



Dave Yost • Auditor of State

**FIVE RIVERS METROPARKS
MONTGOMERY COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Park Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Five Rivers MetroParks, Montgomery County, (the MetroParks) as of and for the years ended December 31, 2015 and 2014.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As described in Note 1 of the financial statements, MetroParks prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the MetroParks as of December 31, 2015 and 2014, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Five Rivers MetroParks, Montgomery County as of December 31, 2015 and 2014, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2016, on our consideration of the MetroParks internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the MetroParks' internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

October 7, 2016

**FIVE RIVERS METROPARKS
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:				
Levy Funds	\$14,045,694			\$14,045,694
Intergovernmental	2,758,400	\$329,695		3,088,095
Charges for Services	750,570			750,570
Investment Earnings	163,925	916		164,841
Gifts and Donations	140,877	2,533,299	\$1,427,062	4,101,238
Miscellaneous	367,345	15,183		382,528
Total Cash Receipts	<u>18,226,811</u>	<u>2,879,093</u>	<u>1,427,062</u>	<u>22,532,966</u>
Cash Disbursements:				
Current:				
Salaries and Benefits	12,384,878	21,288		12,406,166
Supplies	2,571,237	11,938		2,583,175
Contracts	2,462,219	50,000		2,512,219
Intergovernmental	442,091			442,091
Capital Outlay	947,630	1,006,419	1,509,378	3,463,427
Total Cash Disbursements	<u>18,808,055</u>	<u>1,089,645</u>	<u>1,509,378</u>	<u>21,407,078</u>
Excess of Receipts Over (Under) Disbursements	<u>(581,244)</u>	<u>1,789,448</u>	<u>(82,316)</u>	<u>1,125,888</u>
Other Financing Sources (Uses):				
Transfers In	12,733	156,920	363,815	533,468
Transfers Out	(520,735)	(12,733)		(533,468)
Advances In	116,701	129,297		245,998
Advances Out	(129,297)	(116,701)		(245,998)
Other Financing Sources	39,268			39,268
Total Other Financing Sources (Uses)	<u>(481,330)</u>	<u>156,783</u>	<u>363,815</u>	<u>39,268</u>
Net Change in Fund Cash Balances	(1,062,574)	1,946,231	281,499	1,165,156
Fund Cash Balances, January 1	<u>12,633,970</u>	<u>387,988</u>	<u>871,475</u>	<u>13,893,433</u>
Fund Cash Balances, December 31:				
Restricted		2,246,096		2,246,096
Committed		88,123	1,152,974	1,241,097
Assigned	4,999,453			4,999,453
Unassigned	6,571,943			6,571,943
Fund Cash Balances, December 31	<u>\$11,571,396</u>	<u>\$2,334,219</u>	<u>\$1,152,974</u>	<u>\$15,058,589</u>

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

**FIVER RIVERS METROPARKS
MONTGOMERY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:				
Levy Funds	\$14,399,870			\$14,399,870
Intergovernmental	3,093,663	\$1,716,275		4,809,938
Charges for Services	976,756			976,756
Investment Earnings	162,835	755		163,590
Gifts and Donations	150,341	496,649	\$264,131	911,121
Miscellaneous	389,047	40,315		429,362
Total Cash Receipts	<u>19,172,512</u>	<u>2,253,994</u>	<u>264,131</u>	<u>21,690,637</u>
Cash Disbursements:				
Current:				
Salaries and Benefits	11,783,418	22,074		11,805,492
Supplies	2,484,354	15,984		2,500,338
Contracts	2,334,220	68,838		2,403,058
Intergovernmental	486,689			486,689
Capital Outlay	883,292	2,547,423	746,979	4,177,694
Total Cash Disbursements	<u>17,971,973</u>	<u>2,654,319</u>	<u>746,979</u>	<u>21,373,271</u>
Excess of Receipts Over (Under) Disbursements	<u>1,200,539</u>	<u>(400,325)</u>	<u>(482,848)</u>	<u>317,366</u>
Other Financing Sources (Uses):				
Transfers In	404,825	188,873	440,071	1,033,769
Transfers Out	(628,944)	(404,825)		(1,033,769)
Advances In	829,775	116,702		946,477
Advances Out	(116,702)	(829,775)		(946,477)
Other Financing Sources	149,115			149,115
Total Other Financing Sources (Uses)	<u>638,069</u>	<u>(929,025)</u>	<u>440,071</u>	<u>149,115</u>
Net Change in Fund Cash Balances	1,838,608	(1,329,350)	(42,777)	466,481
Fund Cash Balances, January 1	<u>10,795,362</u>	<u>1,717,338</u>	<u>914,252</u>	<u>13,426,952</u>
Fund Cash Balances, December 31:				
Restricted		387,301		387,301
Committed		687	871,475	872,162
Assigned	4,148,934			4,148,934
Unassigned	8,485,036			8,485,036
Fund Cash Balances, December 31	<u>\$12,633,970</u>	<u>\$387,988</u>	<u>\$871,475</u>	<u>\$13,893,433</u>

