



OHIO AUDITOR OF STATE
KEITH FABER



**FIVE RIVERS METROPARKS
MONTGOMERY COUNTY
DECEMBER 31, 2019 AND 2018**

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INDEPENDENT AUDITOR'S REPORT

Five Rivers MetroParks
Montgomery County
409 East Monument Avenue, 3rd Floor
Dayton, Ohio 45402

To the Board of Park Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Five Rivers MetroParks, Montgomery County, Ohio (MetroParks) as of and for the years ended December 31, 2019 and 2018.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, MetroParks prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though MetroParks does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of MetroParks as of December 31, 2019 and 2018, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of Five Rivers MetroParks, Montgomery County as of December 31, 2019 and 2018, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 12 to the financial statements for the year ended December 31, 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of MetroParks. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2020, on our consideration of MetroParks' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MetroParks' internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

May 20, 2020

**FIVE RIVERS METROPARKS
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts				
Levy Funds	\$18,481,775			\$18,481,775
Intergovernmental	1,186,086	\$165,688	\$33,592	1,385,366
Charges for Services	1,208,431	46,150		1,254,581
Investment Earnings	221,592	5,665		227,257
Gifts, Donations and Sponsorships	124,938		498,021	622,959
Miscellaneous	290,640	1,262		291,902
<i>Total Cash Receipts</i>	<u>21,513,462</u>	<u>218,765</u>	<u>531,613</u>	<u>22,263,840</u>
Cash Disbursements				
Current:				
Salaries and Benefits	14,064,485			14,064,485
Supplies and Operating Expenses	2,783,220	23,010		2,806,230
Contracts and Operating Services	2,310,634	200		2,310,834
Intergovernmental	414,528			414,528
Capital Outlay	814,263	160,516	729,441	1,704,220
<i>Total Cash Disbursements</i>	<u>20,387,130</u>	<u>183,726</u>	<u>729,441</u>	<u>21,300,297</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>1,126,332</u>	<u>35,039</u>	<u>(197,828)</u>	<u>963,543</u>
Other Financing Receipts (Disbursements)				
Transfers In		15,820	634,269	650,089
Transfers Out	(650,089)			(650,089)
Other Financing Sources	82,662			82,662
Other Financing Uses	737			737
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(566,690)</u>	<u>15,820</u>	<u>634,269</u>	<u>83,399</u>
<i>Net Change in Fund Cash Balances</i>	<u>559,642</u>	<u>50,859</u>	<u>436,441</u>	<u>1,046,942</u>
<i>Fund Cash Balances, January 1</i>	<u>6,915,884</u>	<u>533,335</u>	<u>570,349</u>	<u>8,019,568</u>
Fund Cash Balances, December 31				
Restricted		584,194		584,194
Committed			1,006,790	1,006,790
Assigned	4,471,931			4,471,931
Unassigned	3,003,595			3,003,595
<i>Fund Cash Balances, December 31</i>	<u>\$7,475,526</u>	<u>\$584,194</u>	<u>\$1,006,790</u>	<u>\$9,066,510</u>

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

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Five Rivers MetroParks
Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 – Reporting Entity

Five Rivers MetroParks, Montgomery County, (MetroParks) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The probate judge of Montgomery County appoints a three-member Board of Park Commissioners to govern MetroParks. 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 James M. Cox, Jr. Arboretum Foundation (the Cox Arboretum Foundation) is also associated with MetroParks. The Cox Arboretum Foundation is a not for profit organization exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code. The primary objective of the Foundation is to provide a “living museum” for the Dayton community where people of all ages can come to learn about and engage with nature. The Foundation supports the management and operation of Cox Arboretum MetroPark. Further information regarding this organization can be obtained by writing James M. Cox, Jr. Arboretum Foundation, 6733 Springboro Pike, Dayton, Ohio 45449 or by phone at (937) 277-4369.

