



OHIO AUDITOR OF STATE
KEITH FABER

A small, thin-lined outline of the state of Ohio is positioned to the right of the auditor's name, partially overlapping the text.

**FIVE RIVERS METROPARKS
MONTGOMERY COUNTY**

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Independent Auditor's Report	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2020	5
Statement of Additions, Deductions, and Changes in Fund Balance (Regulatory Cash Basis) - Fiduciary Fund Type - For the Year Ended December 31, 2020	6
Notes to the Financial Statements - For the Year Ended December 31, 2020	7
Schedule of Expenditures of Federal Awards.....	15
Notes to the Schedule of Expenditures of Federal Awards	16
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	17
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance.....	19
Schedule of Findings.....	21
Prepared by Management:	
Corrective Action Plan	25

This page intentionally left blank.



One First National Plaza
130 West Second Street, Suite 2040
Dayton, Ohio 45402-1502
(937) 285-6677 or (800) 443-9274
WestRegion@ohioauditor.gov

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 for each governmental fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020, and related notes of Five Rivers MetroParks, Montgomery County, Ohio (MetroParks).

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, 2020, and the respective changes in financial position thereof for the year 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 for each governmental fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020, and related notes of MetroParks, 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 13 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of MetroParks. We did not modify our opinion regarding this matter. As discussed in Notes 12 and 14 to the financial statements, MetroParks restated beginning fund balances. We did not modify our opinion regarding this matter.

Other Matters

Our audit was conducted to opine on the financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the financial statements. We subjected this schedule to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the financial statements taken as a whole.

Five Rivers MetroParks
Montgomery County
Independent Auditor's Report
Page 3

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2021, 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

October 13, 2021

This page intentionally left blank.

**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, 2020

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Levy Funds	\$18,648,320			\$18,648,320
Intergovernmental	2,161,306	\$1,583,438	\$493,292	4,238,036
Charges for Services	734,941	63,050		797,991
Investment Earnings	81,042	2,326		83,368
Gifts, Donations and Sponsorships	89,425		43,755	133,180
Miscellaneous	282,093	1,045		283,138
<i>Total Cash Receipts</i>	<u>21,997,127</u>	<u>1,649,859</u>	<u>537,047</u>	<u>24,184,033</u>
Cash Disbursements				
Current:				
Salaries and Benefits	14,504,492	24,029		14,528,521
Supplies and Operating Expenses	2,276,583	6,538		2,283,121
Contracts and Operating Services	1,800,294	5,311		1,805,605
Intergovernmental	273,136	21,644		294,780
Capital Outlay	1,076,791	1,888,267	1,217,753	4,182,811
<i>Total Cash Disbursements</i>	<u>19,931,296</u>	<u>1,945,789</u>	<u>1,217,753</u>	<u>23,094,838</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>2,065,831</u>	<u>(295,930)</u>	<u>(680,706)</u>	<u>1,089,195</u>
Other Financing Receipts (Disbursements)				
Transfers In	82,614	983,244	1,111,636	2,177,494
Transfers Out	(2,094,880)	(82,614)		(2,177,494)
Other Financing Sources	104,977			104,977
Other Financing Uses	(6,958)			(6,958)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(1,914,247)</u>	<u>900,630</u>	<u>1,111,636</u>	<u>98,019</u>
<i>Net Change in Fund Cash Balances</i>	<u>151,584</u>	<u>604,700</u>	<u>430,930</u>	<u>1,187,214</u>
<i>Fund Cash Balances, January 1, Restated</i>	<u>7,475,526</u>	<u>564,423</u>	<u>1,026,560</u>	<u>9,066,509</u>
<i>Fund Cash Balances, December 31</i>	<u>\$7,627,110</u>	<u>\$1,169,123</u>	<u>\$1,457,490</u>	<u>\$10,253,723</u>

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

FIVE RIVERS METROPARKS
MONTGOMERY COUNTY

STATEMENT OF ADDITIONS, DEDUCTIONS,
AND CHANGES IN FUND BALANCE (REGULATORY CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2020

	Custodial
Additions	
Amounts Held for Employees	\$4,101,337
Other Amounts Collected for Distribution	<u>2,648</u>
<i>Total Additions</i>	<u>4,103,985</u>
Deductions	
Distributions to Other Governments	4,673
Distributions on Behalf of Employees	<u>3,728,247</u>
<i>Total Deductions</i>	<u>3,732,920</u>
<i>Net Change in Fund Cash Balance</i>	371,065
<i>Fund Cash Balance, January 1, Restated</i>	<u>385,396</u>
<i>Fund Cash Balance, December 31</i>	<u>\$756,461</u>

See accompanying notes to the basic financial statements.

