

METROPARKS OF BUTLER COUNTY BUTLER COUNTY, OHIO

Cash Basis Basic Financial Statements

**For the Year Ended
December 31, 2019**

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

**CASH BASIS BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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Julian & Grube, Inc.

Serving Ohio Local Governments

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Accountant's Compilation Report

To the MetroParks of Butler County
Butler County, Ohio

Management is responsible for the accompanying basic financial statements of the MetroParks of Butler County, which comprise the statements listed in the table of contents as of December 31, 2019, and for the year then ended, and the related notes to the financial statements in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on the financial statements.

We draw attention to Note 1.B. of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is an accounting basis other than accounting principles generally accepted in the United States of America.

The management's discussion and analysis, on pages 3 through 8 was presented to supplement the basic financial statements for purposes of additional analysis. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. This information is the representation of management. The information was subject to our compilation engagement; however, we have not audited or reviewed the information and, accordingly, do not express an opinion, conclusion, nor provide any assurance on such information.

Julian & Grube, Inc.

Westerville, Ohio
February 19, 2020

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

The discussion and analysis of the MetroParks of Butler County (the "District") financial performance provides an overall review of the District's financial activities for the year ended December 31, 2019, within the limitations of the District's cash basis of accounting. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for the year 2019 are as follows:

- Net position increased \$327,047 which represents a 11.32% increase from 2018.
- General receipts accounted for \$6,078,743, or 78.15% of all receipts. Program specific receipts, in the form of charges for services and sales and capital grants and contributions, accounted for \$1,699,935 or 21.85% of total receipts of \$7,778,678.
- The District had \$7,451,631 in disbursements related to governmental activities; program-specific charges for services, grants and contributions offset only \$1,699,935 of these disbursements. General receipts supporting governmental activities totaling \$6,078,743 including local taxes, unrestricted grants and entitlements and miscellaneous receipts, were adequate to provide for these programs.
- The District's receipts decreased \$1,012,955 or 11.52% from the prior year. Additionally, the disbursements decreased \$1,785,808 or 19.53% from the prior year.

Using the Basic Financial Statements

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

Report Components

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

Basis of Accounting

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

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

Reporting the Board as a Whole

The statement of net position - cash basis and the statement of activities - cash basis reflect how the District performed financially during 2019, within the limitations of the cash basis of accounting. The statement of net position - cash basis presents the cash balances of the governmental activities of the District at year-end. The statement of activities - cash basis compares disbursements with program receipts for each governmental activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

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

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

Reporting the Board's Most Significant Funds

Fund Financial Statements

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

The District as a Whole

Table 1 provides a summary of the District's net position for 2019 and 2018.

**Table 1
Net Position**

	Governmental Activities	
	2019	2018
<u>Assets:</u>		
Cash with Fiscal Agent	\$ 3,186,853	\$ 2,888,435
Cash in Segregated Accounts	28,629	-
Total assets	\$ 3,215,482	\$ 2,888,435
<u>Net position:</u>		
Restricted	\$ 106,729	\$ 95,329
Unrestricted	3,108,753	2,793,106
Total net position	\$ 3,215,482	\$ 2,888,435

The District's cash balance and net position at December 31, 2019 amounted to \$3,215,482. Of this amount, \$106,729 is restricted as to use.

Table 2 reflects the change in net position in 2019 and 2018.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

	Governmental Activities		Change
	2019	2018	
Receipts:			
Program cash receipts:			
Charges for services and sales	\$ 1,091,812	\$ 965,024	\$ 126,788
Operating grants and contributions	-	1,171	(1,171)
Capital Grants and Contributions	608,123	1,003,096	(394,973)
Total program cash receipts	<u>1,699,935</u>	<u>1,969,291</u>	<u>(269,356)</u>
General receipts:			
Local taxes	4,897,974	4,741,044	156,930
Grants and entitlements not restricted by specific program	1,069,974	1,919,608	(849,634)
Donations	21,836	86,879	(65,043)
Interest	79,757	57,379	22,378
Miscellaneous	9,202	17,432	(8,230)
Total general receipts	<u>6,078,743</u>	<u>6,822,342</u>	<u>(743,599)</u>
Total receipts	<u>7,778,678</u>	<u>8,791,633</u>	<u>(1,012,955)</u>
Disbursements:			
Salaries and benefits	3,363,538	3,516,631	(153,093)
Materials and supplies	671,225	772,910	(101,685)
Contracted service	1,210,259	1,583,627	(373,368)
Other	996,164	65,986	930,178
Capital outlay	485,833	2,460,441	(1,974,608)
Debt Service:			
Principal retirement	589,356	587,781	1,575
Interest and fiscal charges	135,256	157,826	(22,570)
Total disbursements	<u>7,451,631</u>	<u>9,145,202</u>	<u>(1,693,571)</u>
Change in net position	327,047	(353,569)	680,616
Net position at beginning of year	<u>2,888,435</u>	<u>3,242,004</u>	<u>(353,569)</u>
Net position at end of year	<u>\$ 3,215,482</u>	<u>\$ 2,888,435</u>	<u>\$ 327,047</u>

