position at December 31, 2020 amounted to \$5,331,732. Of this amount, \$26,812 is restricted as to use.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(UNAUDITED)

Table 2 reflects the change in net position in 2020 and 2019.

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

	Governmental Activities		Change
	2020	2019	
<b>Receipts:</b>			
Program cash receipts:			
Charges for services and sales	\$ 315,740	\$ 1,091,812	\$ (776,072)
Capital Grants and Contributions	100,547	608,123	(507,576)
Total program cash receipts	<u>416,287</u>	<u>1,699,935</u>	<u>(1,283,648)</u>
General receipts:			
Local taxes	4,918,187	4,897,974	20,213
Grants, entitlements and donations not restricted by specific program	1,406,840	1,091,810	315,030
Interest	31,292	79,757	(48,465)
Miscellaneous	489	9,202	(8,713)
Sale of assets	1,025,711	-	1,025,711
Total general receipts	<u>7,382,519</u>	<u>6,078,743</u>	<u>1,303,776</u>
Total receipts	<u>7,798,806</u>	<u>7,778,678</u>	<u>20,128</u>
<b>Disbursements:</b>			
Salaries and benefits	2,940,532	3,363,538	(423,006)
Materials and supplies	344,809	671,225	(326,416)
Contracted service	865,577	1,210,259	(344,682)
Other	154,345	996,164	(841,819)
Capital outlay	598,689	485,833	112,856
Debt Service:			
Principal retirement	664,468	589,356	75,112
Interest and fiscal charges	114,136	135,256	(21,120)
Total disbursements	<u>5,682,556</u>	<u>7,451,631</u>	<u>(1,769,075)</u>
Change in net position	2,116,250	327,047	1,789,203
Net position at beginning of year	<u>3,215,482</u>	<u>2,888,435</u>	<u>327,047</u>
Net position at end of year	<u>\$ 5,331,732</u>	<u>\$ 3,215,482</u>	<u>\$ 2,116,250</u>

**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. 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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(UNAUDITED)

**Table 3  
Governmental Activities**

	<u>Total Cost of Services 2020</u>	<u>Net Cost of Services 2020</u>	<u>Total Cost of Services 2019</u>	<u>Net Cost of Services 2019</u>
Disbursements:				
Salaries and benefits	\$ 2,940,532	\$ 2,749,651	\$ 3,363,538	\$ 2,825,280
Materials and supplies	344,809	322,426	671,225	564,717
Contracted service	865,577	809,389	1,210,259	1,020,190
Other	154,345	144,888	996,164	739,187
Capital outlay	598,689	561,689	485,833	(20,632)
Debt Service:				
Principal retirement	664,468	584,468	589,356	509,356
Interest and fiscal charges	114,136	93,758	135,256	113,598
Totals	<u>\$ 5,682,556</u>	<u>\$ 5,266,269</u>	<u>\$ 7,451,631</u>	<u>\$ 5,751,696</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 2020, the District had a total ending fund balance of \$5,331,732.

The general fund and the debt service fund are the major funds of the District. At the end of 2020, unassigned fund balance in the general fund was \$2,482,396. 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 49.88% of the total general fund disbursements.

Receipts exceeded disbursements in the general fund by \$1,695,881, excluding other financing sources and uses in 2020. Local taxes account for 73.71% of receipts in the general fund. Salaries and benefits account for 59.99% of disbursements in the general fund. The general fund balance increased \$2,193,353 from \$3,111,567 to an ending balance of \$5,304,920.

The debt service fund had a zero fund balance at year end. The fund had transfers in of \$575,091 from the general fund that were used to payment principal of \$471,800 and interest of \$103,496.

**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.

During the course of 2020, the District amended its general fund budget several times. For the general fund, final budgeted receipts and other financing sources were \$6,516,937 which were \$789,359 less than original budgeted receipts. Actual receipts and other financing sources for 2020 were \$7,745,111; this represents a \$1,228,174 increase from final budgeted receipts. Variances between actual receipts and the final budgeted receipts were due to the timing of program revenues and tax revenue and the sale of land.

