



Dave Yost • Auditor of State

**ASHTABULA COUNTY METROPARKS
ASHTABULA COUNTY
DECEMBER 31, 2015 AND 2014**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) – Governmental Fund Types - For the Year Ended December 31, 2015	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) – Governmental Fund Types - For the Year Ended December 31, 2014	4
Notes to the Financial Statements	5
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	11

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Ashtabula County MetroParks
Ashtabula County
91 North Chestnut Street
Jefferson, Ohio 44047

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 the Ashtabula County Metroparks, Ashtabula 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's 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's 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, the 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.

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 the Ashtabula County Metroparks, Ashtabula 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 September 14, 2016, on our consideration of the Metroparks's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

September 14, 2016

Ashtabula County Metroparks
Ashtabula County
**Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Cash Basis)**
Governmental Fund Types
For the Year Ended December 31, 2015

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Contributions	\$4,485	\$152,038	\$156,523
Intergovernmental	17,806	170,257	188,063
Earnings on Investments	57		57
<i>Total Cash Receipts</i>	<u>22,348</u>	<u>322,295</u>	<u>344,643</u>
Cash Disbursements			
Salaries and Related Benefits	7,950		7,950
Supplies	669		669
Advertising	454		454
Contract Services	7,362	170,257	177,619
Liability Insurance	6,069		6,069
Utilities	6,326		6,326
Dues	70		70
<i>Total Cash Disbursements</i>	<u>28,899</u>	<u>170,257</u>	<u>199,156</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(6,551)</u>	<u>152,038</u>	<u>145,487</u>
<i>Net Change in Fund Cash Balances</i>	(6,551)	152,038	145,487
<i>Fund Cash Balances, January 1, 2015</i>	<u>33,033</u>	<u>15,702</u>	<u>48,735</u>
Fund Cash Balances, December 31, 2015			
Restricted		167,740	167,740
Unassigned (Deficit)	26,482		26,482
<i>Fund Cash Balances, December 31, 2015</i>	<u>\$26,482</u>	<u>\$167,740</u>	<u>\$194,222</u>

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

Ashtabula County Metroparks
Ashtabula County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Cash Basis)
Governmental Fund Types
For the Year Ended December 31, 2014

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Contributions	\$610	\$0	\$610
Intergovernmental	16,279		16,279
Earnings on Investments	65		65
Refunds/Reimbursements	25		25
<i>Total Cash Receipts</i>	<u>16,980</u>	<u>0</u>	<u>16,980</u>
Cash Disbursements			
Salaries and Related Benefits	5,575		5,575
Supplies	363		363
Advertising	353		353
Contract Services	6,384	244	6,628
Liability Insurance	5,803		5,803
Utilities	3,540		3,540
Dues	70		70
<i>Total Cash Disbursements</i>	<u>22,088</u>	<u>244</u>	<u>22,332</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(5,108)</u>	<u>(244)</u>	<u>(5,352)</u>
<i>Net Change in Fund Cash Balances</i>	(5,108)	(244)	(5,352)
<i>Fund Cash Balances, January 1, 2014</i>	<u>38,141</u>	<u>15,946</u>	<u>54,087</u>
Fund Cash Balances, December 31, 2014			
Restricted		15,702	15,702
Unassigned (Deficit)	<u>33,033</u>		<u>33,033</u>
<i>Fund Cash Balances, December 31, 2014</i>	<u>\$33,033</u>	<u>\$15,702</u>	<u>\$48,735</u>

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

**ASHTABULA COUNTY METROPARKS
ASHTABULA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Ashtabula County Metroparks, as a body corporate and politic. The probate judge of Ashtabula County appoints, to three year terms, a five-member uncompensated 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 Board 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 of Ashtabula County.

As a separate political entity, the Metroparks operates autonomously from the government of Ashtabula County. However, the Revised Code charges the county auditor and county treasurer to serve in similar capacities for the Metroparks.

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

B. Accounting Basis

These financial statements follow the basis of accounting 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.

C. Deposit and Investments

As required by Ohio Revised Code, the County Treasurer is custodian for the Metroparks's cash.

The County's cash and investment pool holds the Metroparks's assets, valued at the County Treasurer's reported carrying amount.

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

**ASHTABULA COUNTY METROPARKS
ASHTABULA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

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. The Metroparks had the following significant Special Revenue Funds:

Camp Peet – This fund received money to improve and maintain the Metro Parks future acquisition of property commonly known as Camp Peet.

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. The Metroparks Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure and amendments thereto. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Metroparks to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

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

1. Nonspendable

The Metroparks classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**ASHTABULA COUNTY METROPARKS
ASHTABULA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Balance (Continued)

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). The 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.

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.

G. 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.

**ASHTABULA COUNTY METROPARKS
ASHTABULA COUNTY**

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

2. BUDGETARY ACTIVITY

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

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$17,560	\$22,348	\$4,788
Special Revenue	460,000	322,295	(137,705)
Total	\$477,560	\$344,643	(\$132,917)

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$35,965	\$28,899	\$7,066
Special Revenue	475,100	170,257	304,843
Total	\$511,065	\$199,156	\$311,909

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$16,767	\$16,980	\$213
Special Revenue	433,500	0	(433,500)
Total	\$450,267	\$16,980	(\$433,287)

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$25,805	\$22,088	\$3,717
Special Revenue	435,360	244	435,116
Total	\$461,165	\$22,332	\$438,833

3. RETIREMENT SYSTEMS

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2015 and 2014, OPERS members contributed 10.0 percent of their gross salaries. The Metroparks contributed an amount equal to 14.0 percent, of participants' gross salaries. The Metroparks has paid all contributions required through December 31, 2015 and 2014.

**ASHTABULA COUNTY METROPARKS
ASHTABULA COUNTY**

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

4. RISK MANAGEMENT

The Metroparks is exposed to various risks of property and casualty losses, and injuries to its employee. The Metroparks insures against injuries to the employee through the Ohio Bureau of Worker's Compensation. The Metroparks has also obtained commercial comprehensive property and general liability, errors and omissions insurance and surety bonds for the Commissioners.

5. SUBSEQUENT EVENTS

During 2016 the Metroparks has received \$846,285 from the .5 mill property tax levy passed in November 2014, for tax years 2015 through 2019.

This page intentionally left blank.



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*

Ashtabula County Metroparks
Ashtabula County
91 North Chestnut Street
Jefferson, Ohio 44047

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 Ashtabula County Metroparks, Ashtabula 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 September 14, 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's 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's 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 Metroparks'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 Metroparks'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*.

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 Metroparks's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Metroparks'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

September 14, 2016



Dave Yost • Auditor of State

ASHTABULA COUNTY METROPARKS

ASHTABULA 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 27, 2016**