The Cox Arboretum Foundation is considered a component unit of MetroParks because the economic resources received or held by the Cox Arboretum Foundation are entirely for the direct benefit of Cox Arboretum MetroPark. MetroParks, is entitled to, or has the ability to otherwise access a majority of the economic resources received or held by the Cox Arboretum Foundation. The economic resources received or held by the Cox Arboretum Foundation that MetroParks, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The Five Rivers MetroParks Foundation (the FRMP Foundation) is associated with MetroParks. The FRMP Foundation is a not for profit organization exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code. The primary purpose of the FRMP Foundation is to provide Five Rivers MetroParks with a 501(c)(3) entity for securing philanthropic funding for special projects, programming and endowment. The FRMP Foundation provides a way for donors to support MetroParks with charitable contributions that will support all MetroParks or one specific park. Donations also can be directed to support educational and recreational services, as well as conservation initiatives. Further information can be obtained by contacting the Five Rivers MetroParks Foundation, 409 E. Monument Avenue, 3rd Floor, Dayton, Ohio 45402 or by phone at (937) 277-4369.

Five Rivers MetroParks
Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 1 – Reporting Entity (Continued)

The FRMP Foundation is considered a component unit of MetroParks because the economic resources received or held by the FRMP Foundation are entirely for the direct benefit of MetroParks. MetroParks, is entitled to, or has the ability to otherwise access a majority of the economic resources received or held by the FRMP Foundation. The economic resources received or held by the FRMP Foundation that MetroParks, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The Wegerzyn Gardens Foundation (the Wegerzyn Foundation) is associated with MetroParks. The Wegerzyn Foundation is a not for profit organization exempt from Federal Income taxes under Section 501(c)(3) of the Internal Revenue Service Code. The primary purpose of the Wegerzyn Foundation is to conduct fundraising, to increase awareness and support the programs and continued development of Wegerzyn Gardens MetroPark, a facility of Five Rivers MetroParks. Further information can be obtained by contacting the Wegerzyn Gardens Foundation, 1301 East Siebenthaler Avenue, Dayton, OH 45414 or by phone at (937) 474-3760.

The Wegerzyn Foundation is considered a component unit of MetroParks because the economic resources received or held by the Wegerzyn Foundation are entirely for the direct benefit of MetroParks. MetroParks is entitled to, or has the ability to otherwise access a majority of the economic resources received or held by the Wegerzyn Foundation. The economic resources received or held by the Wegerzyn Foundation that MetroParks, is entitled to, or has the ability to otherwise access, are significant to that primary government.

Metro Parks participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

MetroParks' management believes these financial statements present all activities for which MetroParks is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

MetroParks' financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which are organized on a fund type basis.

Fund Accounting

MetroParks 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. The funds of MetroParks are presented below:

Five Rivers MetroParks
Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

General Fund - The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to MetroParks for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds - These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. MetroParks had the following significant Special Revenue Funds:

State and Local Grants Fund – This fund receives proceeds from state agencies and donations. These proceeds are mainly for projects and maintenance of MetroParks' capital items.

RiverScape Replacement Reserve Fund – This fund receives proceeds from various local governments. These proceeds are used to reimburse MetroParks for large expenses at RiverScape MetroPark.

Wetland Mitigation Bank Fund – This fund receives charges for services. The proceeds are used for wetland mitigation activities.

Capital Project Funds - These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. MetroParks had the following capital project fund:

Five Rivers MetroParks Capital (Construction) Fund – This fund receives proceeds primarily from gifts, donations, and sponsorships and General Fund transfers. The proceeds are being used to fund various park capital projects.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. MetroParks recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Five Rivers MetroParks
Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

Budgetary Process

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

Appropriations - Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund or object level of control, and appropriations may not exceed estimated resources. MetroParks' Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

Estimated Resources - Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances - The Ohio Revised Code requires MetroParks to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2019 budgetary activity appears in Note 3.

Deposit and Investments

MetroParks' accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

Capital Assets

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

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.