General fund final budgeted disbursements and other financing uses were \$6,808,638 which were less than original budgeted disbursements of \$8,931,637. Actual budget-basis disbursements and other financing uses for 2020 totaled \$6,007,841 and were \$800,797 less than the final budget.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(UNAUDITED)

**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:

	<u>Balance at 12.31.20</u>	<u>Balance at 12.31.19</u>
PNC Special Revenue Bonds - 2017	\$ 2,230,800	\$ 2,702,600
Stander Trust General Obligation Notes	-	112,668
PNC Special Revenue Bonds - 2012	<u>160,000</u>	<u>240,000</u>
Totals	<u>\$ 2,390,800</u>	<u>\$ 3,055,268</u>

See Note 4 to the basic financial statements for additional information on the District's long-term obligations.

**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, 2020

		<u>Governmental Activities</u>
<b>Assets</b>		
Cash with fiscal agent . . . . .	\$	5,274,853
Cash in Segregated Accounts. . . . .		<u>56,879</u>
<b>Total assets . . . . .</b>	<b>\$</b>	<b><u>5,331,732</u></b>
 <b>Net position</b>		
Restricted for:		
Capital projects . . . . .	\$	26,812
Unrestricted. . . . .		<u>5,304,920</u>
<b>Total net position . . . . .</b>	<b>\$</b>	<b><u>5,331,732</u></b>

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, 2020

	<u>Cash</u>	<u>Program Cash Receipts</u>		<u>Net (Disbursements)</u>
	<u>Disbursements</u>	<u>Charges for</u>	<u>Capital Grants</u>	<u>Receipts and Changes</u>
		<u>Services and</u>	<u>and</u>	<u>in Net Position</u>
		<u>Sales</u>	<u>Contributions</u>	<u>Governmental</u>
				<u>Activities</u>
<b>Governmental activities:</b>				
Salaries and benefits. . . . .	\$ 2,940,532	\$ 190,881	\$ -	\$ (2,749,651)
Materials and supplies. . . . .	344,809	22,383	-	(322,426)
Contracted services. . . . .	865,577	56,188	-	(809,389)
Other. . . . .	154,345	9,457	-	(144,888)
Capital outlay. . . . .	598,689	36,831	169	(561,689)
<b>Debt Service:</b>				
Principal retirement. . . . .	664,468	-	80,000	(584,468)
Interest and fiscal charges. . . . .	114,136	-	20,378	(93,758)
<b>Total governmental activities . . . . .</b>	<b><u>\$ 5,682,556</u></b>	<b><u>\$ 315,740</u></b>	<b><u>\$ 100,547</u></b>	<b><u>(5,266,269)</u></b>
<b>General receipts:</b>				
Local taxes . . . . .				4,918,187
Grants, entitlements and donations not restricted to specific programs. . . . .				1,406,840
Donations. . . . .				31,292
Interest. . . . .				489
Miscellaneous . . . . .				1,025,711
Sale of assets. . . . .				<u>7,382,519</u>
<b>Total general receipts. . . . .</b>				<b>7,382,519</b>
 Change in net position . . . . .				 2,116,250
 Net position at beginning of year . . . . .				 <u>3,215,482</u>
 Net position at end of year . . . . .				 <u>\$ 5,331,732</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, 2020

	<b>General</b>	<b>Debt Service Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>				
Cash with fiscal agent . . . . .	\$ 5,248,041	\$ -	\$ 26,812	\$ 5,274,853
Cash in Segregated Accounts . . . . .	56,879		-	56,879
<b>Total Assets</b>	<b>\$5,304,920</b>	<b>\$ -</b>	<b>\$26,812</b>	<b>\$5,331,732</b>
<b>Fund balances</b>				
Restricted:				
Capital projects . . . . .	\$ -	\$ -	\$ 26.812	\$ 26.812
Assigned:				
Subsequent year appropriation . . . . .	2,372,026	-	-	2,372,026
Encumbrances . . . . .	450,498	-	-	450,498
Unassigned . . . . .	2,482,396	-	-	2,482,396
<b>Total fund balances . . . . .</b>	<b>\$ 5,304,920</b>	<b>\$ -</b>	<b>\$ 26,812</b>	<b>\$5,331,732</b>

