



# Financial Statements

December 31, 2016 and 2015

# CHAGRIN RIVER WATERSHED PARTNERS, INC.

## FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

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## INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS  
CHAGRIN RIVER WATERSHED PARTNERS, INC.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Chagrin River Watershed Partners, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016 and 2015, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### **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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditor's 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 Chagrin River Watershed Partners, Inc. as of December 31, 2016 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

7555 Fredle Dr.  
Suite 110

Concord, OH 44077

Phone: 440-951-2997

Fax: 866-359-4674



**Report on Summarized Comparative Information**

We have previously audited Chagrin River Watershed Partners, Inc.'s 2015 financial statements, and our report dated May 19, 2016, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the years ended December 31, 2015 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 May 18, 2017, on our consideration of Chagrin River Watershed Partners, Inc.'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 Chagrin River Watershed Partners, Inc.'s internal control over financial reporting and compliance.

Concord, Ohio  
May 18, 2017

H•J  
Certified Public Accountants

**CHAGRIN RIVER WATERSHED PARTNERS, INC.**

## STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2016 AND 2015

	UNRESTRICTED	TEMPORARILY RESTRICTED	2016	2015
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash & Cash Equivalents	\$ 96,196	\$ 45,545	\$ 141,741	\$ 203,502
Grants and Contributions Receivable	23,464	60,000	83,464	16,618
Total Current Assets	<u>119,660</u>	<u>105,545</u>	<u>225,205</u>	<u>220,120</u>
<b>OTHER ASSETS</b>				
Investments	285,008	-	285,008	243,921
Deposits	1,430	-	1,430	1,430
Total Other Assets	<u>286,438</u>	<u>-</u>	<u>286,438</u>	<u>245,351</u>
<b>TOTAL ASSETS</b>	<u>\$ 406,098</u>	<u>\$ 105,545</u>	<u>\$ 511,643</u>	<u>\$ 465,471</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable	\$ 1,921	\$ -	\$ 1,921	\$ 3,840
Accrued Compensation-Related	11,001	-	11,001	-
Deferred Revenue	20,921	-	20,921	-
Total Current Liabilities	<u>33,843</u>	<u>-</u>	<u>33,843</u>	<u>3,840</u>
<b>NET ASSETS</b>				
Unrestricted - Operating	87,247	-	87,247	212,710
- Board-Designated	285,008	-	285,008	243,921
Temporarily Restricted	-	105,545	105,545	5,000
Total Net Assets	<u>372,255</u>	<u>105,545</u>	<u>477,800</u>	<u>461,631</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 406,098</u>	<u>\$ 105,545</u>	<u>\$ 511,643</u>	<u>\$ 465,471</u>

**CHAGRIN RIVER WATERSHED PARTNERS, INC.**

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2016 AND 2015

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL	
			2016	2015
<b>PUBLIC SUPPORT &amp; REVENUE</b>				
Public Support				
Membership Support	\$ 143,653	\$ -	\$ 143,653	\$ 139,817
The George Gund Foundation	-	120,000	120,000	-
Ohio EPA	35,275	-	35,275	22,254
The Ohio State University	41,894	-	41,894	7,401
US EPA	41,087	-	41,087	419,328
NEORS	35,000	-	35,000	35,000
Contributions	7,251	-	7,251	26,325
Ohio Environmental Education Fund	1,974	-	1,974	-
Ohio Department of Natural Resources	1,798	-	1,798	34,302
Dominion	-	1,500	1,500	5,000
NERR-SC	-	-	-	186,272
Great Lakes Commission	-	-	-	165,041
GLB Stabilization Reimbursements	-	-	-	37,959
Lake Erie Protection Fund	-	-	-	9,240
Donated Services	-	-	-	5,625
US Forest Service	-	-	-	2,647
Net Assets Released from Restrictions	20,955	(20,955)	-	-
	<u>328,887</u>	<u>100,545</u>	<u>429,432</u>	<u>1,096,211</u>
Revenue				
Interest Income	422	-	422	384
Other Income	30	-	30	4,017
External Services	-	-	-	3,700
	<u>452</u>	<u>-</u>	<u>452</u>	<u>8,101</u>
<b>TOTAL PUBLIC SUPPORT &amp; REVENUE</b>	<b>329,339</b>	<b>100,545</b>	<b>429,884</b>	<b>1,104,312</b>
<b>EXPENSES</b>				
Program Services	386,977	-	386,977	1,089,058
Management & General	26,738	-	26,738	21,980
	<u>413,715</u>	<u>-</u>	<u>413,715</u>	<u>1,111,038</u>
<b>TOTAL EXPENSES</b>	<b>413,715</b>	<b>-</b>	<b>413,715</b>	<b>1,111,038</b>
<b>CHANGE IN NET ASSETS</b>	<b>(84,376)</b>	<b>100,545</b>	<b>16,169</b>	<b>(6,726)</b>
<b>NET ASSETS – BEGINNING OF YEAR</b>	<b>456,631</b>	<b>5,000</b>	<b>461,631</b>	<b>468,357</b>
<b>NET ASSETS – END OF YEAR</b>	<b>\$ 372,255</b>	<b>\$ 105,545</b>	<b>\$ 477,800</b>	<b>\$ 461,631</b>

