



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

www.bhscpas.com

FIVE RIVERS METROPARKS
MONTGOMERY COUNTY, OHIO

SINGLE AUDIT

For the Year Ended December 31, 2011
Fiscal Year Audited Under GAGAS: 2011



Dave Yost • Auditor of State

Board of Commissioners
Five Rivers MetroParks
409 East Monument Avenue
Dayton, Ohio 45402

We have reviewed the *Independent Auditor's Report* of the Five Rivers MetroParks, Montgomery County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2011 through December 31, 2011. 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. The Five Rivers MetroParks is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

August 30, 2012

This page intentionally left blank.

FIVE RIVERS METROPARKS

FOR THE YEAR ENDED DECEMBER 31, 2011

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Independent Auditor’s Report	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes In Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 2011	3
Notes to the Financial Statements	4
Schedule of Expenditures of Federal Awards.....	12
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	13
Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133	15
Schedule of Findings-OMB Circular A-133 § .505	17

This page intentionally left blank.



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

www.bhscpas.com

Independent Auditor's Report

Five Rivers MetroParks
409 East Monument Avenue
Dayton, OH 45402

To the Board of Commissioners:

We have audited the accompanying financial statements of Five Rivers MetroParks, Montgomery County, Ohio (the MetroParks), as of and for the year ended December 31, 2011. These financial statements are the responsibility of the MetroPark's management. Our responsibility is to express an opinion 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 opinion.

As described more fully in Note 1, the MetroParks 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 MetroParks' 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 year ended December 31, 2011 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Five Rivers MetroParks, Montgomery County, Ohio, as of December 31, 2011, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Five Rivers MetroParks, Montgomery County, Ohio, as of December 31, 2011, and its combined cash receipts and disbursements for the year then ended on the accounting basis Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2012, 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. 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 MetroParks' financial statements taken as a whole. The Schedule of Expenditures of Federal Awards provides additional information 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 financial statements. The Schedule of Expenditures of Federal Awards is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This Schedule was subject to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the financial statements taken as a whole.

As described in Note 8 to the financial statements, during 2011 the MetroParks has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.


Balestra, Harr & Scherer, CPAs, Inc.
June 15, 2012

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, 2011*

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Project	
Cash Receipts:				
Levy Funds	\$ 15,525,108	\$ -	\$ -	\$ 15,525,108
Intergovernmental Revenue	5,727,997	1,330,228	106,619	7,164,844
Charges for Services	449,338	-	-	449,338
Investment Income	188,624	-	-	188,624
Gifts and Donations	122,570	-	-	122,570
Miscellaneous	62,546	8,897	-	71,443
Total Cash Receipts	22,076,183	1,339,125	106,619	23,521,927
Cash Disbursements:				
Current:				
Salaries and Benefits	12,198,001	7,465	-	12,205,466
Supplies	1,212,940	5,151	-	1,218,091
Contracts	1,139,899	-	-	1,139,899
Intergovernmental	450,172	-	-	450,172
Other Disbursements	2,822,896	50,825	-	2,873,721
Capital Outlay	746,605	1,294,660	1,654,005	3,695,270
Total Cash Disbursements	18,570,513	1,358,101	1,654,005	21,582,619
Total Cash Receipts Under Cash Disbursements	3,505,670	(18,976)	(1,547,386)	1,939,308
Other Financing Receipts (Disbursements):				
Transfers In	-	16,226	744,181	760,407
Transfers Out	(760,407)	-	-	(760,407)
Reimbursements	77,109	-	-	77,109
Sale of Asset	64,019	-	-	64,019
Insurance Proceeds	45,231	-	-	45,231
Total Other Financing Receipts (Disbursements)	(574,048)	16,226	744,181	186,359
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	2,931,622	(2,750)	(803,205)	2,125,667
Fund Cash Balances, January 1	6,100,895	1,160,333	3,672,756	10,933,984
Restricted	-	1,156,896	-	1,156,896
Committed	-	687	2,869,551	2,870,238
Assigned	602,765	0	-	602,765
Unassigned (Deficit)	8,429,752	-	-	8,429,752
Fund Cash Balances, December 31	\$ 9,032,517	\$ 1,157,583	\$ 2,869,551	\$ 13,059,651

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

Five Rivers MetroParks
Notes to the Financial Statements
For the Year Ended December 31, 2011

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 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 Commissioners may also create parks, parkways, and other reservations and may afforest, develop, improve, protect, and promote the use of these assets conducive to the general welfare.