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, 2020

	General	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Receipts:</b>				
Local taxes. . . . .	\$ 4,918,187	\$ -	\$ -	\$ 4,918,187
Program income. . . . .	315,740	-	-	315,740
Intergovernmental. . . . .	891,438	-	100,000	991,438
Earnings on investments. . . . .	31,292	-	547	31,839
Donations and other grants. . . . .	515,402	-	-	515,402
Miscellaneous . . . . .	489	-	-	489
Total receipts. . . . .	<u>6,672,548</u>	<u>-</u>	<u>100,547</u>	<u>6,773,095</u>
<b>Disbursements:</b>				
Current:				
Conservation / recreation:				
Salaries and benefits. . . . .	2,940,532	-	-	2,940,532
Materials and supplies. . . . .	344,809	-	-	344,809
Contracted services. . . . .	865,577	-	-	865,577
Other. . . . .	145,693	-	8,652	154,345
Capital outlay. . . . .	567,388	-	31,301	598,689
Debt service:				
Principal retirement. . . . .	112,668	471,800	80,000	664,468
Interest and fiscal charges . . . . .	-	103,496	10,640	114,136
Total disbursements . . . . .	<u>4,976,667</u>	<u>575,296</u>	<u>130,593</u>	<u>5,682,556</u>
Excess of disbursements over receipts. . . . .	<u>1,695,881</u>	<u>(575,296)</u>	<u>(30,046)</u>	<u>1,090,539</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	46,852	575,091	-	621,943
Transfers (out). . . . .	(575,091)	-	(46,852)	(621,943)
Sale of assets. . . . .	1,025,711	-	-	1,025,711
Total other financing sources (uses). . . . .	<u>497,472</u>	<u>575,091</u>	<u>(46,852)</u>	<u>1,025,711</u>
Net change in fund balances . . . . .	2,193,353	(205)	(76,898)	2,116,250
<b>Fund balances at beginning</b>				
of year. . . . .	3,111,567	205	103,710	3,215,482
Fund balances at end of year . . . . .	<u>\$ 5,304,920</u>	<u>\$ -</u>	<u>\$ 26,812</u>	<u>\$ 5,331,732</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, 2020

	<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. . . . .	\$ 4,725,000	\$ 4,725,000	\$ 4,918,187	\$ 193,187
Program income. . . . .	1,077,996	288,637	315,740	27,103
Intergovernmental. . . . .	820,000	820,000	891,438	71,438
Earnings on investments. . . . .	40,000	40,000	31,292	(8,708)
Grants and donations. . . . .	642,700	642,700	515,402	(127,298)
Miscellaneous . . . . .	600	600	489	(111)
Total receipts. . . . .	<u>7,306,296</u>	<u>6,516,937</u>	<u>6,672,548</u>	<u>155,611</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Conservation / recreation:				
Salaries and benefits. . . . .	3,841,584	3,171,657	2,940,633	231,024
Materials and supplies. . . . .	883,103	576,305	380,996	195,309
Contracted services. . . . .	1,843,413	1,338,788	921,176	417,612
Other. . . . .	1,183,502	541,853	509,889	31,964
Capital outlay. . . . .	567,388	567,388	567,388	-
Debt service:				
Principal retirement. . . . .	37,556	37,556	112,668	(75,112)
Total disbursements . . . . .	<u>8,356,546</u>	<u>6,233,547</u>	<u>5,432,750</u>	<u>800,797</u>
Excess of disbursements over receipts. . . . .	<u>(1,050,250)</u>	<u>283,390</u>	<u>1,239,798</u>	<u>956,408</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	-	46,852	46,852
Transfers out. . . . .	(575,091)	(575,091)	(575,091)	-
Sale of assets . . . . .	-	-	1,025,711	1,025,711
Total other financing sources (uses). . . . .	<u>(575,091)</u>	<u>(575,091)</u>	<u>497,472</u>	<u>1,072,563</u>
Net change in fund balance . . . . .	(1,625,341)	(291,701)	1,737,270	2,028,971
Fund balance at beginning of year. . . . .	2,668,711	2,668,711	2,668,711	-
Prior year encumbrances appropriated. . . . .	391,462	391,462	391,462	-
Fund balance at end of year. . . . .	<u>\$ 1,434,832</u>	<u>\$ 2,768,472</u>	<u>\$ 4,797,443</u>	<u>\$ 2,028,971</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
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**NOTE 1 - REPORTING 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.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING**