**CHAGRIN RIVER WATERSHED PARTNERS, INC.**

## STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2016 AND 2015

	PROGRAM	MANAGEMENT & GENERAL	TOTAL	
			2016	2015
EXPENSES				
Salaries	\$ 239,944	\$ 12,628	\$ 252,572	\$ 233,812
Program Consulting Services	63,361	-	63,361	747,164
Employee Benefits	24,994	1,316	26,310	23,335
Payroll Taxes	17,190	904	18,094	16,687
Occupancy	11,014	580	11,594	11,717
Accounting	1,786	7,142	8,928	6,864
Travel, Conferences & Meetings	7,629	-	7,629	4,873
Office Supplies & Expense	5,757	303	6,060	4,651
Special Projects	4,353	-	4,353	34,575
Telephone	3,522	185	3,707	3,177
Insurance Expense	2,799	147	2,946	2,411
Marketing and Promotion	-	2,000	2,000	-
Payroll Processing	-	1,324	1,324	1,201
Postage & Shipping	1,218	64	1,282	1,499
Web Maintenance	947	50	997	207
Printing & Reproduction	945	46	991	7,985
Dues & Subscriptions	927	49	976	910
Miscellaneous	591	-	591	629
Legal	-	-	-	5,625
Bad Debt Expense	-	-	-	3,716
TOTAL EXPENSES	<u>\$ 386,977</u>	<u>\$ 26,738</u>	<u>\$ 413,715</u>	<u>\$ 1,111,038</u>

**CHAGRIN RIVER WATERSHED PARTNERS, INC.**

## STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 16,169	\$ (6,726)
Adjustments to Reconcile Change in Net Assets to Cash Provided by(Used by) Operating Activities:		
Changes in:		
Grants and Contributions Receivable	(66,846)	55,811
Contract Reimbursement Receivable	-	5,625
Deposits	-	85
Accounts Payable	(1,919)	(52,331)
Accrued Compensation-Related	11,001	-
Deferred Revenue	20,921	-
Total Adjustments	<u>(36,843)</u>	<u>9,190</u>
Cash Provided by(Used by) Operating Activities	(20,674)	2,464
CASH FLOWS FROM INVESTING ACTIVITIES:		
Increase in Investments	<u>(41,087)</u>	<u>(68,921)</u>
Cash Used by Investing Activities	<u>(41,087)</u>	<u>(68,921)</u>
NET CHANGE IN CASH & CASH EQUIVALENTS	(61,761)	(66,457)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>203,502</u>	<u>269,959</u>
CASH & CASH EQUIVALENTS AT END OF YEAR	<u>\$ 141,741</u>	<u>\$ 203,502</u>



# CHAGRIN RIVER WATERSHED PARTNERS, INC.

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

### NOTES:

#### 1. NATURE OF OPERATIONS AND MISSION STATEMENT

##### NATURE OF OPERATIONS

The Chagrin River Watershed Partners, Inc. (CRWP) is a 501(c)(3) non-profit organization that provides technical assistance to its members and develops cost effective, prevention-focused solutions to minimize new, and address current natural resource management problems as communities grow. The Chagrin River watershed is increasingly impacted by urban/suburban development that increases flooding, erosion, and water quality problems. Faced with rising infrastructure costs as a result of these impacts, the cities, villages, townships, counties, and park districts of the watershed formed CRWP in 1996. CRWP is now an established organization that has grown from 16 members in 1996 to 34 members in 2016, including municipalities, townships, counties, and park districts representing 91% of the watershed. CRWP's member communities and park districts support CRWP with an annual dues membership. Through this annual support, CRWP members reaffirm their commitment to collaboration and participation.