Five Rivers MetroParks
Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which MetroParks must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable - MetroParks classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

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

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 MetroParks' Commissioners or a MetroParks official delegated that authority by resolution, or by State Statute.

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

MetroParks 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.

Five Rivers MetroParks
Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$20,648,267	\$21,596,861	\$948,594
Special Revenue	834,311	234,585	(599,726)
Capital Projects	1,016,799	1,165,882	149,083
Total	\$22,499,377	\$22,997,328	\$497,951

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$23,335,007	\$21,037,219	\$2,297,788
Special Revenue	1,176,949	183,726	993,223
Capital Projects	1,575,245	729,441	845,804
Total	\$26,087,201	\$21,950,386	\$4,136,815

Note 4 – Deposits and Investments

MetroParks maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2019
Demand deposits	\$482,794
Total deposits	482,794
STAR Ohio	8,581,552
STAR Ohio Plus	2,164
Total investments	8,583,716
Total deposits and investments	\$9,066,510

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Five Rivers MetroParks
Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 4 – Deposits and Investments (Continued)

Investments

Investments in STAR Ohio and STAR Plus are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Property Taxes

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 February 14. The second half payment is due the following July 20.

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

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

Note 6 – Risk Management

Workers' Compensation

MetroParks insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

Risk Pool Membership

MetroParks is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of MetroParks' policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2018, the most recent information available:

Five Rivers MetroParks
Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 6 – Risk Management (Continued)

	<u>2018</u>
Cash and investments	\$ 35,381,789
Actuarial liabilities	\$12,965,015

The above table is the most recent information available at the time the footnotes were prepared.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2018, OPERS members in classifications other than law enforcement contributed 10% of their gross salaries. Members in law enforcement classifications, which consist generally of park rangers, contributed 13% of their gross salaries in 2019. MetroParks contributed an amount equaling 14% of participants' gross salaries for members other than law enforcement. MetroParks contributed an amount equal to 18.1% of participants' gross salaries for members of law enforcement. MetroParks has paid all contributions required through December 31, 2019.

Note 8 – Postemployment Benefits

OPERS offer cost sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to Health Reimbursement Arrangement and Medicare Part B Premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2019.

Note 9 – Contingent Liabilities

Amounts grantor agencies pay to MetroParks 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.

Five Rivers MetroParks
Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 10 – Fund Balance

Fund balance is classified as non-spendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which MetroParks is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the General Fund, Special Revenue Funds and Capital Projects Fund for the year ended December 31, 2019, are presented as follows:

Year Ended December 31, 2019	General Fund	Special Revenue Funds	Capital Projects Fund	Total Governmental Funds
<i>Fund Balance</i>				
Restricted				
State & Local Grants Fund		\$246,665		\$246,665
Federal Grants		42,665		42,665
Law Enforcement Drug Fine Fund		15,545		15,545
State Forfeitures		21,937		21,937
Law Enforcement Training		12,150		12,150
RiverScape Replacement Fund		36,203		36,203
Wetland Mitigation Bank Fund		150,638		150,638
River Run Debris Removal Fund		58,391		58,391
Total Restricted		<u>584,194</u>		<u>584,194</u>
Committed				
Construction Fund			1,006,790	1,006,790
Total Committed			<u>1,006,790</u>	<u>1,006,790</u>
Assigned				
Subsequent Year Appropriations	4,471,931			4,471,931
Total Assigned	<u>4,471,931</u>			<u>4,471,931</u>
Unassigned				
	<u>3,003,595</u>			<u>3,003,595</u>
Total Fund Balances	<u>\$7,475,526</u>	<u>\$584,194</u>	<u>\$1,006,790</u>	<u>\$9,066,510</u>

Five Rivers MetroParks
Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2019

Note 11 – Interfund Activity

The following is a summary of the interfund activity for the year ended December 31, 2019.

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		650,089
Special Revenue Funds	15,820	
Capital Projects Fund	<u>634,269</u>	
Total	<u>650,089</u>	<u>650,089</u>

Transfers were made from the General fund to the Capital Projects Fund and the Federal Grants, State & Local Grants, and RiverScape Replacement Reserve Funds to stabilize these funds.