Governmental Activities

If you look at the statement of activities - cash basis, you will see that the first column lists the major disbursement functions of the District. The next column identifies the disbursement amounts associated with each function. The next three columns of the statement entitled program receipts identify amounts paid by people who are directly charged for the service and grants received by the District that must be used to provide a specific purpose. The net cost column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by taxpayers and state subsidies. These net costs are paid from the general receipts which are presented at the bottom of the statement.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

**Table 3
Governmental Activities**

	<u>Total Cost of Services 2019</u>	<u>Net Cost of Services 2019</u>	<u>Total Cost of Services 2018</u>	<u>Net Cost of Services 2018</u>
Disbursements:				
Salaries and benefits	\$ 3,363,538	\$ 2,825,280	\$ 3,516,631	\$ 3,516,631
Materials and supplies	671,225	564,717	772,910	(230,186)
Contracted service	1,210,259	1,020,190	1,583,627	1,583,627
Other	996,164	739,187	65,986	65,986
Capital outlay	485,833	(20,632)	2,460,441	1,494,246
Debt Service:				
Principal retirement	589,356	509,356	587,781	587,781
Interest and fiscal charges	135,256	113,598	157,826	157,826
Totals	<u>\$ 7,451,631</u>	<u>\$ 5,751,696</u>	<u>\$ 9,145,202</u>	<u>\$ 7,175,911</u>

The District's Funds

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

At the end of 2019, the District had a total ending fund balance of \$3,215,482.

The general fund is the chief operating fund of the District. At the end of 2019, unassigned fund balance in the general fund was \$1,434,832. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to general fund disbursements. Unassigned fund balance represents 19.26% of the total general fund disbursements.

Receipts exceeded disbursements in the general fund by \$911,355, excluding other financing sources and uses in 2019. Local taxes account for 68.31% of receipts in the general fund. Salaries and benefits account for 53.74% of disbursements in the general fund. The general fund balance increased \$318,461 from \$2,741,712 to an ending balance of \$3,060,173.

General Fund Budgeting Highlights

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

During the course of 2019, the District amended its general fund budget several times. For the general fund, final budgeted receipts and other financing sources were \$7,269,972, which were the same as original budgeted receipts. Actual receipts for 2019 were \$7,170,555; this represents a \$99,417 decrease from final budgeted receipts. Variances between actual receipts and the final budgeted receipts were due to the timing of grant revenue.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

General fund final budgeted disbursements and other financing uses were \$8,703,528, which were less than original budgeted disbursements of \$9,438,110. Actual budget-basis disbursements and other financing uses for 2019 totaled \$7,243,556 and were \$1,459,972 less than the final budget.

Capital Assets

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

Long Term Obligations

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

	<u>Balance at 12.31.19</u>	<u>Balance at 12.31.18</u>
PNC Special Revenue Bonds - 2017	\$ 2,702,600	\$ 3,174,400
Stander Trust General Obligation Notes	112,668	150,224
PNC Special Revenue Bonds - 2012	<u>240,000</u>	<u>320,000</u>
Totals	<u>\$ 3,055,268</u>	<u>\$ 3,644,624</u>