Five Rivers MetroParks
Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2020

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) 434-9005.

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.

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.

Five Rivers MetroParks
Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2020

1. REPORTING ENTITY (Continued)

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 7 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.

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 and a statement of additions, deductions and changes in fund balances (regulatory cash basis) for the fiduciary fund type 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:

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.

Federal Grants Fund – This fund receives proceeds from federal agencies. The proceeds are used for various MetroParks 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 significant capital projects funds:

Five Rivers MetroParks
Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

OPWC Grant Fund – This fund receives proceeds from the Ohio Public Works Commission (OPWC). The proceeds are used for OPWC projects.

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. MetroParks' custodial funds account for sales taxes collected to be remitted to the State of Ohio and the employee portion of payroll deductions to be remitted to various entities.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

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 (except certain custodial funds) 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 re-appropriated in the subsequent year. MetroParks did not encumber all commitments required by Ohio law.

A summary of 2020 budgetary activity appears in Note 4.

Five Rivers MetroParks
Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

Non-spendable - MetroParks classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, non-spendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by MetroParks and nonspendable portion of the corpus in permanent funds.

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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

Five Rivers MetroParks
Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

3. COMPLIANCE

Contrary to Ohio law, appropriation authority exceeded estimated resources in the Federal Grants Special Revenue Fund by \$126,130 for the year ended December 31, 2020.

4. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$21,707,207	\$22,184,718	\$477,511
Special Revenue	9,532,231	2,633,103	(6,899,128)
Capital Projects	1,292,571	1,648,683	356,112
Total	<u>\$32,532,009</u>	<u>\$26,466,504</u>	<u>(\$6,065,505)</u>

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$24,389,644	\$22,033,134	\$2,356,510
Special Revenue	9,964,785	2,028,403	7,936,382
Capital Projects	861,534	1,217,753	(356,219)
Total	<u>\$35,215,963</u>	<u>\$25,279,290</u>	<u>\$9,936,673</u>

MetroParks is not in noncompliance with Ohio law for budgetary expenditures exceeding appropriation authority in the Capital Projects Funds due to the internal budgeting and expensing relationship between the State and Local Grants Special Revenue Fund and Ohio Public Works Commission Capital Projects Fund as a result of the funding determinations of ongoing projects from prior periods.

5. 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:

Five Rivers MetroParks
Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2020

5. DEPOSITS AND INVESTMENTS (Continued)

	2020
Demand deposits	\$421,996
Total deposits	<u>421,996</u>
STAR Ohio	10,588,188
Total investments	10,588,188
Total deposits and investments	<u>\$11,010,184</u>

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.

6. 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.

7. 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:

Five Rivers MetroParks
Montgomery County
Notes to the Financial Statements
For the Year Ended December 31, 2020

7. RISK MANAGEMENT (Continued)

- 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>2020</u>
Cash and investments	\$ 40,318,971
Actuarial liabilities	\$ 14,111,510

8. 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 2020, 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 2020. 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, 2020.

9. 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 2020. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2020.

10. 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, 2020

11. FUND BALANCE

Included in fund balance are amounts MetroParks cannot spend, including the balance of unclaimed monies, which cannot be spent for five years. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control.

The fund balance of special revenue funds is restricted. The fund balance of capital projects funds is committed. These restricted and committed amounts in the special revenue and capital projects funds would include any outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned. As of December 31, 2020, MetroParks did not have non-spendable balances or outstanding encumbrances in any governmental funds.

12. CHANGE IN ACCOUNTING PRINCIPLE

For 2020, MetroParks has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, adding a separate statement of additions, deductions, and changes in fund balances (regulatory cash basis) – the fiduciary fund type, and removing the fund balance classifications from the combined statement of receipts, disbursements, and changes in fund balances (regulatory cash basis) – all governmental fund types.

The effect of this change restated beginning cash balance in the fiduciary fund type from \$0 to \$385,396.