**A. 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  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 2 - 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.

**B. Cash with Fiscal Agent/Segregated Accounts**

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. The cash in segregated accounts are District funds held in a clearing account for health insurance payments.

**C. 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.

*Debt Service Fund* - The debt service fund is used to account for the accumulated of resources and payment of bond principal, interest and related costs.

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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**D. 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.

**E. 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 nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash

**2. Restricted**

Fund balance is reported as 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. Enabling legislation authorizes the District to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the District can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

**METROPARKS OF BUTLER COUNTY  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**3. Committed**

The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those 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.

**F. Capital Assets**

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

**G. 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.

**METROPARKS OF BUTLER COUNTY  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**H. 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.

**I. 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.

**J. 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.

**K. Interfund Activity**

Transfers within governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities.

Exchange transactions between funds are reported as receipts in the seller funds and disbursements in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented on the financial statements.

**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, 2020, the encumbrances outstanding at year end (budgetary basis) amounted to \$450,498 for the general fund.

**METROPARKS OF BUTLER COUNTY  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
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**NOTE 4 - DEBT**

At December 31, 2020, debt obligations consisted of the following issuances:

<u>Description</u>	<u>Balance at 12/31/2020</u>
PNC Special Revenue Bonds, Series 2017 to refinance Series 2008 Special Revenue bonds and for capital projects, interest rate between 3.8% and 4.1%. Payments are made from the bond fund, a nonmajor governmental fund, and matures in 2022.	\$ 2,230,800
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. This land was sold and the note was repaid in 2020.	-
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.	160,000
<b>Total</b>	<u><u>\$ 2,390,800</u></u>

Transactions for the year ended December 31, 2020 is summarized as follows:

	<u>Balance at 12/31/2019</u>	<u>Proceeds</u>	<u>Retirements</u>	<u>Balance at 12/31/2020</u>
Stander Trust General Obligation Notes - 2003	\$ 112,668	\$ -	\$ (112,668)	\$ -
PNC Special Revenue Bonds - 2012	240,000	-	(80,000)	160,000
PNC Special Revenue Bonds - 2017	<u>2,702,600</u>	-	<u>(471,800)</u>	<u>2,230,800</u>
<b>Total</b>	<u>\$ 3,055,268</u>	<u>\$ -</u>	<u>\$ (664,468)</u>	<u>\$ 2,390,800</u>

The principal and interest requirements to retire the debt obligations outstanding at December 31, 2020, are as follows:

<u>Year Ending December 31,</u>	<u>2017</u>		<u>2012</u>		<u>Total</u>	
	<u>PNC Special Revenue Bonds Principal</u>	<u>Interest</u>	<u>PNC Special Revenue Bonds Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 471,800	\$ 85,052	\$ 80,000	\$ 7,120	\$ 551,800	\$ 92,172
2022	<u>1,759,000</u>	<u>66,608</u>	<u>80,000</u>	<u>3,560</u>	<u>1,839,000</u>	<u>70,168</u>
<b>Totals</b>	<u>\$ 2,230,800</u>	<u>\$ 151,660</u>	<u>\$ 160,000</u>	<u>\$ 10,680</u>	<u>\$ 2,390,800</u>	<u>\$ 162,340</u>

**METROPARKS OF BUTLER COUNTY  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**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.

