



NORTHERN MIAMI VALLEY LOCAL GOVERNMENT ASSOCIATION

MIAMI COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

Northern Miami Valley Local Government Association
Miami County
100 S. Market Street
Troy, Ohio 45373

To the Association Members:

We have audited the accompanying financial statements of Northern Miami Valley Local Government Association, Miami County, Ohio, (the Association) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Association prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balance of the Northern Miami Valley Local Government Association as of December 31, 1999 and 1998, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2000, on our consideration of the Association's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of the audit committee, management, the Association Members and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

April 14, 2000

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1999**

Governmental Fund Types

	<u>General</u>
Cash Receipts:	
Franchise Fees	\$5,114
Interest Income	282
	<u>5,396</u>
Total Cash Receipts	<u>5,396</u>
Cash Disbursements:	
Professional Fees	7,672
Other	242
	<u>7,914</u>
Total Disbursements	<u>7,914</u>
Total Receipts Over/(Under) Disbursements	<u>(2,518)</u>
Fund Cash Balance, January 1, 1999	<u>14,727</u>
Fund Cash Balance, December 31, 1999	<u>\$12,209</u>

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

Governmental Fund Types

	<u>General</u>
Cash Receipts:	
Franchise Fees	\$4,854
Interest Income	352
	<u>5,206</u>
Total Cash Receipts	<u>5,206</u>
Cash Disbursements:	
Professional Fees	7,088
Other	1,175
	<u>8,263</u>
Total Disbursements	<u>8,263</u>
Total Receipts Over/(Under) Disbursements	<u>(3,057)</u>
Fund Cash Balance, January 1, 1998	<u>17,784</u>
Fund Cash Balance, December 31, 1998	<u>\$14,727</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Northern Miami Valley Local Government Association, Miami County, (the Association) is a Regional Council of Governments made of the following municipalities: Sidney, Troy, Piqua, West Milton, Covington, Springfield, Tipp City, Yellow Springs, New Carlisle, and Anna established under Chapter 167 of the Ohio Revised Code. The Association was established to foster cooperation among member municipalities to negotiate cable television franchises, exploration of joint purchases of materials, equipment, or services, coordination of joint personnel training, sharing information on matters related to municipal affairs, facilitating the sharing of equipment between members of the Association, and contracting with consultants and/or other sources for the accomplishment of any of the purposes agreed upon.

The Association's management believes these financial statements present all activities for which the Association is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash

The Checking account is valued at cost

D. Fund Accounting

The Association uses fund accounting and classified its funds into the following type:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources.

E. Budgetary Process

The Association approves the budgets at the beginning of each year to govern expenditures for the year. At the present time, they are not required to certify their action to the Miami County Budget Commission.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

2. DEPOSITS

The Association maintains cash used by its fund. The Ohio Revised Code prescribes allowable deposits and investments. The Association had no investments at year end. The carrying amounts of bank balances and cash at December 31 were as follows:

	1999	1998
Carrying value and bank balance	<u>\$12,209</u>	<u>\$14,727</u>

Deposits are insured by Federal Depository Insurance Corporation



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Northern Miami Valley Local Government Association
Miami County
100 S. Market Street
Troy, Ohio 45373

To the Association Members:

We have audited the financial statements of Northern Miami Valley Local Government Association, Miami County, Ohio (the Association), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated April 14, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Association in a separate letter dated April 14, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Association's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the audit committee, management, and the Association Members and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

April 14, 2000



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NORTHERN MIAMI VALLEY LOCAL GOVERNMENT ASSOCIATION

MIAMI 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
MAY 25, 2000**