13. COVID-19

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 continuing emergency measures will impact subsequent periods of MetroParks. MetroParks' investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on MetroParks' future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

14. RESTATEMENT OF FUND BALANCE

In a prior year, MetroParks reported a portion of OPWC capital projects funding in special revenue funds. MetroParks made corrections for this during 2020. The corrections had the following effect on the financial statements:

	Special Revenue	Capital Projects
Fund Cash Balances, December 31, 2019	\$584,194	\$1,006,790
Restatement	(19,771)	19,770
Restated Fund Cash Balances, December 31, 2019	<u>\$564,423</u>	<u>\$1,026,560</u>

**FIVE RIVERS METROPARKS
MONTGOMERY COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	(1) Total Federal Expenditures
UNITED STATES DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education</i>			
Child and Adult Care Food Program	10.558	3L80	\$8,027
COVID-19 Child and Adult Care Food Program			\$1,974
Total Child and Adult Care Food Program			<u>\$10,001</u>
<i>Passed Through Ohio Department of Natural Resources</i>			
Cooperative Forestry Assistance	10.664	STEP 2019-17	3,000
Total United States Department of Agriculture			<u>13,001</u>
UNITED STATES DEPARTMENT OF JUSTICE			
<i>Passed Through Montgomery County Sheriff's Office</i>			
Organized Crime Drug Enforcement Task Force (OCDETF)	16.XXX	GL-OHS-312	655
Total United States Department of Justice			<u>655</u>
UNITED STATES DEPARTMENT OF THE INTERIOR			
<i>Passed Through U.S. Fish and Wildlife Service</i>			
Partners for Fish and Wildlife	15.631	F15AC01064	5,123
Total United States Department of the Interior			<u>5,123</u>
UNITED STATES DEPARTMENT OF HOMELAND SECURITY			
<i>Passed Through U.S. Coast Guard</i>			
Boating Safety Financial Assistance	97.012	3320FAS200139	29,943
<i>Passed Through Ohio Department of Public Safety</i>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-DR-4447-OH	1,638
Total United States Department of Homeland Security			<u>31,581</u>
UNITED STATES DEPARTMENT OF TRANSPORTATION			
<i>Passed Through Ohio Department of Transportation</i>			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	PID101476	630,269
		PID110890	<u>648,767</u>
Total Highway Planning and Construction Cluster			<u>1,279,036</u>
Total United States Department of Transportation			<u>1,279,036</u>
Total Expenditures of Federal Awards			<u>\$1,329,396</u>

(1) There were no amounts passed through to subrecipients.
The accompanying notes are an integral part of this schedule.

**FIVE RIVERS METROPARKS
MONTGOMERY COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Five Rivers MetroParks (MetroParks) under programs of the federal government for the year ended December 31, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of MetroParks, it is not intended to and does not present the financial position, changes in net position, or cash flows of MetroParks.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

MetroParks has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - MATCHING REQUIREMENTS

Certain Federal programs require MetroParks to contribute non-Federal funds (matching funds) to support the Federally-funded programs. MetroParks has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

OHIO AUDITOR OF STATE KEITH FABER



One First National Plaza
130 West Second Street, Suite 2040
Dayton, Ohio 45402-1502
(937) 285-6677 or (800) 443-9274
WestRegion@ohioauditor.gov

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 for each governmental fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020, and related notes of Five Rivers MetroParks, Montgomery County, (MetroParks) and have issued our report thereon dated October 13, 2021, wherein we noted MetroParks followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, the financial impact of COVID-19 and the continuing emergency measures which will impact subsequent periods of MetroParks, and restated beginning fund balances.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered MetroParks' internal control over financial reporting (internal control) as a basis for designing 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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2020-001 to be a material weakness.

Five Rivers MetroParks
Montgomery County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

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 financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

MetroParks' Response to Finding

MetroParks' response to the finding identified in our audit is described in the accompanying schedule of findings and / or corrective action plan. We did not subject MetroParks' response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of 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

October 13, 2021



One First National Plaza
130 West Second Street, Suite 2040
Dayton, Ohio 45402-1502
(937) 285-6677 or (800) 443-9274
WestRegion@ohioauditor.gov

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

To the Board of Park Commissioners:

Report on Compliance for the Major Federal Program

We have audited Five Rivers MetroParks' (MetroParks) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Five Rivers MetroParks' major federal program for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies MetroParks' major federal program.