Note 12 – Subsequent Events

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of MetroParks. MetroParks' investment portfolio and the investments of the pension and other employee benefit plan in which MetroParks participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on MetroParks' future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Additionally, in May 2020 MetroParks approved the Deeds Point Bridge Project, which includes anticipated funding from the Ohio Department of Transportation of \$2.1 million.

**FIVE RIVERS METROPARKS
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts				
Levy Funds	\$14,441,526			\$14,441,526
Intergovernmental	2,375,911	\$98,448		2,474,359
Charges for Services	1,033,627	18,200		1,051,827
Investment Earnings	136,883	2,338		139,221
Gifts, Donations and Sponsorships	184,720	119,603	\$177,903	482,226
Miscellaneous	732,431	1,614	39,636	773,681
<i>Total Cash Receipts</i>	<u>18,905,098</u>	<u>240,203</u>	<u>217,539</u>	<u>19,362,840</u>
Cash Disbursements				
Current:				
Salaries and Benefits	13,490,837			13,490,837
Supplies and Operating Expenses	2,840,294	22,448		2,862,742
Contracts and Operating Services	2,395,318	400		2,395,718
Intergovernmental	432,144			432,144
Capital Outlay	1,010,146	89,650	576,137	1,675,933
<i>Total Cash Disbursements</i>	<u>20,168,739</u>	<u>112,498</u>	<u>576,137</u>	<u>20,857,374</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(1,263,641)</u>	<u>127,705</u>	<u>(358,598)</u>	<u>(1,494,534)</u>
Other Financing Receipts (Disbursements)				
Transfers In		191,500	280,368	471,868
Transfers Out	(471,868)			(471,868)
Other Financing Sources	64,589			64,589
Other Financing Uses	(2,087)			(2,087)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(409,366)</u>	<u>191,500</u>	<u>280,368</u>	<u>62,502</u>
<i>Net Change in Fund Cash Balances</i>	<u>(1,673,007)</u>	<u>319,205</u>	<u>(78,230)</u>	<u>(1,432,032)</u>
<i>Fund Cash Balances, January 1</i>	<u>8,588,891</u>	<u>214,130</u>	<u>648,579</u>	<u>9,451,600</u>
Fund Cash Balances, December 31				
Restricted		533,335		533,335
Committed			570,349	570,349
Assigned	2,686,740			2,686,740
Unassigned	4,229,144			4,229,144
<i>Fund Cash Balances, December 31</i>	<u>\$6,915,884</u>	<u>\$533,335</u>	<u>\$570,349</u>	<u>\$8,019,568</u>

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

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Five Rivers MetroParks
Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 – Reporting Entity

Five Rivers MetroParks, Montgomery County, (MetroParks) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The probate judge of Montgomery County appoints a three-member Board of Park Commissioners to govern MetroParks. 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 James M. Cox, Jr. Arboretum Foundation (the Cox Arboretum Foundation) is also associated with MetroParks. The Cox Arboretum Foundation is a not for profit organization exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code. The primary objective of the Foundation is to provide a “living museum” for the Dayton community where people of all ages can come to learn about and engage with nature. The Foundation supports the management and operation of Cox Arboretum MetroPark. Further information regarding this organization can be obtained by writing James M. Cox, Jr. Arboretum Foundation, 6733 Springboro Pike, Dayton, Ohio 45449 or by phone at (937) 277-4369.

