



OHIO AUDITOR OF STATE
KEITH FABER



**PRESERVATION PARKS OF DELAWARE COUNTY
DELAWARE COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Preservation Parks of Delaware County
Delaware County
2656 Hogback Road
Sunbury, Ohio 43074

To the Board of Park Commissioners:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Preservation Parks of Delaware County, Delaware County, Ohio (the District), which comprises the cash balances, receipts and disbursements for each governmental fund type combined total as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District, as of December 31, 2023 and 2022, or the changes in financial position thereof for the year then ended.

Basis for Opinions

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

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

As described in Note 2 of the financial statements, the financial statements are prepared by the District on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

March 31, 2025

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Preservation Park District*Delaware County**Combined Statement of Receipts, Disbursements**and Changes in Fund Balances (Regulatory Cash Basis)**All Governmental Fund Types**For the Year Ended December 31, 2023*

	General	Capital Projects	Combined Total
Cash Receipts			
Property Taxes	\$10,818,352	\$0	\$10,818,352
Charges for Services	16,615	0	16,615
Fines, Licenses and Permits	190	0	190
Intergovernmental	609,285	4,690,417	5,299,702
Earnings on Investments	442,407	0	442,407
Donations	728,853	0	728,853
Miscellaneous	45,284	0	45,284
<i>Total Cash Receipts</i>	<u>12,660,986</u>	<u>4,690,417</u>	<u>17,351,403</u>
Cash Disbursements			
Current:			
Conservation/Recreation:			
Salaries	2,341,802	0	2,341,802
Fringe Benefits	973,276	0	973,276
Materials and Supplies	461,889	0	461,889
Services and Charges	1,107,715	0	1,107,715
Grants in Aid	78,056	0	78,056
Capital Outlay	5,584,389	5,630,906	11,215,295
<i>Total Cash Disbursements</i>	<u>10,547,127</u>	<u>5,630,906</u>	<u>16,178,033</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>2,113,859</u>	<u>(940,489)</u>	<u>1,173,370</u>
Other Financing Receipts (Disbursements)			
Transfers In	0	945,765	945,765
Transfers Out	(945,765)	0	(945,765)
Advances In	4,768,748	3,839,279	8,608,027
Advances Out	(3,839,279)	(4,768,748)	(8,608,027)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(16,296)</u>	<u>16,296</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	<u>2,097,563</u>	<u>(924,193)</u>	<u>1,173,370</u>
<i>Fund Cash Balances, January 1</i>	<u>10,022,726</u>	<u>1,048,697</u>	<u>11,071,423</u>
<i>Fund Cash Balances, December 31</i>	<u>\$12,120,289</u>	<u>\$124,504</u>	<u>\$12,244,793</u>

See accompanying notes to the basic financial statements

PRESERVATION PARK OF DELAWARE COUNTY

Delaware County

Notes to the Financial Statements

For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The Preservation Park District (the District), Delaware County, 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 Delaware 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.

The Delaware County Foundation is a not-for-profit organization who receives donations and earmarks the contributions for projects throughout Delaware County. The Foundation collaborates with the District for the Amy Clark-Bader Bird Sanctuary fund. As of December 31, 2023, the Delaware County Foundation had \$16,152 in donations to be used for the District.

The Preservation Parks Foundation is a not-for-profit organization whose mission is to raise funds to support the District's general goals and objectives of protecting and conserving the natural and historic features of Delaware County and inspiring outdoor exploration and learning. For the year ended December 31, 2023, the Preservation Parks Foundation donated \$7,500 to be used for the District.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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. The funds of the District 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 the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

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. The District had the following significant capital project funds:

PRESERVATION PARK OF DELAWARE COUNTY

Delaware County

Notes to the Financial Statements

For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (continued)

The Clean Ohio Trails Program Fund accounts for funds to help develop and maintain recreation trails and trail-related facilities.

The Capital Improvement Program - Ohio to Erie Trails Fund accounts for land acquisition and trail construction that will span the state of Ohio from Cincinnati to Cleveland.

The Ohio Department of Transportation (ODOT) Metro Paving Fund accounts for materials and labor for necessary construction, repair improvement, and maintenance of park drives, park roads, park access roads, and parking lots.

The Ohio Public Works Commission (OPWC) Sandel Phase 2 and 3 Funds are dedicated to environmental conservations including acquisition of green space and the protection and enhancement of river and stream corridors.