##### MISSION

Chagrin River Watershed Partners, Inc. will strive to preserve and enhance the scenic and environmental quality of the ecosystem of the Chagrin River and its watershed in a manner that assures a sustainable future for people, plants, and animals.

CRWP responds directly to the needs of member communities, elected officials, engineers, planners, law directors, and other professional advisors by helping them update comprehensive plans, zoning regulations, and other programs guiding land use. CRWP has assisted communities by introducing innovative practices that maintain natural resource functions and prevent or minimize flooding, erosion, and water quality problems. These practices include CRWP's recommended watershed management tools for planning, riparian and wetland setbacks, conservation development, improved erosion and sediment control, comprehensive stormwater management, open space acquisition, stream restoration, and stormwater retrofits.

CRWP's website is [www.crwp.org](http://www.crwp.org).

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### BASIS OF PRESENTATION

CRWP is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

##### BASIS OF ACCOUNTING

The financial statements of CRWP have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

##### COMPARATIVE INFORMATION

The financial statements include certain prior year summarized comparative information in total but not by asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such amounts should be read in conjunction with CRWP's financial statements for the year ended December 31, 2015, from which the comparative total amounts were derived.

## **CHAGRIN RIVER WATERSHED PARTNERS, INC.**

### NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

#### NOTES (CONTINUED):

##### RECOGNITION OF CONTRIBUTION REVENUE

Contributions received are recorded as unrestricted, temporarily restricted, and permanently restricted support depending on the existence and/or nature of any grantor restrictions. Temporarily restricted net assets are reclassified to unrestricted net assets upon satisfaction of time or purpose restrictions. Permanently restricted net assets represent endowment funds which are subject to grantor restrictions that the contributed principal be invested in perpetuity and only the income be utilized.

CRWP considers all contributions to be unrestricted unless specifically restricted by the donor.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the net present value of their estimated future cash flows. The discounts on those amounts are computed using the risk-free interest rates applicable for the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Contributions of cash or other assets restricted to the acquisition of long-lived assets are recorded as temporarily restricted contributions. If there are no donor restrictions on the long-lived asset's use, the donor restrictions are considered met once the long-lived assets are acquired and the temporarily restricted net assets are reclassified to the unrestricted net asset class.

##### TEMPORARILY RESTRICTED CONTRIBUTIONS AND NET ASSETS

When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the Statement of Activities as assets released from restriction. Although restricted contributions typically are reported as support that increases restricted net assets, they may be reported as unrestricted support if the restrictions are met in the same reporting period, the policy is followed consistently, and it is disclosed.

##### USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### PROPERTY AND EQUIPMENT

These assets are stated at cost or fair value at date of acquisition. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets. CRWP's policy is to capitalize equipment and fixtures with a cost in excess of \$5,000 per unit and real property and improvements with a cost in excess of \$10,000.

##### FAIR VALUE MEASUREMENT

CRWP records its investments at fair value using a fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). For CRWP, the investments reported at fair value are based upon quoted prices for identical assets or liabilities in an active market that CRWP has the ability to access (Level 1).

## **CHAGRIN RIVER WATERSHED PARTNERS, INC.**

### NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

NOTES (CONTINUED):

#### FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair value amounts for specific groups of financial instruments are presented within the notes applicable to such items. Cash and cash equivalents, accounts/pledges receivable, and accounts payable are stated at cost, which approximates fair value, due to their short-term maturity.

#### INCOME TAXES

CRWP is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code") as a charitable organization whereby only unrelated business income, as defined by Section 509(a) of the Code, is subject to federal income tax. CRWP currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

CRWP is classified as a public charity described in section 509(a)(3) of the Code and specifically as a public charity described in IRC Sections 509(a)(1) and 170(b)(1)(A)(vi).

CRWP's policy is to record a liability for any tax position taken that is beneficial to CRWP, including penalties and interest, when it is more likely than not the position taken will be overturned by a taxing authority upon examination. Management believes there are no such positions as of December 31, 2016 and, accordingly, no liability has been accrued.

#### RECLASSIFICATIONS

Certain amounts for 2015 have been reclassified to conform to the 2016 presentation.