The Cox Arboretum Foundation is considered a component unit of MetroParks because the economic resources received or held by the Cox Arboretum Foundation are entirely for the direct benefit of Cox Arboretum MetroPark. MetroParks, is entitled to, or has the ability to otherwise access a majority of the economic resources received or held by the Cox Arboretum Foundation. The economic resources received or held by the Cox Arboretum Foundation that MetroParks, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The Five Rivers MetroParks Foundation (the FRMP Foundation) is associated with MetroParks. The FRMP Foundation is a not for profit organization exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code. The primary purpose of the FRMP Foundation is to provide Five Rivers MetroParks with a 501(c)(3) entity for securing philanthropic funding for special projects, programming and endowment. The FRMP Foundation provides a way for donors to support MetroParks with charitable contributions that will support all MetroParks or one specific park. Donations also can be directed to support educational and recreational services, as well as conservation initiatives. Further information can be obtained by contacting the Five Rivers MetroParks Foundation, 409 E. Monument Avenue, 3rd Floor, Dayton, Ohio 45402 or by phone at (937) 277-4369.

Five Rivers MetroParks
Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 1 – Reporting Entity (Continued)

The FRMP Foundation is considered a component unit of MetroParks because the economic resources received or held by the FRMP Foundation are entirely for the direct benefit of MetroParks. MetroParks, is entitled to, or has the ability to otherwise access a majority of the economic resources received or held by the FRMP Foundation. The economic resources received or held by the FRMP Foundation that MetroParks, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The Wegerzyn Gardens Foundation (the Wegerzyn Foundation) is associated with MetroParks. The Wegerzyn Foundation is a not for profit organization exempt from Federal Income taxes under Section 501(c)(3) of the Internal Revenue Service Code. The primary purpose of the Wegerzyn Foundation is to conduct fundraising, to increase awareness and support the programs and continued development of Wegerzyn Gardens MetroPark, a facility of Five Rivers MetroParks. Further information can be obtained by contacting the Wegerzyn Gardens Foundation, 1301 East Siebenthaler Avenue, Dayton, OH 45414 or by phone at (937) 474-3760.

The Wegerzyn Foundation is considered a component unit of MetroParks because the economic resources received or held by the Wegerzyn Foundation are entirely for the direct benefit of MetroParks. MetroParks is entitled to, or has the ability to otherwise access a majority of the economic resources received or held by the Wegerzyn Foundation. The economic resources received or held by the Wegerzyn Foundation that MetroParks, is entitled to, or has the ability to otherwise access, are significant to that primary government.

Metro Parks participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

MetroParks' management believes these financial statements present all activities for which MetroParks is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

MetroParks' financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which are organized on a fund type basis.

Fund Accounting

MetroParks 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. The funds of MetroParks are presented below:

Five Rivers MetroParks
Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

General Fund - The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to MetroParks for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds - These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. MetroParks had the following significant Special Revenue Funds:

State and Local Grants Fund – This fund receives proceeds from state agencies and donations. These proceeds are mainly for projects and maintenance of MetroParks' capital items.

Federal Grants Fund – This fund receives proceeds initially from transfers from the General Fund, and then from reimbursement grants. These proceeds are mainly used for capital projects.

Capital Project Funds - These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. MetroParks had the following capital project fund:

Five Rivers MetroParks Capital (Construction) Fund – This fund receives proceeds primarily from gifts, donations, and sponsorships and General Fund transfers. The proceeds are being used to fund various park capital projects.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. MetroParks recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

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

Five Rivers MetroParks
Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

Appropriations - Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund or object level of control, and appropriations may not exceed estimated resources. MetroParks' Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

Estimated Resources - Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances - The Ohio Revised Code requires MetroParks to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2018 budgetary activity appears in Note 3.

Deposit and Investments

MetroParks' accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

Capital Assets

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

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.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which MetroParks must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Five Rivers MetroParks
Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

Nonspendable - MetroParks classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

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

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 MetroParks' Commissioners or a MetroParks official delegated that authority by resolution, or by State Statute.

