

**DARDEN TOWE MEMORIAL PARK  
FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2017**

DARDEN TOWE MEMORIAL PARK

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2017

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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, 2017, and the related notes to the financial statements, which collectively comprise 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, 2017, 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*

Accounting principles generally accepted in the United States of America require that the schedule related to OPEB funding on page 12 be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 Darden Towe Memorial Park's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 10, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, 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 November 13, 2017, on our consideration of 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, Farnell, Cox Associates*  
Charlottesville, Virginia  
November 13, 2017

- Basic Financial Statements -

DARDEN TOWE MEMORIAL PARK

Statement of Net Position  
As of June 30, 2017  
(With Comparative Amounts for 2016)

	<u>2017</u>	<u>2016</u>
Assets:		
Current assets:		
Cash	\$ 74,781	\$ 13,790
Accounts receivable	<u>18,630</u>	<u>24,584</u>
Total assets	<u>\$ 93,411</u>	<u>\$ 38,374</u>
Liabilities:		
Current liabilities:		
Accounts payable	\$ 6,598	17,138
Compensation payable	1,166	1,159
Current portion of compensated absences	<u>1,285</u>	<u>1,282</u>
Total current liabilities	<u>\$ 9,049</u>	<u>\$ 19,579</u>
Noncurrent liabilities:		
Noncurrent portion of compensated absences	\$ 11,567	\$ 11,541
Net OPEB obligation	<u>31,000</u>	<u>23,000</u>
Total noncurrent liabilities	<u>\$ 42,567</u>	<u>\$ 34,541</u>
Total liabilities	<u>\$ 51,616</u>	<u>\$ 54,120</u>
Net Position:		
Unrestricted	<u>\$ 41,795</u>	<u>\$ (15,746)</u>
Total liabilities and net position	<u>\$ 93,411</u>	<u>\$ 38,374</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, 2017

(With Comparative Amounts for 2016)

	<u>2017</u>	<u>2016</u>
Operating revenues:		
Charges for services:		
City of Charlottesville	\$ 136,134	\$ 65,877
County of Albemarle	153,735	149,266
Rentals	7,440	6,820
Right-of-way licenses	1,680	1,680
Recreation fees	14,491	15,230
	<u>313,480</u>	<u>238,873</u>
Total operating revenues	\$	\$
Operating expenses:		
Personnel	\$ 105,653	\$ 101,168
Payroll taxes and fringe benefits	59,517	48,197
Contractual services	18,638	37,900
Other charges	72,131	56,618
	<u>255,939</u>	<u>243,883</u>
Total operating expenses	\$	\$
Change in net position	\$ 57,541	\$ (5,010)
Net position, beginning of year	<u>(15,746)</u>	<u>(10,736)</u>
Net position, end of year	<u>\$ 41,795</u>	<u>\$ (15,746)</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, 2017 (With Comparative Amounts for 2016)

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Operating receipts from participant entities	\$ 319,434	\$ 227,883
Payments to and for employees	(157,134)	(144,973)
Payments to suppliers and others	(101,309)	(80,679)
Net cash provided by (used for) operating activities	<u>\$ 60,991</u>	<u>\$ 2,231</u>
Net change in cash and cash equivalents	\$ 60,991	\$ 2,231
Cash and cash equivalents, beginning of year	<u>13,790</u>	<u>11,559</u>
Cash and cash equivalents, end of year	<u><u>\$ 74,781</u></u>	<u><u>\$ 13,790</u></u>
Reconciliation of change in net position to net cash provided by (used for) operating activities:		
Change in net position	\$ 57,541	\$ (5,010)
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	-	13,539
Accounts receivable	5,954	(24,529)
Accounts payable	(10,540)	13,839
Compensation payable	7	42
Accrued compensated absences	29	(650)
OPEB obligation	<u>8,000</u>	<u>5,000</u>
Net cash provided by (used for) operating activities	<u><u>\$ 60,991</u></u>	<u><u>\$ 2,231</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, 2017

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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.

**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, 2017.

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, 2017.

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 compensated absences 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, 2017.

## DARDEN TOWE MEMORIAL PARK

### Notes to Financial Statements As of June 30, 2017 (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 \$12,852.

#### 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 - LONG-TERM OBLIGATIONS:

The following is a summary of changes in long-term obligations transactions for fiscal year ending June 30, 2017:

	Balance at July 1, 2016	Increases	Decreases	Balance at June 30, 2017	Amounts Due Within One Year
Net OPEB obligation	\$ 23,000	\$ 9,000	\$ 1,000	\$ 31,000	\$ -
Compensated absences	12,823	1,821	1,792	12,852	1,285
Total Long-Term Obligations	\$ 35,823	\$ 10,821	\$ 2,792	\$ 43,852	\$ 1,285

#### NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS-VERIP:

##### A. Plan Description:

The Albemarle County Voluntary Early Retirement Incentive Program (VERIP) is a single-employer defined benefit plan. VERIP benefits are paid monthly for a period of five years or until age 65, whichever comes first. In addition to the monthly stipend, the County will pay an amount equivalent to the Board's annual contribution toward medical insurance. Participants may accept it as a cash payment, or apply it toward the cost of the continuation of their County medical/dental benefits.

To be eligible, employees must meet the age and service criteria for reduced VRS retirement and be a current employee at least 50 years of age and have been employed by the County in a benefits-eligible position for 10 of the last 13 years prior to retirement. The plan is administered by the County and does not have a separate financial report.