Current Financial Related Activities

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

Contacting the District's Financial Management

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

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

STATEMENT OF NET POSITION - CASH BASIS
DECEMBER 31, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

		<u>Governmental Activities</u>
Assets		
Cash with fiscal agent	\$	3,186,853
Cash in Segregated Accounts.		<u>28,629</u>
 Total assets	 \$	 <u><u>3,215,482</u></u>
 Net position		
Restricted for:		
Conservation / Recreation	\$	5
Capital projects		106,724
Unrestricted.		<u>3,108,753</u>
 Total net position	 \$	 <u><u>3,215,482</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

		Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Capital Grants and Contributions	Governmental Activities
Governmental activities:				
Salaries and benefits.	\$ 3,363,538	\$ 538,258	\$ -	\$ (2,825,280)
Materials and supplies.	671,225	106,508	-	(564,717)
Contracted services.	1,210,259	190,069	-	(1,020,190)
Other.	996,164	256,977	-	(739,187)
Capital outlay.	485,833	-	506,465	20,632
Debt Service:				
Principal retirement.	589,356	-	80,000	(509,356)
Interest and fiscal charges.	135,256	-	21,658	(113,598)
Total governmental activities	\$ 7,451,631	\$ 1,091,812	\$ 608,123	(5,751,696)
General receipts:				
Local taxes				4,897,974
Grants and entitlements not restricted to specific programs.				1,069,974
Donations.				21,836
Interest.				79,757
Miscellaneous				9,202
Total general receipts.				6,078,743
Change in net position				327,047
Net position at beginning of year				2,888,435
Net position at end of year				\$ 3,215,482

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES
GOVERNMENTAL FUNDS
DECEMBER 31, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash with fiscal agent.	\$ 3,031,544	\$ 155,309	\$ 3,186,853
Cash in Segregated Accounts	28,629	-	28,629
Total Assets	\$3,060,173	\$155,309	\$3,215,482
Fund balances			
Restricted:			
Conservation / recreation	\$ -	\$ 5	\$ 5
Capital projects	-	106,724	106,724
Committed:			
Debt service	-	205	205
Conservation / recreation	-	48,375	48,375
Assigned:			
Subsequent year appropriation	1,233,879	-	1,233,879
Encumbrances.	391,462	-	391,462
Unassigned	1,434,832	-	1,434,832
Total fund balances.	\$ 3,060,173	\$ 155,309	\$ 3,215,482

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

	General	Nonmajor Governmental Funds	Total Governmental Funds
Receipts:			
Local taxes.	\$ 4,897,974	\$ -	\$ 4,897,974
Program income.	1,091,812		1,091,812
Intergovernmental.	1,069,974	599,158	1,669,132
Earnings on investments.	79,757	8,965	88,722
Donations.	21,836	-	21,836
Miscellaneous.	9,202	-	9,202
Total receipts.	7,170,555	608,123	7,778,678
Disbursements:			
Current:			
Conservation / recreation:			
Salaries and benefits.	3,363,538	-	3,363,538
Materials and supplies.	671,225	-	671,225
Contracted services.	1,197,834	12,425	1,210,259
Other.	989,047	7,117	996,164
Capital outlay.	-	485,833	485,833
Debt service:			
Principal retirement.	37,556	551,800	589,356
Interest and fiscal charges.	-	135,256	135,256
Total disbursements.	6,259,200	1,192,431	7,451,631
Excess of disbursements over receipts.	911,355	(584,308)	327,047
Other financing sources (uses):			
Transfers in.	-	592,894	592,894
Transfers (out).	(592,894)	-	(592,894)
Total other financing sources (uses).	(592,894)	592,894	-
Net change in fund balances.	318,461	8,586	327,047
Fund balances at beginning			
of year.	2,741,712	146,723	2,888,435
Fund balances at end of year.	\$ 3,060,173	\$ 155,309	\$ 3,215,482

