

Five Rivers Metroparks
Montgomery County, Ohio

Single Audit

January 1, 2009, through December 31, 2009

Fiscal Years Audited Under GAGAS: 2009



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Mary Taylor, CPA

Auditor of State

Board of Commissioners
Five Rivers Metroparks
1375 East Siebenthaler Avenue
Dayton, Ohio 45414

We have reviewed the *Independent Auditor's Report* of Five Rivers Metroparks, Montgomery County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2009 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Five Rivers Metroparks is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

November 12, 2010

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Five Rivers MetroParks
Montgomery County
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Independent Auditor's Report

Board of Commissioners
Five Rivers MetroParks
Montgomery County
1375 East Siebenthaler Avenue
Dayton, Ohio 45414

We have audited the accompanying financial statements of the Five Rivers MetroParks (the MetroParks), Montgomery County, as of and for the year ended December 31, 2009. These financial statements are the responsibility of the MetroPark's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

As described more fully in Note 1, the MetroPraks has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the MetroParks larger (i.e. major) funds separately. While the MetroParks does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Governments to reformat their statements. The MetroParks has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the MetroParks as of September 30, 2010, or its changes in financial position for the year then ended.

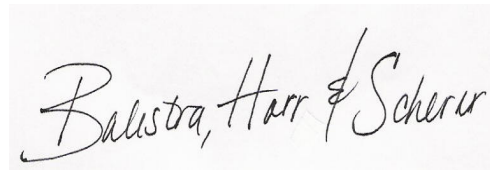
Board of Commissioners
Five Rivers MetroParks
Montgomery County
Independent Auditor's Report

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserve for encumbrances for the MetroParks, as of December 31, 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The MetroParks has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2010, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

We conducted our audit to opine on the financial statements that collectively comprise the MetroParks basic financial statements. The accompanying schedule of federal awards expenditures, as of December 31, 2009, is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. We subjected the schedule of federal awards expenditures to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Balestra, Harr & Scherer, CPAs, Inc.
September 30, 2010

Five Rivers MetroParks
*Combined Statement of Cash Receipts, Cash Disbursements and
Changes in Fund Cash Balances
All Governmental Fund Types
For the Year Ended December 31, 2009*

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash Receipts:				
Real Estate Property Tax	\$ 12,040,353	\$ -	\$ -	\$ 12,040,353
Tangible Personal Property Tax	630,629	-	-	630,629
Grants	2,293,806	90,201	-	2,384,007
Investment Income	523,482	252	-	523,734
Gifts and Donations	197,617	-	-	197,617
Intergovernmental Receipts	4,166,641	-	-	4,166,641
Sales	18,329	-	-	18,329
Contract Services	247,614	-	-	247,614
Other Receipts	17,582	49,282	-	66,864
Total Cash Receipts	20,136,053	139,735	-	20,275,788
Cash Disbursements:				
Current:				
Salaries	10,823,537	-	-	10,823,537
Supplies	770,236	-	-	770,236
Materials	401,373	-	-	401,373
Equipment	891,136	-	-	891,136
Repairs	704,234	-	-	704,234
Contract Services	1,525,706	48,829	-	1,574,535
Rentals	310,543	-	-	310,543
Advertising and Printing	567,644	-	-	567,644
Travel	105,141	-	-	105,141
Public Employees' Retirement	1,354,076	-	-	1,354,076
Workers' Compensation	327,782	-	-	327,782
Unemployment Compensation	11,328	-	-	11,328
Capital Outlay	1,536,353	74,682	5,810,526	7,421,561
Foundation Fee	-	480	-	480
Grants Paid	296,079	-	-	296,079
Other	1,641,625	147,344	-	1,788,969
Total Cash Disbursements	21,266,793	271,335	5,810,526	27,348,654
Total Cash Receipts Under Cash Disbursements	(1,130,740)	(131,600)	(5,810,526)	(7,072,866)
Other Financing Receipts (Disbursements):				
Transfers In	-	5,173	7,513,913	7,519,086
Transfers Out	(7,519,086)	-	-	(7,519,086)
Reimbursements	478,484	-	-	478,484
Refunds	8,258	-	-	8,258
Other Sources	150,829	-	-	150,829
Total Other Financing Receipts (Disbursements)	(6,881,515)	5,173	7,513,913	637,571
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(8,012,255)	(126,427)	1,703,387	(6,435,295)
Fund Cash Balances, January 1	11,606,351	149,238	5,947,315	17,702,904
Fund Cash Balances, December 31	\$ 3,594,096	\$ 22,811	\$ 7,650,702	\$ 11,267,609
Reserves for Encumbrances, December 31	\$ -	\$ -	\$ 4,914,487	\$ 4,914,487

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

Five Rivers MetroParks
Notes to the Financial Statements
For the Years Ended December 31, 2009

1. Summary of Significant Accountings Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Five Rivers MetroParks, (the MetroParks) as a body corporate and politic. The probate judge of Montgomery County appoints a three-member Board of Commissioners to govern the . 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 Commissioners may also create parks, parkways, and other reservations and may afforest, develop, improve and protect the promote the use of these assets conducive to the general welfare.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The MetroParks recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash

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

The MetroParks includes investments as assets. Accordingly, the MetroParks' does not record purchases of investments as disbursements or sales of investments as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. Fund Accounting

The MetroParks uses fund accounting to segregate cash and investments that are restricted as to use. The MetroParks classifies its funds into the following types:

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

Five Rivers MetroParks
Notes to the Financial Statements
For the Years Ended December 31, 2009

1. Summary of Significant Accountings Policies (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The MetroParks had the following significant Special Revenue Funds:

Law Enforcement Fund – This fund was established for the receipt of funds seized through drug related offenses. Proceeds are utilized for education and prevention of drug abuse.