The H2Ohio Perfect Creek Phase 2 Fund is dedicated to the Perfect Creek Treatment Wetlands Project to construct a wetlands treatment system.

The Water Resource Restoration Sponsor Program (WRRSP) Olentangy River Protection Project Fund accounts for Ohio Environmental Protection Agency funds that are dedicated to the protection and restoration of streams and wetlands.

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 (C). This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) 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, function or object level of control, and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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 approve estimated resources.

PRESERVATION PARK OF DELAWARE COUNTY

Delaware County

Notes to the Financial Statements

For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (continued)

Encumbrances

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

A summary of 2023 budgetary activity appears in Note 3.

Deposit and Investments

As the Ohio Revised Code permits, the Delaware County Treasurer holds the District's deposits as the District's custodian. The County holds the District's assets in its investment pool, valued at the Treasurer's reported carrying amount.

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.

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 the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable

The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the District and the 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). The District 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.

PRESERVATION PARK OF DELAWARE COUNTY

Delaware County

Notes to the Financial Statements

For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (continued)

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.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 9.

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted	Actual	Variance
	Receipts	Receipts	
General	\$11,218,957	\$12,660,986	\$1,442,029
Capital Projects	5,994,586	5,636,182	(358,404)
Total	<u>\$17,213,543</u>	<u>\$18,297,168</u>	<u>\$1,083,625</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation	Budgetary	Variance
	Authority	Expenditures	
General	\$12,708,057	\$11,602,627	\$1,105,430
Capital Projects	5,841,406	5,637,858	203,548
Total	<u>\$18,549,463</u>	<u>\$17,240,485</u>	<u>\$1,308,978</u>

Note 4 – 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 non-business, owner occupancy, and homestead exemption credits and/or homestead

PRESERVATION PARK OF DELAWARE COUNTY

Delaware County

Notes to the Financial Statements

For the Year Ended December 31, 2023

Note 4 – Property Taxes (continued)

and rollback deductions. The financial statements include these credits and/or deduction 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 12. The second half payment is due the following July 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 5 – Interfund Balances

Outstanding advances at December 31, 2023, consisted of the following from the District's capital project funds: \$184,555 from the H2Ohio Perfect Creek Phase 2 Fund, \$34,000 from the WRRSP Olentangy River Protection Project Fund, and \$51,415 from the OPWC Perfect Creek Ph 3 Fund. These amounts were advanced from the District's General Fund to provide working capital for various projects.

Note 6 – Risk Management

Workers' Compensation

Delaware County provides workers' compensation insurance for the District through a self-insurance plan offered by the State of Ohio. The plan allows the County to administer its own workers' compensation claims, including the approval of claims and the payment of compensation and medical payments for injured employees. The plan requires that the County participate in the Self-Insured Employers Guaranty Fund through the State of Ohio that guarantees that claims liabilities are satisfied if the self-insured employer is unable to pay the claims.

Risk Pool Membership

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

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

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2022.

PRESERVATION PARK OF DELAWARE COUNTY

Delaware County

Notes to the Financial Statements

For the Year Ended December 31, 2023

Note 6 – Risk Management (continued)

	<u>2022</u>
Cash and investments	\$42,310,794
Actuarial liabilities	\$15,724,479

This is the most recent information available.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

District 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the District contributed an amount equaling 14 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2023.

Note 8 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Note 9 – Fund Balances

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. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>
Outstanding Encumbrances	109,735	6,952	116,687
Total	<u>\$109,735</u>	<u>\$6,952</u>	<u>\$116,687</u>

The fund balance of capital projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

PRESERVATION PARK OF DELAWARE COUNTY

Delaware County

Notes to the Financial Statements

For the Year Ended December 31, 2023

Note 10 – Property Purchase Agreement

The District entered into a real estate purchase contract on March 10, 2020, to purchase a total of 478.2 acres for \$6,440,000. The District has agreed to the following terms:

- 1) As of December 31, 2023, the District has purchased 375.06 acres for a total purchase price of \$4,867,367.
- 2) On or before June 30, 2024, the District will close on purchasing 65.808 acres for a total purchase price of \$1,025,000.

The District entered into a real estate purchase contract on February 12, 2021 to purchase a total of 72.4 acres for \$3,249,312. The District has agreed to the following terms:

- 1) As of December 31, 2023, the District has paid \$2,166,208.
- 2) On or before June 30, 2024, the District will pay one-third of the total purchase price in the amount of \$1,083,104.