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Receipts:				
Local taxes.	\$ 4,725,000	\$ 4,725,000	\$ 4,897,974	\$ 172,974
Program income.	880,390	880,390	1,091,812	211,422
Intergovernmental.	1,553,709	1,553,709	1,069,974	(483,735)
Earnings on investments.	30,000	30,000	79,757	49,757
Donations.	12,000	12,000	21,836	9,836
Miscellaneous.	68,873	68,873	9,202	(59,671)
Total receipts.	<u>7,269,972</u>	<u>7,269,972</u>	<u>7,170,555</u>	<u>(99,417)</u>
Disbursements:				
Current:				
Conservation / recreation:				
Salaries and benefits.	4,203,576	4,203,576	3,414,931	788,645
Materials and supplies.	870,113	806,378	754,596	51,782
Contracted services.	1,772,510	1,585,378	1,400,285	185,093
Other.	1,961,461	1,477,746	1,094,688	383,058
Debt service:				
Principal retirement.	37,556	37,556	37,556	-
Total disbursements.	<u>8,845,216</u>	<u>8,110,634</u>	<u>6,702,056</u>	<u>1,408,578</u>
Excess of disbursements over receipts.	<u>(1,575,244)</u>	<u>(840,662)</u>	<u>468,499</u>	<u>1,309,161</u>
Other financing sources (uses):				
Transfers out.	<u>(592,894)</u>	<u>(592,894)</u>	<u>(592,894)</u>	<u>-</u>
Total other financing sources (uses).	<u>(592,894)</u>	<u>(592,894)</u>	<u>(592,894)</u>	<u>-</u>
Net change in fund balance	(2,168,138)	(1,433,556)	(124,395)	1,309,161
Fund balance at beginning of year.	2,157,804	2,157,804	2,157,804	-
Prior year encumbrances appropriated.	635,302	635,302	635,302	-
Fund balance at end of year.	<u>\$ 624,968</u>	<u>\$ 1,359,550</u>	<u>\$ 2,668,711</u>	<u>\$ 1,309,161</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 1 - REPORTING ENTITY

The constitution and laws of the State of Ohio establish the rights and privileges of the MetroParks of Butler County, Butler County, Ohio (the "District"), as a body corporate and politic. The probate judge of Butler County appoints a three-member Board of Commissioners to govern the District. The Commissioners are authorized to acquire, develop, protect, maintain, and improve park lands and facilities. The Commissioners may convert acquired land into forest reserves. The Commissioners are also responsible for activities related to conserving natural resources, including streams, lakes, submerged lands, and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of these assets conducive to the general welfare.

The District's management believes these financial statements present all activities for which the District is financially accountable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING

A. Basis of Accounting and Presentation

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

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

Government-wide Financial Statements

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

Fund Financial Statements

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

B. Cash with Fiscal Agent/Segregated Accounts

As the Ohio Revised Code permits, the Butler County Treasurer holds the District's cash as the District's custodian. The County holds the District's assets in its investment pool, valued at the Treasurer's reported carrying amount. The cash in segregated accounts are District funds held in a clearing account for health insurance payments.

C. Fund Accounting

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

Governmental Funds

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

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

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

D. Budgetary Process

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

1. Appropriations

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

2. Estimated Resources

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

3. Encumbrances

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

E. Fund Balance

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

1. Nonspendable

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

2. Restricted

Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions. Enabling legislation authorizes the District to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the District can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

3. Committed

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

**METROPARKS OF BUTLER COUNTY
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

4. Assigned

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

5. Unassigned

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

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

F. Capital Assets

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

G. Accumulated Leave

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

H. Net Position

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

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

I. Employer Contributions to Cost-Sharing Pension Plans

The District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 5 and 6, the employer contributions include portions for pension benefits and for postemployment health care benefits.

**METROPARKS OF BUTLER COUNTY
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

J. Long-Term Obligations

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

K. Interfund Activity

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

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

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

NOTE 3 - BUDGETARY ACTIVITY

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The statement of cash receipts, cash disbursements and changes in fund cash balance - budget and actual (budgetary basis) presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as disbursements on the budgetary basis but are not on a cash basis. At December 31, 2019, the encumbrances outstanding at year end (budgetary basis) amounted to \$391,462 for the general fund.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 4 - DEBT

At December 31, 2019, debt obligations consisted of the following issuances:

<u>Description</u>	<u>Balance at 12/31/2019</u>
PNC Special Revenue Bonds, Series 2017 to refinance Series 2008 Special Revenue bonds and for capital projects, interest rate between 3.8% and 4.1%. Payments are made from the bond fund, a nonmajor governmental fund, and matures in 2022.	\$ 2,702,600
Stander Trust General Obligation Notes, Series 2003 to finance the purchase of land to be used for future development due in annual installments of \$37,556 through 2022, bearing no interest. Payments are made from the general fund.	112,668
PNC Special Revenue Bonds, Series 2012 to finance the multi-purpose athletic fields project at Voice of America Park due in annual principal installments of \$80,000 through 2022, bearing interest at 4.45%. Payments are made from the capital projects fund, a nonmajor governmental fund.	240,000
Total	<u><u>\$ 3,055,268</u></u>