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

**FIVE RIVERS METROPARKS
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 and 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of MetroPark

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

The James M. Cox, Jr. Arboretum Foundation (the Foundation) is also associated with MetroParks. The Foundation is a not for profit organization exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code. The primary objective of the Foundation is to provide a "living museum" for the Dayton community where people of all ages can come to learn about and engage with nature. The Foundation supports the management and operation of Cox Arboretum MetroPark. Further information regarding this organization can be obtained by writing James M. Cox, Jr. Arboretum Foundation, 6733 Springboro Pike, Dayton, Ohio 45449 or by phone at (937) 434-9005. The Foundation is considered a component unit of the MetroParks because the economic resources received or held by the Foundation are entirely for the direct benefit of Cox Arboretum MetroPark. MetroParks, is entitled to, or has the ability to otherwise access a majority of the economic resources received or held by the Foundation. The economic resources received or held by the Foundation that the MetroParks, is entitled to, or has the ability to otherwise access, are significant to that primary government.

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

B. Accounting Basis

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

C. Deposit and Investments

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

D. Fund Accounting

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

**FIVE RIVERS METROPARKS
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 and 2014
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

2. Special Revenue Funds

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

State and Local Grants Fund – This fund receives proceeds from state agencies and donations. These proceeds are mainly used to support projects of the MetroParks.

Federal Grant Fund – This fund was established for the purpose of paying expenditures and recording revenues for federal programs.

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

3. Capital Project Funds

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

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

E. 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 object level of control, and appropriations may not exceed estimated resources. MetroParks' 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. The County Budget Commission must approve estimated resources.

**FIVE RIVERS METROPARKS
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 and 2014
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Encumbrances

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

A summary of 2015 and 2014 budgetary activity appears in Note 2.

F. Fund Balance

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

1. Non-spendable

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

2. 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.

3. Committed

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

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 MetroParks' Commissioners or a MetroParks 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 the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

**FIVE RIVERS METROPARKS
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 and 2014
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Property, Plant, and Equipment

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

H. 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. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2015 and 2014 follows:

2015 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$18,231,960	\$18,395,513	\$163,553
Special Revenue	5,252,324	3,165,310	(2,087,014)
Capital Projects	1,515,567	1,790,877	275,310
Total	<u>\$24,999,851</u>	<u>\$23,351,700</u>	<u>(\$1,648,151)</u>

2015 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$22,380,894	\$20,172,599	\$2,208,295
Special Revenue	5,543,536	1,219,070	4,324,466
Capital Projects	2,773,252	2,269,516	503,736
Total	<u>\$30,697,682</u>	<u>\$23,661,185</u>	<u>\$7,036,497</u>

2014 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$19,688,774	\$20,556,227	\$867,453
Special Revenue	6,830,023	2,559,569	(4,270,454)
Capital Projects	257,395	704,202	446,807
Total	<u>\$26,776,192</u>	<u>\$23,819,998</u>	<u>(\$2,956,194)</u>

2014 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$22,068,036	\$19,391,030	\$2,677,006
Special Revenue	8,105,553	3,995,759	4,109,794
Capital Projects	1,670,083	746,979	923,104
Total	<u>\$31,843,672</u>	<u>\$24,133,768</u>	<u>\$7,709,904</u>

**FIVE RIVERS METROPARKS
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 and 2014
(Continued)**

3. 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 MetroParks.

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

4. RETIREMENT SYSTEMS

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

The Ohio Revised Code also prescribes contribution rates. For 2015 and 2014, OPERS members in classifications other than law enforcement contributed 10% of their gross salaries. Members in law enforcement classifications, which consist generally of park rangers, contributed 13% of their gross salaries in 2015 and 2014. MetroParks contributed an amount equaling 14% of participants' gross salaries for members other than law enforcement. MetroParks contributed an amount equal to 18.1% of participants' gross salaries for members of law enforcement. MetroParks has paid all contributions required through December 31, 2015.

5. 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 Worker's 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. York Insurance Services Group, Inc. (York) functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

A. Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2015, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

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

**FIVE RIVERS METROPARKS
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 and 2014
(Continued)**

5. RISK MANAGEMENT (Continued)

B. Financial Position

PEP's financial statements (audited by other auditor's) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2014 and 2015.