Preservation Park District*Delaware County**Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)**All Governmental Fund Types**For the Year Ended December 31, 2022*

	General	Capital Projects	Totals (Memorandum Only)
Cash Receipts			
Property Taxes	\$10,529,517	\$0	\$10,529,517
Charges for Services	368	0	368
Fines, Licenses and Permits	16,615	0	16,615
Intergovernmental	603,782	1,251,160	1,854,942
Earnings on Investments	131,995	0	131,995
Donations	55,395	0	55,395
Miscellaneous	101,565	0	101,565
<i>Total Cash Receipts</i>	<u>11,439,237</u>	<u>1,251,160</u>	<u>12,690,397</u>
Cash Disbursements			
Current:			
Conservation/Recreation:			
Salaries	2,133,060		2,133,060
Fringe Benefits	863,322		863,322
Materials and Supplies	342,881		342,881
Services and Charges	992,807		992,807
Grants in Aid	51,350		51,350
Capital Outlay	3,035,698	1,599,212	4,634,910
<i>Total Cash Disbursements</i>	<u>7,419,118</u>	<u>1,599,212</u>	<u>9,018,330</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>4,020,119</u>	<u>(348,052)</u>	<u>3,672,067</u>
Other Financing Receipts (Disbursements)			
Transfers In	0	568,600	568,600
Transfers Out	(568,600)		(568,600)
Advances In	1,297,970	2,052,560	3,350,530
Advances Out	(2,052,560)	(1,297,970)	(3,350,530)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(1,323,190)</u>	<u>1,323,190</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	<u>2,696,929</u>	<u>975,138</u>	<u>3,672,067</u>
<i>Fund Cash Balances, January 1</i>	<u>7,325,797</u>	<u>73,559</u>	<u>7,399,356</u>
<i>Fund Cash Balances, December 31</i>	<u>\$10,022,726</u>	<u>\$1,048,697</u>	<u>\$11,071,423</u>

See accompanying notes to the basic financial statements

PRESERVATION PARK OF DELAWARE COUNTY

Delaware County

Notes to the Financial Statements

For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The Preservation Park District (the District), Delaware County, 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 Delaware 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.

The Delaware County Foundation is a not-for-profit organization who receives donations and earmarks the contributions for projects throughout Delaware County. The Foundation collaborates with the District for the Amy Clark-Bader Bird Sanctuary fund. As of December 31, 2022, the Delaware County Foundation had \$16,151.52 in donations to be used for Preservation Parks.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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. The funds of the District 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 the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

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. The District had the following significant capital project funds:

The Clean Ohio Trails Program Fund accounts for funds to help develop and maintain recreation trails and trail-related facilities.

The Alum Creek Grant Fund accounts for the funds to assist with the Tributary to Alum Creek Stream and Floodplain Restoration project.

PRESERVATION PARK OF DELAWARE COUNTY

Delaware County

Notes to the Financial Statements

For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

The Ohio Public Works Commission Funds are dedicated to environmental conservations including acquisition of green space and the protection and enhancement of river and stream corridors.

The Ohio to Erie Trails Grant Fund accounts for land acquisition and trail construction that will span the state of Ohio from Cincinnati to Cleveland.

The Land and Water Conservation Fund is dedicated to the acquisition and development of public outdoor recreation facilities.

The H2Ohio Fund is dedicated to the Perfect Creek Treatment Wetlands Project to construct a wetlands treatment system.

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 (C). This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

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

Appropriations

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

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 approve estimated resources.

Encumbrances

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

A summary of 2022 budgetary activity appears in Note 3.

PRESERVATION PARK OF DELAWARE COUNTY

Delaware County

Notes to the Financial Statements

For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

Deposit and Investments

As the Ohio Revised Code permits, the Delaware County Treasurer holds the District's deposits as the District's custodian. The County holds the District's assets in its investment pool, valued at the Treasurer's reported carrying amount.

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.

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.

Leases

The District is the lessee in various leases (as defined by GASB 87) related to building, vehicles, and other equipment under noncancelable leases. Lease revenue/disbursements are recognized when they are received/paid.

Fund Balance

Fund balance is 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:

Nonspendable

The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the District and the 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). The District 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.

PRESERVATION PARK OF DELAWARE COUNTY

Delaware County

Notes to the Financial Statements

For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

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.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 9.