## DARDEN TOWE MEMORIAL PARK

### Notes to Financial Statements As of June 30, 2017 (Continued)

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#### NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS-VERIP: (CONTINUED)

##### B. Funding Policy:

The Albemarle County Government establishes employer medical contribution rates for all medical plan participants as part of the budgetary process each year. The County also determines how the plan will be funded each year, whether it will partially fund the plan or fully fund the plan. Retirees pay 100% of spousal premiums. Coverage ceases when retirees reach the age of 65. Surviving spouses are not allowed access to the plan.

##### C. Annual OPEB Cost and Net OPEB Obligation:

The annual cost of other postemployment benefits (OPEB) under GASB 45 is called the annual required contribution or ARC. The estimated pay-as-you-go cost for OPEB benefits is \$1,000 for Darden Towe Memorial Park for fiscal year 2017. Darden Towe Memorial Park has elected not to pre-fund OPEB liabilities. The Park is required to contribute the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The unfunded liability is amortized over a closed 25 year period as a level percentage of payroll.

For 2017, the Park's estimated contribution of \$0 was less than the annual OPEB cost. The Park's annual OPEB cost, the estimated contributions made, and the increase in net OPEB obligation are as follows:

Annual required contribution	\$	8,000
Interest on net OPEB obligation		1,000
Adjustment to annual required contribution		(1,000)
Annual OPEB cost (expense)	\$	8,000
Contributions made		-
Increase (decrease) in net OPEB obligation	\$	8,000
Net OPEB obligation - beginning of year		23,000
Net OPEB obligation - end of year	\$	<u>31,000</u>

The Park's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the preceding two years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Estimated Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2014	\$ 4,000	\$ 1,000	25%	\$ 18,000
June 30, 2015	6,000	1,000	17%	23,000
June 30, 2016	8,000	-	0%	31,000

## DARDEN TOWE MEMORIAL PARK

### Notes to Financial Statements As of June 30, 2017 (Continued)

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#### NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS-VERIP: (CONTINUED)

##### D. Funded Status and Funding Progress:

The funded status of the plan as of June 30, 2017, the most recent actuarial valuation, is as follows:

Actuarial accrued liability (AAL)	\$	35,000
Actuarial value of plan assets		-
Unfunded actuarial accrued liability		35,000
Funded ratio (actuarial value of plan assets/AAL)		-
Covered payroll (active plan members)		74,482
UAAL as a percentage of covered payroll		46.77%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future.

##### E. Actuarial Methods and Assumptions:

###### Cost Method

The valuation uses the projected unit credit method, with linear pro-rata to assumed benefit commencement.

###### Coverage Status and Age of Spouse

Actual medical coverage status was used in the valuation. Females are assumed to be 3 years younger than male spouses. Employees with individual coverage are assumed to elect individual coverage at retirement while those with family / spouse coverage are assumed to continue family / spouse coverage at retirement. All of the active participants who are eligible to retire under the County's Voluntary Early Retirement Incentive Program (VERIP) will take the flat dollar subsidy, which for FY 17 was \$8,388. The VERIP Subsidy is assumed to increase at a flat rate of 3% per year. It is assumed that 50% of active employees currently enrolled in the health care plan will continue in the plan upon retiring from active service. Medical and prescription drugs are assumed to increase at rates ranging from 7.00% in FY 17 to 6.1% in FY 26.

The assumptions and calculations are based on the past three years of premium rates at the time of the valuation and the sharing of costs between the employer and plan members.

	Percentage
Discount rate	3.50%
Payroll growth	4.00%
Inflation rate	3.00%
Investment return	4.00%
VERIP increase	3.00%

DARDEN TOWE MEMORIAL PARK

Notes to Financial Statements  
As of June 30, 2017 (Continued)

**NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS-VERIP: (CONTINUED)**

**E. Actuarial Methods and Assumptions: (Continued)**

Medical Trend Assumption

Based on the Society of Actuaries long-term medical trend model, as revised September 2012.

Trends for the next ten years are as follows:

<u>Fiscal</u> <u>Year Ended</u>	<u>Percentage</u>	<u>Fiscal</u> <u>Year Ended</u>	<u>Percentage</u>
2017	6.00%	2022	6.20%
2018	6.40%	2023	6.10%
2019	6.40%	2024	6.10%
2020	6.20%	2025	6.10%
2021	6.20%	2026	6.10%

The following chart shows explicit costs, total medical costs, and drug costs between pre and post medicare as well as single and family coverage:

<u>Total costs</u>	<u>Single</u>	<u>Family</u>
1. Explicit Costs		
a. Pre-medicare	\$ 9,762	\$ 11,910
b. Medicare age	-	-
2. Total Medical Costs		
a. Under 50	\$ 5,691	\$ 11,497
b. Age 50-54	6,775	13,686
c. Age 55-59	7,818	15,792
d. Age 60-44	9,277	18,740
e. Over Age 65	-	-
3. Total Drug Costs		
a. Under 50	\$ 1,549	\$ 3,129
b. Age 50-54	1,974	3,987
c. Age 55-59	2,338	4,724
d. Age 60-44	2,672	5,398
e. Over Age 65	-	-

- Required Supplementary Information -

# DARDEN TOWE MEMORIAL PARK

## Schedule of Other Postemployment Benefits Funding Last Three Fiscal Years

### Other Postemployment Benefits:

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
June 30, 2014	\$ -	\$ 24,000	\$ 24,000	0.00%	\$ 72,474	33.12%
June 30, 2016	-	33,000	33,000	0.00%	74,842	44.09%
June 30, 2017	-	35,000	35,000	0.00%	74,842	46.77%



- Compliance -

# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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## 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*

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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, 2017, and the related notes to the financial statements, which collectively comprise the Park's basic financial statements and have issued our report thereon dated November 13, 2017.

### 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, Farnell, Cox Associates*

Charlottesville, Virginia

November 13, 2017