Island and River MetroParks Program Fund – This fund was established for the purpose of paying expenditures for hosting various events at RiverScape and Island MetroParks. Transfers from the General Fund are the major source of receipts for this fund.

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

3. Capital Projects Fund

These funds account for receipts restricted for acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The MetroParka had the following significant Capital Projects Fund:

Five River MetroParks Capital (Construction) Fund – This fund receives proceeds from General Fund transfers. The proceeds are being used to fund various park capital projects.

E. Budgetary Process

The Ohio Revised Code requires the Board of Commissioners to budget each fund annually (except certain agency funds).

1. 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. Appropriation authority includes current year appropriations plus encumbrances carried over from the prior year (if any). The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

Five Rivers MetroParks
Notes to the Financial Statements
For the Years Ended December 31, 2009

1. Summary of Significant Accountings Policies (Continued)

E. Budgetary Process (Continued)

3. Encumbrances

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

A summary of 2009 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

The MetroParks 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.

2. Equity in Pooled Cash and Investments

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

The MetroParks includes investments as assets. Accordingly, the MetroParks does not record purchases of investments as disbursements or sales of investments as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Five Rivers MetroParks
Notes to the Financial Statements
For the Years Ended December 31, 2009

3. Budgetary Activity

Budgetary activity for the years ended December 31, 2009 follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$20,726,462	\$20,773,624	\$47,162
Special Revenue	97,524	144,908	47,384
Capital Projects	7,500,141	7,513,913	13,772
Total	\$28,324,127	\$28,432,445	\$108,318

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$31,573,086	\$28,785,879	\$2,787,207
Special Revenue	273,027	271,335	1,692
Capital Projects	11,642,900	10,725,013	917,887
Total	\$43,489,013	\$39,782,227	\$3,706,786

Five Rivers MetroParks
Notes to the Financial Statements
For the Years Ended December 31, 2009

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board of Commissioners adopts 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 MetroParks . Property owners are assessed tangible personal property tax. They must file a list of this property to the County by each April. The tangible personal property tax will phase out over a four-year period starting with tax year 2006 and ending in 2009. This phase-out applies to most businesses and includes furniture and fixtures, machinery and equipment and inventory. New manufacturing machinery and equipment first reported on the 2006 and subsequent year returns is not subject to the personal property tax.

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

5. Retirement System

The MetroParks full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes retirement benefits, including postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009, OPERS members in classifications other than law enforcement contributed 10.00% of their gross salaries, respectively. Members in law enforcement classifications, which consists generally of park ranges, contributed 10.10% of their gross salaries in 2009. The contributed an amount equal to 14.00% of participants' gross salaries, respectively, for members other than law enforcement. The contributed an amount equal to 17.40% of participants' gross salaries, respectively, for members of law enforcement. The MetroParks has paid all contributions required through December 31, 2009.

6. Risk Management

The MetroParks is exposed to various risks of property and casualty losses, and injuries to employees. The MetroParks insures against injuries to employees through the Ohio Bureau of Workers' Compensation.

The MetroParks belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Five Rivers MetroParks
Notes to the Financial Statements
For the Years Ended December 31, 2009

6. Risk Management (Continued)

Casualty Coverage

For an occurrence prior to January 1, 2006, PEP retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year. For an occurrence on or subsequent to January 1, 2006, PEP retains casualty risk up to \$350,000 per occurrence, including loss adjustment expenses. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation through contracts with PEP.

If losses exhaust PEP's retained earnings, APEEP provides *excess of funds available* coverage up to \$5,000,000 per year, subject to a per-claim limit of \$10,000,000. Governments can elect additional coverage, from \$3,000,000 to \$13,000,000 through General Reinsurance Corporation.

Property Coverage

Beginning in 2005, APEEP established a risk-sharing property program. Under the program, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined PEP members' to insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600,000,000 per occurrence limit.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2009:

	<u>2009</u>
Assets	<u>\$36,374,898</u>
Liabilities	<u>(15,256,862)</u>
Retained Earnings	<u>\$21,118,036</u>

At December 31, 2009, respectively, casualty coverage liabilities noted above include approximately \$14.0 million and \$15.2 million of estimated incurred claims payable. The casualty coverage assets and retained earnings above also include approximately \$14.0 million and \$15.2 million of unpaid claims to be billed to approximately 445 member governments in the future, as of December 31, 2009, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The MetroParks share of these unpaid claims collectible in future years is approximately \$459,000. This payable includes the subsequent year's contribution due if the MetroParks terminates participation, as described in the last paragraph of this Note.