Management's Responsibility

MetroParks' Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on MetroParks' compliance for MetroParks' major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about MetroParks' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on MetroParks' major program. However, our audit does not provide a legal determination of MetroParks' compliance.

Opinion on the Major Federal Program

In our opinion, Five Rivers MetroParks complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2020.

Five Rivers MetroParks
Montgomery County
Independent Auditor's Report on Compliance with Requirements
Applicable to the Major Federal Program and on Internal Control Over
Compliance Required by the Uniform Guidance
Page 2

Report on Internal Control Over Compliance

MetroParks' management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered MetroParks' internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of MetroParks' internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

October 13, 2021

FIVE RIVERS METROPARKS
MONTGOMERY COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Highway Planning and Construction Cluster (CFDA #20.205)
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

2. FINDING RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2020-001

Material Weakness – Financial Statement Misstatements

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The Metropark's financial statements for 2020 contained the following errors due to lack of controls over review of the financial statements which were identified as material and have been adjusted in the accompanying financial statements:

- MetroParks improperly double counted the Ohio Public Works Commission (Capital Projects) Fund beginning fund balance at January 1, 2020 and as a result ending fund balance at December 31, 2020 leading to respective overstatements in the amount of \$502,087.
- Intrafund transfers totaling \$10,422 within the Capital Projects Funds were erroneously reported as interfund transfers. These transactions should not have been reported as transfers on the financial statements as being within the same opinion unit. As a result, Capital Projects Fund transfers in and transfers out were both overstated by \$10,422.
- A noncash donation and corresponding capital disbursement in the amount of \$73,824 were recorded in the Capital Projects Fund related to the purchase price reduction of a property acquisition. This transaction should not have been recorded due to the fact that no cash was involved. As a result, Capital Projects Fund gifts, donations and sponsorships receipts and capital outlay disbursements were both overstated by \$73,824.
- MetroParks recorded Sales Tax Control Fund activity and balances in its accounting system, but did not report it on the annual financial statements. As a result, cash fund balance at December 31, 2020, distributions to other governments, other amounts collected for distribution, and cash fund balance at January 1, 2020 were understated by \$2,270, \$4,673, \$2,648, and \$4,295, respectively, for custodial fund presentation.
- MetroParks recorded Payroll Deduction Control Accounts Fund activity and balances in its accounting system, but did not report it on the annual financial statements. As a result, cash fund balance at December 31, 2020, distributions on behalf of employees, amounts held for employees, and cash fund balance at January 1, 2020 were understated by \$754,191, \$3,728,247, \$4,101,337, and \$381,101, respectively, for custodial fund presentation.
- MetroParks erroneously recorded Intergovernmental Revenue in the amount of \$82,614 in the General Fund related to reimbursements from costs previously incurred in the General Fund for activity in the FEMA Special Revenue Fund in the amount of \$79,614 and the Federal Grants Special Revenue Fund in the amount of \$3,000 contrary to AoS Bulletin 1998-013. As a result, General Fund Intergovernmental Revenue was overstated by \$82,614 and Transfers In was understated by the same amount, FEMA Special Revenue Fund Intergovernmental Revenue was understated by \$79,614 and Transfers Out was understated by the same amount, and Federal Grants Special Revenue Fund Intergovernmental Revenue was understated by \$3,000 and Transfers Out was understated by the same amount.

MetroParks should develop and implement procedures to verify the accuracy of amounts reported in the financial statements in accordance with applicable accounting standards. Failure to do so could result in the users of the financial statements basing their conclusions on materially misstated financial data.

Officials' Response:

See Corrective Action Plan.

3. FINDINGS FOR FEDERAL AWARDS

None

This page intentionally left blank.



409 E. Monument Ave.
Third Floor
Dayton, Ohio 45402-1260

Phone (937) 275-7275
Fax (937) 278-8849

metroparks.org

CORRECTIVE ACTION PLAN

2 CFR § 200.511(c)

December 31, 2020

Finding Number: 2020-001

Planned Corrective Action: Five Rivers MetroParks will add more controls regarding the review of financial statements to avoid errors.

Anticipated Completion Date: October 31, 2021

Responsible Contact Person: William Tschirhart, Chief of Administration/Treasurer

CONSERVATION
EDUCATION
RECREATION

OHIO AUDITOR OF STATE KEITH FABER



FIVE RIVERS METROPARKS

MONTGOMERY 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 11/30/2021

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