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

MetroParks 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.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
	Budgeted	Actual	
Fund Type	Receipts	Receipts	Variance
General	\$18,002,997	\$18,969,687	\$966,690
Special Revenue	511,983	431,703	(80,280)
Capital Projects	463,375	497,907	34,532
Total	\$18,978,355	\$19,899,297	\$920,942

Five Rivers MetroParks
Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 3 – Budgetary Activity (Continued)

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$22,833,619	\$20,642,694	\$2,190,925
Special Revenue	588,374	112,498	475,876
Capital Projects	1,100,051	576,137	523,914
Total	\$24,522,044	\$21,331,329	\$3,190,715

Note 4 – Deposits and Investments

MetroParks maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2018
Demand deposits	\$763,322
Total deposits	763,322
STAR Ohio	7,256,246
Total investments	7,256,246
Total deposits and investments	\$8,019,568

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Property Taxes

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 February 15. The second half payment is due the following July 19.

Five Rivers MetroParks
Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 5 – Property Taxes (Continued)

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

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

Note 6 – Risk Management

MetroParks insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

Risk Pool Membership

MetroParks is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of MetroParks’ policy. The Pool covers the following risks:

- General liability and casualty
- Public official’s liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2018</u>
Cash and investments	\$ 35,381,789
Actuarial liabilities	\$12,965,015

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2018, OPERS members in classifications other than law enforcement contributed 10% of their gross salaries. Members in law enforcement classifications, which consist generally of park rangers, contributed 13% of their gross salaries in 2018.

Five Rivers MetroParks
Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 7 – Defined Benefit Pension Plans (Continued)

MetroParks contributed an amount equaling 14% of participants' gross salaries for members other than law enforcement. MetroParks contributed an amount equal to 18.1% of participants' gross salaries for members of law enforcement. MetroParks has paid all contributions required through December 31, 2018.

Note 8 – Postemployment Benefits

OPERS offer cost sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to Health Reimbursement Arrangement and Medicare Part B Premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2018.

Note 9 – Contingent Liabilities

Amounts grantor agencies pay to MetroParks are subject to audit and adjustment by the grantor, principally the federal government. 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.

Five Rivers MetroParks
Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 10 – Fund Balance

Fund balance is classified as non-spendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which MetroParks is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the General Fund, Special Revenue Funds and Capital Projects Fund for the year ended December 31, 2018, are presented as follows:

Year Ended December 31, 2018

	General Fund	Special Revenue Funds	Capital Projects Fund	Total Governmental Funds
<i>Fund Balance</i>				
Restricted				
State & Local Grants Fund		\$219,331		\$219,331
Federal Equitable Sharing		4,542		4,542
Federal Grants		34,935		34,935
State Forfeitures		19,576		19,576
Law Enforcement Training		17,460		17,460
Law Enforcement Drug Fine Fund		16,960		16,960
RiverScape Replacement Fund		61,035		61,035
Wetland Mitigation Bank Fund		102,087		102,087
River Run Debris Removal Fund		57,409		57,409
Total Restricted		533,335		533,335
Committed				
Construction Fund			570,349	570,349
Total Committed			570,349	570,349
Assigned				
Subsequent Year Appropriations	2,686,740			2,686,740
Total Assigned	2,686,740			2,686,740
Unassigned				
	4,229,144			4,229,144
Total Fund Balances	\$6,915,884	\$533,335	\$570,349	\$8,019,568

Five Rivers MetroParks
Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2018

Note 11 – Interfund Activity

The following is a summary of the interfund activity for the year ended December 31, 2018.

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		471,868
Special Revenue Funds	191,500	
Capital Projects Fund	<u>280,368</u>	
Total	<u>471,868</u>	<u>471,868</u>

Transfers were made from the General fund to the Capital Projects Fund and the Federal Grants, State & Local Grants, and RiverScape Replacement Reserve Funds to stabilize these funds.

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*

Five Rivers MetroParks
Montgomery County
409 East Monument Avenue, 3rd Floor
Dayton, Ohio 45402

To the Board of Park Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of Five Rivers MetroParks, Montgomery County, (MetroParks) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated May 20, 2020 wherein we noted MetroParks followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of MetroParks.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

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

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

May 20, 2020

OHIO AUDITOR OF STATE KEITH FABER



FIVE RIVERS METROPARKS

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 18, 2020**