The MetroParks' management believes these financial statements present all activities for 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 Year Ended December 31, 2011

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 private purpose 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.

Federal 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 MetroParks for large expenses at RiverScape MetroPark.

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 MetroParks had the following significant Capital Projects Fund:

Five Rivers 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. The County Budget Commission must also approve estimated resources.

Five Rivers MetroParks
Notes to the Financial Statements
For the Year Ended December 31, 2011

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 2011 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.

H. Fund Balance

Fund balance is divided into five classifications 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 classifications are as follows:

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

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Commissioners. Those committed amounts cannot be used for any other purpose unless the Commissioners removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the MetroParks for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the Commissioners.

Five Rivers MetroParks
Notes to the Financial Statements
For the Year Ended December 31, 2011

1. Summary of Significant Accountings Policies (Continued)

H. Fund Balance (Continued)

Unassigned Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The 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.

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.

3. Budgetary Activity

Budgetary activity for the year ended December 31, 2011 follows:

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$21,616,667	\$22,262,542	\$645,875
Special Revenue	87,133	1,355,351	1,268,218
Capital Projects	850,800	850,800	0
Total	\$22,554,600	\$24,468,693	\$1,914,093

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$22,644,826	\$19,933,685	\$2,711,141
Special Revenue	5,147,668	1,518,652	3,629,016
Capital Projects	4,232,832	2,983,001	1,249,831
Total	\$32,025,326	\$24,435,338	\$7,589,988

Five Rivers MetroParks
Notes to the Financial Statements
For the Year Ended December 31, 2011

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 February 18. If the property owner elects to pay semiannually, the first half is due February 18. The second half payment is due the following June 15.

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

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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2011, OPERS members in classifications other than law enforcement contributed 10.00% of their gross salaries. Members in law enforcement classifications, which consists generally of park rangers, contributed 11.61% of their gross salaries in 2011. The MetroParks contributed an amount equal to 14.00% of participants' gross salaries for members other than law enforcement. The MetroParks contributed an amount equal to 18.10% of participants' gross salaries for members of law enforcement. The MetroParks has paid all contributions required through December 31, 2011.

6. Risk Management

Risk Pool Membership

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. American Risk Pooling Consultants, Inc. (ARPCO), a division of 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 ARPCO. 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 Year Ended December 31, 2011

6. Risk Management (Continued)

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, 2010, PEP retained \$350,000 for casualty claims and \$150,000 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.

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, 2010 and 2009 (the latest information available):

	2010	2009
Assets	\$34,952,010	\$36,374,898
Liabilities	(14,320,812)	(15,256,862)
Retained Earnings	\$20,631,198	\$21,118,036

At December 31, 2010 and 2009, respectively, the liabilities above include approximately \$12.9 million and \$14.1 million of estimated incurred claims payable. The assets above also include approximately \$12.4 million and \$13.7 million of unpaid claims to be billed to approximately 454 member governments in the future, as of December 31, 2010 and 2009, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2010, the Government's share of these unpaid claims collectible in future years is approximately \$166,000.

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	
2009	\$260,991
2010	239,880
2011	178,728

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.

Five Rivers MetroParks
Notes to the Financial Statements
For the Year Ended December 31, 2011

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. Change in Accounting Principle and Fund Balances

For fiscal year 2011, the MetroParks implemented Governmental Accounting Standard Board (GASB) Statement 54, fund balance reporting and Governmental fund type definitions.

Fund balance is classified as non-spendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Township 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 Outlay Fund for the year ended December 31, 2011 are presented as follows:

	General Fund	Special Revenue Funds	Capital Outlay Funds	Total Governmental Funds
<i>Fund Balance</i>				
Restricted for				
Federal Fund	\$0	\$861,526	\$0	\$861,526
State & Local Grants Fund	0	265,584	0	265,584
Law Enforcement Fund	0	29,786	0	29,786
Total Restricted	0	1,156,896	0	1,156,896
Committed				
Riverscape Replacement Fund	0	687	0	687
Construction Fund	0	0	2,869,551	2,869,551
Total Committed	0	687	2,869,551	2,870,238
Assigned				
Other Purposes	602,765	0	0	602,765
Unassigned (Deficit)	8,429,752	0	0	8,429,752
Total Fund Balances	\$9,032,517	\$1,157,583	\$2,869,551	\$13,059,651

Five Rivers MetroParks
Notes to the Financial Statements
For the Year Ended December 31, 2011

9. Interfund Activity

The following is a summary of the interfund activity for the for the year ended December 31, 2011.