	2014	2015
Assets	\$35,402,177	\$38,307,677
Liabilities	(12,363,257)	(12,759,127)
Net Position	\$23,038,920	\$25,548,550

At December 31, 2014 and 2015, respectively, the liabilities above include approximately 11.1 million and \$11.5 million of estimated incurred claims payable. The assets above also include approximately \$10.8 million and \$11.0 million of unpaid claims to be billed. The Pool's membership increased from 488 members in 2014 to 499 members in 2015. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2015, the MetroParks' share of these unpaid claims collectible in future years is approximately \$129,000.

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.

Contributions to PEP	
2015	2014
\$203,881	\$206,252

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to 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 occurred or was reported prior to the withdrawal.

6. CONTINGENT LIABILITIES

MetroParks is defendant in one lawsuit. Although management cannot presently determine the outcome of the lawsuit, management believes that the resolution of this matter will not materially adversely affect MetroParks' financial condition.

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

**FIVE RIVERS METROPARKS
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 and 2014
(Continued)**

7. FUND BALANCE

Fund balance is classified as non-spendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the MetroParks is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the General Fund, Special Revenue Funds and Capital Projects Fund for the years ended December 31, 2015 and December 31, 2014, are presented as follows:

<u>Year Ended December 31, 2015</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Governmental Funds</u>
Fund Balance				
Restricted for:				
State & Local Grants Fund		\$2,177,555		\$2,177,555
Federal Equitable Sharing		6,935		6,935
State Forfeitures		32,464		32,464
Law Enforcement Training		2,320		2,320
Law Enforcement Fund		26,822		26,822
Total Restricted		2,246,096		2,246,096
Committed:				
RiverScape Replacement Fund		715		715
Wetland Mitigation Bank Fund		62,345		62,345
River Run Debris Removal Fund		25,063		25,063
Construction Fund			\$1,152,974	1,152,974
Total Committed		88,123	1,152,974	1,241,097
Assigned:				
Outstanding encumbrances	\$714,512			714,512
Subsequent Year Appropriations	4,284,941			4,284,941
Total Committed	4,999,453			4,999,453
Unassigned	6,571,943			6,571,943
Total Fund Balances	\$11,571,396	\$2,334,219	\$1,152,974	\$15,058,589
<u>Year Ended December 31, 2014</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Governmental Funds</u>
Fund Balance:				
Restricted for				
State & Local Grants Fund		\$228,370		\$228,370
Federal Equitable Sharing		2,983		2,983
State Forfeitures		35,631		35,631
Wetland Mitigation Bank Fund		61,748		61,748
Law Enforcement Fund		25,533		25,533
Federal Grants		33,036		33,036
Total Restricted		387,301		387,301
Committed:				
RiverScape Replacement Fund		687		687
Construction Fund			\$871,475	871,475
Total Committed		687	871,475	872,162
Assigned:				
Outstanding encumbrances	\$673,411			673,411
Subsequent Year Appropriations	3,475,523			3,475,523
Total Assigned	4,148,934			4,148,934
Unassigned	8,485,036			8,485,036
Total Fund Balances	\$12,633,970	\$387,988	\$871,475	\$13,893,433

**FIVE RIVERS METROPARKS
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 and 2014
(Continued)**

8. INTERFUND ACTIVITY

The following is a summary of the interfund activity for the year ended December 31, 2015.

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Advance In</u>	<u>Advance Out</u>
General Fund	\$12,733	\$520,735	\$116,701	\$129,297
Special Revenue Fund	156,920	12,733	129,297	116,701
Capital Projects Fund	363,815			
Total	<u>\$533,468</u>	<u>\$533,468</u>	<u>\$245,998</u>	<u>\$245,998</u>

The following is a summary of the interfund activity for the year ended December 31, 2014.

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Advance In</u>	<u>Advance Out</u>
General Fund	\$404,825	\$628,944	\$829,775	\$116,702
Special Revenue Fund	188,873	404,825	116,702	829,775
Capital Projects Fund	440,071			
Total	<u>\$1,033,769</u>	<u>\$1,033,769</u>	<u>\$946,477</u>	<u>\$946,477</u>

Transfers were made from the General fund to the Capital Projects Fund and the Federal, State and Local Grant Funds to stabilize these funds.



Dave Yost • Auditor of State

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

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

To the Board of Park Commissioners:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Five Rivers MetroParks, Montgomery County, (the MetroParks) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements and have issued our report thereon dated October 7, 2016 wherein we noted the MetroParks followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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Purpose of this Report

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

October 7, 2016



Dave Yost • 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 10, 2016**