

**DARDEN TOWE MEMORIAL PARK**  
**FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2015**

DARDEN TOWE MEMORIAL PARK

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2015

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# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

## INDEPENDENT AUDITORS' REPORT

TO THE HONORABLE MEMBERS OF THE BOARD OF SUPERVISORS  
COUNTY OF ALBEMARLE, VIRGINIA AS FISCAL AGENT FOR DARDEN TOWE MEMORIAL PARK  
CHARLOTTESVILLE, VIRGINIA

### Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Darden Towe Memorial Park, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Darden Towe Memorial Park's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Darden Towe Memorial Park, as of June 30, 2015, and the changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

## **Report on Summarized Comparative Information**

We have previously audited the Darden Towe Memorial Park's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 30, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2015, on our consideration of the Darden Towe Memorial Park's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Darden Towe Memorial Park's internal control over financial reporting and compliance.

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia  
October 30, 2015

- Basic Financial Statements -

DARDEN TOWE MEMORIAL PARK

Statement of Net Position  
At June 30, 2015  
(With Comparative Amounts for 2014)

	<u>2015</u>	<u>2014</u>
Assets:		
Current assets:		
Cash	\$ 11,559	\$ -
Due from other governments	13,539	75,854
Accounts receivable	<u>55</u>	<u>440</u>
Total assets	\$ <u>25,153</u>	\$ <u>76,294</u>
Liabilities:		
Current liabilities:		
Reconciled overdraft	\$ -	\$ 2,092
Accounts payable	3,299	54,199
Compensation payable	1,117	1,143
Current portion of compensated absences	<u>1,347</u>	<u>1,164</u>
Total current liabilities:	\$ <u>5,763</u>	\$ <u>58,598</u>
Noncurrent liabilities:		
Noncurrent portion of compensated absences	\$ <u>12,126</u>	\$ <u>10,481</u>
Total liabilities	\$ <u>17,889</u>	\$ <u>69,079</u>
Net Position:		
Unrestricted	\$ <u><u>7,264</u></u>	\$ <u><u>7,215</u></u>

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

# DARDEN TOWE MEMORIAL PARK

## Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2015

(With Comparative Amounts for 2014)

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Charges for services:		
City of Charlottesville	\$ 64,522	\$ 88,839
County of Albemarle	146,196	203,133
Rentals	7,440	7,660
Right-of-way licenses	1,680	1,680
Recreation fees	<u>10,958</u>	<u>12,030</u>
Total operating revenues	\$ <u>230,796</u>	\$ <u>313,342</u>
Operating expenses:		
Personnel	\$ 97,989	\$ 103,814
Payroll taxes and fringe benefits	45,127	45,168
Contractual services	24,590	33,331
Other charges	<u>63,041</u>	<u>129,429</u>
Total operating expenses	\$ <u>230,747</u>	\$ <u>311,742</u>
Change in net position	\$ 49	\$ 1,600
Net position, beginning of year	<u>7,215</u>	<u>5,615</u>
Net position, end of year	<u><u>\$ 7,264</u></u>	<u><u>\$ 7,215</u></u>

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

# DARDEN TOWE MEMORIAL PARK

## Statement of Cash Flows Year Ended June 30, 2015 (With Comparative Amounts for 2014)

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Operating receipts from participant entities	\$ 293,496	\$ 283,088
Payments to and for employees	(141,314)	(144,238)
Payments to suppliers and others	(140,623)	(138,850)
Net cash provided by (used for) operating activities	<u>\$ 11,559</u>	<u>\$ -</u>
Net change in cash and cash equivalents	\$ 11,559	\$ -
Cash and cash equivalents, beginning of year	<u>-</u>	<u>-</u>
Cash and cash equivalents, end of year	<u><u>\$ 11,559</u></u>	<u><u>\$ -</u></u>
Reconciliation of change in net position to net cash provided by (used for) operating activities:		
Change in net position	\$ 49	\$ 1,600
Adjustments to reconcile change in net position to net cash provided by (used for) operating activities:		
Changes in assets and liabilities:		
Due from other governments	62,315	(29,814)
Accounts receivable	385	(440)
Reconciled overdraft	(2,092)	(28,330)
Accounts payable	(50,900)	52,240
Compensation payable	(26)	367
Accrued compensated absences	1,828	4,377
Net cash provided by (used for) operating activities	<u><u>\$ 11,559</u></u>	<u><u>\$ -</u></u>

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



## DARDEN TOWE MEMORIAL PARK

Notes to Financial Statements  
As of June 30, 2015

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### NOTE 1 - NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Nature of Operations:

The City of Charlottesville and County of Albemarle executed a contract to jointly purchase certain real estate on October 17, 1985. The property was developed as a park.