Transactions for the year ended December 31, 2019 is summarized as follows:

	<u>Balance at 12/31/2018</u>	<u>Proceeds</u>	<u>Retirements</u>	<u>Balance at 12/31/2019</u>
Stander Trust General Obligation Notes - 2003	\$ 150,224	\$ -	\$ (37,556)	\$ 112,668
PNC Special Revenue Bonds - 2012	320,000	-	(80,000)	240,000
PNC Special Revenue Bonds - 2017	<u>3,174,400</u>	<u>-</u>	<u>(471,800)</u>	<u>2,702,600</u>
Total	<u><u>\$ 3,644,624</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (589,356)</u></u>	<u><u>\$ 3,055,268</u></u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 5 - DEBT - (Continued)

The principal and interest requirements to retire the debt obligations outstanding at December 31, 2019, are as follows:

Year Ending December 31,	2017		2003		2012	
	<u>PNC Special Revenue Bonds</u> <u>Principal</u>	<u>Interest</u>	<u>Stander Trust General Obligation Notes</u> <u>Principal</u>	<u>Interest</u>	<u>PNC Special Revenue Bonds</u> <u>Principal</u>	<u>Interest</u>
2020	\$ 471,800	\$ 103,443	\$ 37,556	\$ -	\$ 80,000	\$ 10,680
2021	471,800	85,052	37,556	-	80,000	7,120
2022	<u>1,759,000</u>	<u>66,608</u>	<u>37,556</u>	<u>-</u>	<u>80,000</u>	<u>3,560</u>
Totals	<u>\$ 2,702,600</u>	<u>\$ 255,103</u>	<u>\$ 112,668</u>	<u>\$ -</u>	<u>\$ 240,000</u>	<u>\$ 21,360</u>

Year Ending December 31,	<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 589,356	\$ 114,123
2021	589,356	92,172
2022	<u>1,876,556</u>	<u>70,168</u>
Totals	<u>\$ 3,055,268</u>	<u>\$ 276,463</u>

NOTE 5 - PROPERTY TAX

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

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

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

NOTE 6 - DEFINED BENEFIT PENSION PLANS

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - District employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. District employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 6 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan.

The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.00% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3.00% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

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

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BUTLER COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
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NOTE 6 - DEFINED BENEFIT PENSION PLANS - (Continued)

	State and Local	Law Enforcement
2019 Statutory Maximum Contribution Rates		
Employer	14.0 %	18.1 %
Employee	10.0 %	**
2019 Actual Contribution Rates		
Employer:		
Pension	14.0 %	18.1 %
Post-employment Health Care Benefits	0.0 %	0.0 %
Total Employer	14.0 %	18.1 %
Employee	10.0 %	13.0 %

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

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

The District's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$375,043 for 2019.

NOTE 7 - DEFINED BENEFIT OPEB PLANS

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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BUTLER COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
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(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 7 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care was 0.00% for the Traditional and Combined plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District's contractually required contribution was \$26,789 for 2019.

NOTE 8 - RISK MANAGEMENT

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

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

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Until November 1, 2016, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had members as of December 31, 2017 (the latest information available).

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
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NOTE 8 - RISK MANAGEMENT - (Continued)

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

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

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2018.

	<u>2018</u>
Assets	\$14,765,712
Liabilities	<u>(9,531,506)</u>
Members’ Equity	<u>\$5,534,206</u>

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

NOTE 9 - CONTINGENT LIABILITES

LITIGATION

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

GRANT FUNDING

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

NOTE 10 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 391,462
Other governmental	<u>31,301</u>
Total	<u>\$ 422,763</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
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NOTE 11 - INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2019, consisted of the following, as reported on the fund financial statements:

<u>Transfers to nonmajor governmental funds from:</u>	<u>Amount</u>
General Fund	\$ 592,894

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

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