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted	Actual	Variance
	Receipts	Receipts	
General	\$11,142,765	\$11,439,237	\$296,472
Capital Projects	3,187,612	1,819,760	(1,367,852)
Total	<u>\$14,330,377</u>	<u>\$13,258,997</u>	<u>(\$1,071,380)</u>

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation	Budgetary	Variance
	Authority	Expenditures	
General	\$9,628,759	\$7,987,718	\$1,641,041
Capital Projects	2,645,471	1,599,212	1,046,259
Total	<u>\$12,274,230</u>	<u>\$9,586,930</u>	<u>\$2,687,300</u>

Note 4 – 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 non-business, owner occupancy, and homestead exemption credits and/or homestead

PRESERVATION PARK OF DELAWARE COUNTY

Delaware County

Notes to the Financial Statements

For the Year Ended December 31, 2022

Note 4 – Property Taxes (continued)

and rollback deductions. The financial statements include these credits and/or deduction 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 10th. The second half payment is due the following July 10th.

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 5 – Advances

Outstanding advances at December 31, 2022, consisted of the following from the District's capital project funds: \$162,225 to Clean Ohio Capital Fund, \$197,075 to the Capital Improvement Fund, \$400,000 to the H2Ohio Perfect Creek Ph 2, and \$8,638 to the OPWC Sandel PH 2 Fund.

Note 6 – Risk Management

Workers' Compensation

Delaware County provides workers' compensation insurance for the District through a self-insurance plan offered by the State of Ohio. The plan allows the County to administer its own workers' compensation claims, including the approval of claims and the payment of compensation and medical payments for injured employees. The plan requires that the County participate in the Self-Insured Employers Guaranty Fund through the State of Ohio that guarantees that claims liabilities are satisfied if the self-insured employer is unable to pay the claims.

Risk Pool Membership

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

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

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2021.

PRESERVATION PARK OF DELAWARE COUNTY

Delaware County

Notes to the Financial Statements

For the Year Ended December 31, 2022

Note 6 – Risk Management (continued)

	2021
Cash and investments	\$41,996,850
Actuarial liabilities	\$14,974,099

This is the most recent information available.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

District 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the District contributed an amount equaling 14 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2022.

Note 8 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan which includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a 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 2022. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2022.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Note 9 – Fund Balances

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. At year end the balances of these amounts were as follows:

Fund Balances	General	Capital Projects	Total
Outstanding Encumbrances	123,747	0	123,747
Total	\$123,747	\$0	\$123,747

PRESERVATION PARK OF DELAWARE COUNTY

Delaware County

Notes to the Financial Statements

For the Year Ended December 31, 2022

Note 9 – Fund Balances (continued)

The fund balance of capital projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the capital projects funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 10 – COVID-19

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

Note 11 – Property Purchase Agreement

The District entered into a real estate purchase contract on March 10, 2020, to purchase a total of 478.2 acres for \$6,440,000. The contract outlined two payment options whether the District levy passed on the November 2021 ballot. The levy passed and the District has agreed to the following terms:

1. On or before June 30, 2022, the District will close on purchasing 192.77 acres for a total purchase price of \$2,240,974. Purchased 5/4/2022.
2. On or before June 30, 2023, the District will close on purchasing 182.29 acres for a total purchase price of \$2,626,393.
3. On or before June 30, 2024, the District will close on purchasing 65.808 acres for a total purchase price of \$1,025,000

The District entered into a real estate purchase contract on February 12, 2021 contingent on the passing of the District levy, to purchase a total of 72.4 acres for \$3,249,312. The levy passed and the District has agreed to the following terms:

1. One-third of the total purchase price in the sum of \$1,083,104 paid at closing on or before June 30, 2022. Purchased 5/17/2022.
2. One-third of the total purchase price in the sum of \$1,083,104 shall be paid on or before June 30, 2023.
3. One-third of the total purchase price in the sum of \$1,083,104 shall be paid on or before June 30, 2024.



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Preservation Parks of Delaware County
Delaware County
2656 Hogback Road
Sunbury, Ohio 43074

To the Board of Park Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of the Preservation Parks of Delaware County, Delaware County, Ohio (the District) and have issued our report thereon dated March 31, 2025, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

March 31, 2025

OHIO AUDITOR OF STATE KEITH FABER



PRESERVATION PARKS OF DELAWARE COUNTY

DELAWARE 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 5/8/2025

65 East State 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