**NOTE 6 - DEFINED BENEFIT PENSION PLANS**

*Plan Description – Ohio Public Employees Retirement System (OPERS)*

Plan Description - District employees, other than full-time police and firefighters, 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 Pension Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension 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.

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**METROPARKS OF BUTLER COUNTY  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(SEE ACCOUNTANT'S COMPILATION REPORT)

**NOTE 6 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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 Pension 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>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<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>Traditional Plan 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>Traditional Plan 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>Traditional Plan 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
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
<b>Public Safety</b>	<b>Public Safety</b>	<b>Public Safety</b>
<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Law Enforcement</b>	<b>Law Enforcement</b>	<b>Law Enforcement</b>
<b>Age and Service Requirements:</b> Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	<b>Age and Service Requirements:</b> Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>	<b>Public Safety and Law Enforcement</b>
<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	<b>Traditional Plan Formula:</b> 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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**NOTE 6 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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 3.00% 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 3.00%.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 6 - DEFINED BENEFIT PENSION PLANS - (Continued)**

	<u>State and Local</u>	<u>Law Enforcement</u>
<b>2020 Statutory Maximum Contribution Rates</b>		
Employer	14.0 %	18.1 %
Employee	10.0 %	**
<b>2020 Actual Contribution Rates</b>		
Employer:		
Pension	14.0 %	18.1 %
Post-employment Health Care Benefits	<u>0.0 %</u>	<u>0.0 %</u>
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>13.0 %</u>

\*\* This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

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

The District's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$330,716 for 2020.

**NOTE 7 - DEFINED BENEFIT OPEB PLANS**

*Plan Description – Ohio Public Employees Retirement System (OPERS)*

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

**METROPARKS OF BUTLER COUNTY  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 7 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care was 0.00% for the Traditional and Combined plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.00%.

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

**NOTE 8 - RISK MANAGEMENT**

The District belongs to the Ohio Plan Risk Management, Inc. (OPRM) (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. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 776 members as of December 31, 2019.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 8 - RISK MANAGEMENT - (Continued)**

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, 2019 (the latest information available).

	<u>2019</u>
Assets	\$15,920,504
Liabilities	(11,329,011)
Members'	
Equity	<u>\$4,591,493</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

Lawsuits are pending against the District. The District's management is unable to predict the likelihood of an unfavorable outcome in these matters.

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.

**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:

	<u>Year-End</u>
<u>Fund</u>	<u>Encumbrances</u>
General fund	\$ 450,498

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(SEE ACCOUNTANT'S COMPILATION REPORT)

**NOTE 11 - INTERFUND TRANSFERS**

Interfund transfers for the year ended December 31, 2020, consisted of the following, as reported on the fund financial statements:

<u>Transfers to nonmajor governmental funds from:</u>	<u>Amount</u>
General Fund	\$ 575,091
<u>Transfers to General Fund from:</u>	
Nonmajor governmental funds	<u>46,852</u>
Total	<u>\$ 621,943</u>

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers between governmental funds are eliminated for reporting in the statement of activities. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

**NOTE 12 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

# OHIO AUDITOR OF STATE KEITH FABER



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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 of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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, (the Park District) as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Park District's basic financial statements and have issued our report thereon dated February 27, 2023, wherein we noted the Park District uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Park District.

### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Park District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Park District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Park District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Park District's financial statements will not be prevented, or detected and corrected, on a timely basis. *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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Park District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Park District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Park District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio  
February 27, 2023



# Metroparks of Butler County

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

DECEMBER 31, 2021 AND 2020

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2019-001	Initially occurred in 2016 – Inaccurate financial reporting	Corrected	



# OHIO AUDITOR OF STATE KEITH FABER



**METROPARKS OF BUTLER COUNTY**

**BUTLER COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 3/16/2023**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)