#### ACCOUNTS AND GRANTS OR PLEDGES RECEIVABLE

Accounts and grants or pledges receivable are stated at the amounts management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to expense and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance amount is \$-0- at December 31, 2016 and 2015.

#### CONTRIBUTED SERVICES AND MATERIAL

Contributed goods and services are reflected as both contribution revenue and expenses if they meet the criteria defined in accordance with GAAP, "Accounting for Contributions," in the accompanying statement of activities at their estimated fair value at date of receipt. The contributions of services are recognized if (a) the services received create or enhance financial assets or (b) require specialized skills that are provided by individuals possessing those assets and would typically need to be purchased if not provided.

#### CONCENTRATION OF RISK

Substantially all income is from governmental entities, see the Statement of Activities.

**CHAGRIN RIVER WATERSHED PARTNERS, INC.**

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

NOTES (CONTINUED):

COMPENSATED ABSENCES

Employees of CRWP are entitled to paid vacation and sick days off depending on job classification and other factors. CRWP's policy is to recognize the costs of compensated absences when actually paid to employees. The effect of this method instead of accruing these costs is minimal in 2016 and 2015.

CASH AND CASH EQUIVALENTS/CONCENTRATION OF RISK

CRWP's cash and cash equivalents, which are deposited in financial institutions, may at times exceed federally insured limits. CRWP has not experienced losses in such accounts and believes it is not exposed to significant credit risk on its cash and cash equivalents. Cash equivalents are highly liquid investments with an original maturity of three months or less at the date of purchase. Because of the short maturity of these financial instruments, the carrying value approximates the fair value.

At times during the year, cash balances may exceed the related amount of federal depository insurance. CRWP has cash balances in its banks in excess of amounts federally insured. There were no uninsured balances at December 31, 2016. CRWP maintains its cash with high quality financial institutions which CRWP believes limit these risks.

ADVERTISING

Advertising costs are expensed as incurred. Advertising expense amounted to \$-0- (2016 and 2015).

SUBSEQUENT EVENTS

In preparing these financial statements, CRWP has evaluated events and transactions for potential recognition or disclosure through May 18, 2017, the date the financial statements were available to be issued.

**3. OFFICE LEASE**

CRWP has a lease agreement expiring on June 30, 2017 at \$830 per month. Rent expense amounted to \$9,960 in each of the years 2016 and 2015.

Minimum payments due under this lease amount to \$4,980 in 2017.

**4. RETIREMENT PLAN**

CRWP has a SIMPLE IRA defined contribution retirement plan. CRWP's contribution to the plan was \$7,234 (2016) and \$7,076 (2015).

**CHAGRIN RIVER WATERSHED PARTNERS, INC.**

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

NOTES (CONTINUED):

**5. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at December 31 consist of the following:

<u>Funder</u>	<u>Program</u>	<u>2016</u>	<u>2015</u>
The George Gund Foundation	Watershed Organization Collaboration	\$ 104,045	\$ -
Dominion	Rain Gardens	1,500	5,000
		<u>\$ 105,545</u>	<u>\$ 5,000</u>

**6. BOARD-DESIGNATED NET ASSETS**

CRWP maintains a "Budget Stabilization Fund" to create asset balances to allow for shortfalls from economic fluctuations, single or multi-year project opportunities, or capital expenditures. All withdrawals from the account require Board approval. Interest and earnings from the cash reserve accrue to general operations.

At December 31, the balance in the designated fund was \$285,008 (2016) and \$243,921 (2015).



**INDEPENDENT AUDITOR'S 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***

**7555 Fredle Dr.  
Suite 110**

**Concord, OH 44077**

**Phone: 440-951-2997  
Fax: 866-359-4674**

BOARD OF DIRECTORS  
CHAGRIN RIVER WATERSHED PARTNERS, INC.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Chagrin River Watershed Partners, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 18, 2017.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered Chagrin River Watershed Partners, Inc.'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 Chagrin River Watershed Partners, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Chagrin River Watershed Partners, Inc.'s 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, 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 may 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.



**INDEPENDENT AUDITOR'S 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***

(continued)

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Chagrin River Watershed Partners, Inc.'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 Chagrin River Watershed Partners, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Chagrin River Watershed Partners, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Concord, Ohio  
May 18, 2017

H•J  
*Certified Public Accountants*

**CHAGRIN RIVER WATERSHED PARTNERS, INC.**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2016

CURRENT YEAR FINDINGS

There were no current period findings or questioned costs.