B. Financial Reporting Entity:

The Darden Towe Memorial Park has determined that it is a related organization to the County of Albemarle and City of Charlottesville in accordance with Governmental Accounting Standards Board Statement (GASB) 14 and as amended by GASB No. 39. Darden Towe Memorial Park is considered an intergovernmental (joint) venture and therefore its operations are not included in the County's or City's financial statements. The County of Albemarle and the City of Charlottesville provide the financial support for the Park. The Park is controlled by a four-member Supervisory Committee which consists of two officials from each locality. No one locality has oversight responsibility over its operations.

C. Basis of Accounting: The Park operates as an enterprise fund and its accounts are maintained on the accrual basis of accounting. Under this method, revenues are recognized when earned, and expenses are recorded as liabilities when incurred, without regard to receipt or payment of cash.

Operating revenues and expenses are distinguished from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the principal ongoing operations. The principal operating revenues are charges for services. Operating expenses include the cost of providing services and comprise administrative and depreciation expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash and Cash Equivalents: The Park's cash and cash equivalents is part of the pooled cash and investments of the County of Albemarle. All cash on hand, in banks, and certificates of deposit and investments with original maturities of three months or less from the date of acquisition are considered cash and cash equivalents.

E. Use of Estimates: The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingencies at the date of the financial statements, and revenues and expenses recognized during the reporting period. Actual results could differ from those estimates.

F. Comparative Amounts: Comparative amounts are presented for informational purposes only.

G. Capital Assets:

All capital assets are owned by the respective participant localities and thus are not reported in these financial statements. Capital assets consist primarily of land and include ball fields, shelters, and a residential building.

## DARDEN TOWE MEMORIAL PARK

Notes to Financial Statements  
As of June 30, 2015 (Continued)

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### NOTE 1 - NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

#### H. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Park does not have any deferred outflows of resources as of June 30, 2015.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Park does not have any deferred inflows of resources at June 30, 2015.

#### I. Net Position:

Net position is the difference between 1) assets and deferred outflows of resources and 2) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation less any outstanding debt related to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

#### J. Net Position Flow Assumption:

Sometimes the Park will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Park's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

#### K. Compensated Absences:

The Park accrues compensated absences (annual and sick leave benefits) when vested. The current portion is \$1,347 and non-current portion is \$12,126. The compensated absences liabilities are recorded as liabilities in the financial statements.

### NOTE 2 - DEPOSITS AND INVESTMENTS:

The Park's cash and cash equivalents are a part of the pooled cash and investments of the County of Albemarle, the Park's fiscal agent. The components of the Park's cash and cash equivalents are not separately identifiable. At year-end, the County's deposits with banks and savings institutions were covered by Federal Deposit Insurance Corporation or collateralized in accordance with the Virginia Security for Public Deposits Act. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks and savings and loans. Of the bank balances none were uninsured and uncollateralized in banks or savings and loans not qualifying under that Act at June 30, 2015.

## DARDEN TOWE MEMORIAL PARK

Notes to Financial Statements  
As of June 30, 2014 (Continued)

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### **NOTE 3 - COMPENSATED ABSENCES:**

In accordance with GASB Statement 16, *"Accounting for Compensated Absences,"* the Park has accrued the liability arising from compensated absences. Park employees earn vacation and sick leave based upon length of service. The Park has outstanding accrued compensated absences totaling \$13,473.

### **NOTE 4 - REVENUES AND EXPENSES:**

Revenues are derived primarily from City and County appropriations, recreation fees and rentals. Operating expenses are paid and charged to the Park by the County.

### **NOTE 5 - FISCAL AGENT:**

The County of Albemarle serves as fiscal agent for the Park. All treasury, accounting, purchasing and personnel activities and functions for the Park are performed by the County.

### **NOTE 6 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS:**

The Government offers postemployment medical coverage to its retired employees. The County of Albemarle obtained an actuarial valuation to determine the Park's liability for this benefit in accordance with the financial reporting requirements of GASB 45. At June 30, 2015, the estimated liability for benefits was actuarially determined to be \$18,000 and is not accrued in these financial statements.

- Compliance -

# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

## Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

TO THE HONORABLE MEMBERS OF THE BOARD OF SUPERVISORS  
COUNTY OF ALBEMARLE, VIRGINIA AS FISCAL AGENT FOR DARDEN TOWE MEMORIAL PARK  
CHARLOTTESVILLE, VIRGINIA

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities of Darden Towe Memorial Park as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Park's basic financial statements and have issued our report thereon dated October 30, 2015.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Darden Towe Memorial Park's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Darden Towe Memorial Park's internal control. Accordingly, we do not express an opinion on the effectiveness of Darden Towe Memorial Park's internal control.

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

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Darden Towe Memorial Park's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

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

*Robinson, Farmer, Cox Associates*  
Charlottesville, Virginia  
October 30, 2015