Five Rivers MetroParks
Notes to the Financial Statements
For the Years Ended December 31, 2009

6. Risk Management (Continued)

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>Contributions to PEP</u>	
2007	\$230,600
2008	229,571
2009	260,991

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP. They must provide written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the withdrawal.

7. Contingent Liabilities

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

The MetroParks is not currently a party to lawsuits.

8. Interfund Activity

The following is a summary of the interfund activity for the for the years ended December 31, 2009 and 2008.

	<u>Transfers In</u>	<u>Transfers Out</u>
<i>2009</i>		
General Fund	\$0	\$7,519,086
State and Local Grant Fund	5,173	0
Capital Fund	7,513,913	0
Total	<u>\$7,519,086</u>	<u>\$7,519,086</u>

Transfers were made from the General Fund to the Capital Projects Fund and the State and Local Grant Fund to subsidize construction activity.

Five Rivers MetroParks
Notes to the Financial Statements
For the Years Ended December 31, 2009

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Five Rivers MetroParks
Schedule of Federal Awards Expenditures
For the Fiscal Year Ended December 31, 2009

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
United States Department of Agriculture			
<i>Passed through Ohio Department of Education</i>			
<i>Nutrition Cluster:</i>			
Child and Adult Care Food Program		10.558	\$ 20,427
Summer Food Service Program for Children		10.559	7,947
<i>Total Nutrition Cluster</i>			<u>28,374</u>
Farm and Ranch Lands Protection Program		10.913	334,500
Total United States Department of Agriculture			<u>362,874</u>
United States Department of Transportation			
<i>Passed through Ohio Department of Transportation</i>			
Highway Planning and Construction		20.205	<u>1,828,846</u>
Total United States Department of Transportation			<u>1,828,846</u>
United States Department of Homeland Security			
<i>Passed through Ohio Department of Public Safety</i>			
FEMA - Disaster Grant		97.036	<u>74,682</u>
Total United States Department of Transportation			<u>74,682</u>
Total Federal Financial Assistance			<u><u>\$ 2,266,402</u></u>

NA - Not Available

See accompanying notes to the schedule of federal awards expenditures

Notes to the Schedule of Federal Awards Expenditures

Note A - Significant Accounting Policies

The Accompanying schedule of federal awards expenditures summarizes activity of the MetroParks federal award programs. The schedule has been prepared on the cash basis of accounting.



**Report On Internal Control Over Financial Reporting and On Compliance and Other Matters Required by
*Government Auditing Standards***

Five Rivers MetroParks
Montgomery County
1375 East Siebenthaler Avenue
Dayton, Ohio 45414

We have audited the financial statements of Five Rivers MetroParks, Montgomery County, Ohio, (the MetroParks) as of and for the year ended December 31, 2009, and have issued our report thereon dated September 30, 2010, wherein we noted the MetroParks followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the MetroParks' internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the MetroParks' internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the MetroParks' internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the MetroParks' financial statements will not be prevented, or detected and timely corrected.

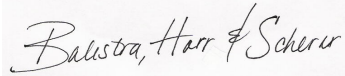
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

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

Five Rivers MetroParks
Report On Internal Control Over Financial Reporting and On Compliance and Other Matters Required by
Government Auditing Standards
Page 2

We intended this report solely for the information and use of management, Board of Commissioners, and the federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.
September 30, 2010



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133**

Five Rivers MetroParks
1375 E. Siebenthaler Ave
Dayton, Ohio 45414

Compliance

We have audited the compliance of Five Rivers MetroParks, Montgomery County, Ohio (the MetroParks) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. The summary of auditor's results section of the accompanying schedule of findings identifies the MetroParks' major federal programs. The MetroParks' management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the MetroParks' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the MetroParks' compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the MetroParks' compliance with those requirements.

In our opinion, the MetroParks complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

The MetroParks' management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the MetroParks' internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of opining on compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the MetroParks' internal control over compliance.

Five Rivers MetroParks

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Page 2

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

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

We intend this report solely for the information and use of the Board of Commissioners, management and federal awarding agencies and pass-through entities. It is not intended for anyone other than these specified parties.

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in black ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.
September 30, 2010

**FIVE RIVERS METROPARKS
MONTGOMERY COUNTY**

*SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009*

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any significant internal control deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any material weakness reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any significant internal control deficiencies reported for major federal programs?	No
(d)(1)(iv)	Were there any material weakness reported for major federal programs?	No
(d)(1)(v)	Type of Major Program's Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under section .510?	No
(d)(1)(vii)	Major Programs (list):	Highway Planning and Construction, CFDA #20.205 Farm and Ranch Lands Protection Program, CFDA #10.913
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

**FIVE RIVERS METROPARKS
MONTGOMERY COUNTY**

*SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505
(CONTINUED)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009*

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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Mary Taylor, CPA
Auditor of State

FIVE RIVERS METROPARKS

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 30, 2010**