	<u>Transfers In</u>	<u>Transfers Out</u>
<i>2011</i>		
General Fund	\$0	\$760,407
Special Revenues Fund	16,226	0
Capital Fund	744,181	0
Total	<u>\$760,407</u>	<u>\$760,407</u>

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

Five Rivers MetroParks
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended December 31, 2011

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>			
Child and Adult Care Food Program	3L80	10.558	\$ 29,827
Summer Food Service Program for Children	3L60	10.559	<u>9,142</u>
Total United States Department of Agriculture			<u>38,969</u>
United States Department of Interior			
<i>Direct from the Federal Government</i>			
National Trails System Projects, ARRA	NA	15.935	<u>6,570</u>
Total United States Department of Interior			<u>6,570</u>
United States Department of Transportation			
<i>Passed through Ohio Department of Transportation</i>			
Highway Planning and Construction	PID78101	20.205	196,774
Highway Planning and Construction	PID 80471	20.205	515,217
Highway Planning and Construction	PID 83842	20.205	1,106,881
Highway Planning and Construction, ARRA	PID 83842ARRA	20.205	<u>149,280</u>
Total United States Department of Transportation			<u>1,968,152</u>
United States Environmental Protection Agency			
<i>Passed through Ohio Environmental Protection Agency</i>			
Nonpoint Source Implementation Grants	3F5	66.460	<u>430,008</u>
Total United States Environmental Protection Agency			<u>430,008</u>
United States Department of Homeland Security			
<i>Passed through Ohio Department of Public Safety</i>			
Severe Loss Repetitive Program	NA	97.110	<u>6,183</u>
Total United States Department of Homeland Security			<u>6,183</u>
Total Federal Financial Assistance			<u>\$ 2,449,882</u>

NA - Not Available

Notes to the Schedule of Expenditures of Federal Awards

Note A - Significant Accounting Policies

The Accompanying Schedule of Expenditures of Federal Awards summarizes activity of the MetroParks federal award programs. The Schedule has been prepared on the cash basis of accounting.



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

www.bhscpas.com

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

Five Rivers MetroParks
409 East Monument Avenue
Dayton, OH 45402

To the Board of Commissioners:

We have audited the financial statements of Five Rivers MetroParks, Montgomery County, Ohio (the MetroParks), as of and for the year ended December 31, 2011, have issued our report thereon dated June 15, 2012, 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 and implemented GASB Statements No. 54. 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.

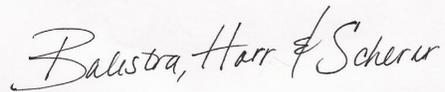
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies 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*

We intend this report solely for the information and use of management, the Board of Commissioners, federal awarding agencies, pass-through entities, and others within the MetroParks. We intend it for no one 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.
June 15, 2012



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

www.bhscpas.com

Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133

Members of the Board
Five Rivers MetroParks
409 East Monument Avenue
Dayton, OH 45402

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 could directly and materially affect each of Five Rivers MetroParks' major federal programs for the year ended December 31, 2011. 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, Five Rivers MetroParks complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

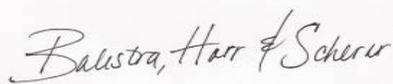
The MetroParks' management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the MetroParks' internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over 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.

Members of the Board
Five Rivers MetroParks
Report on Compliance with Requirements Applicable to each Major Federal Program and on
Internal Control Over Compliance Required by 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 management, the Board of Commissioners, others within the MetroParks, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.
June 15, 2012

**Five Rivers MetroParks
Montgomery County, Ohio**

**Schedule of Findings
OMB Circular A-133 Section §.505
December 31, 2011**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant control deficiencies 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 material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant internal control deficiencies 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 §.510(a)?	No
(d)(1)(vii)	Major Programs (list):	Highway Planning and Construction, CFDA #20.205 Highway Planning and Construction, ARRA CFDA #20.205 Nonpoint Source Implementation Grants, CFDA #66.460
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**Five Rivers MetroParks
Montgomery County, Ohio**

**Schedule of Findings
OMB Circular A-133 Section §.505
December 31, 2011**

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

None noted

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None noted



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
SEPTEMBER 13, 2012**