



Dave Yost • Auditor of State

**NORTHERN MIAMI VALLEY LOCAL GOVERNMENT ASSOCIATION
MONTGOMERY COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Statement of Receipts, Disbursements, and Change in Fund Balance (Cash Basis) - General Fund - For the Year Ended December 31, 2011	5
Statement of Cash Receipts, Cash Disbursements, and Change in Fund Cash Balance - General Fund - For the Year Ended December 31, 2010	6
Notes to the Financial Statements	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	9

This page intentionally left blank.



Dave Yost • Auditor of State

Northern Miami Valley Local Government Association
Montgomery County
6996 Taywood Road
Englewood, Ohio 45322

To the Association:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your association to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 9, 2012

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Northern Miami Valley Local Government Association
Montgomery County
6996 Taywood Road
Englewood, Ohio 45322

To the Association:

We have audited the accompanying financial statements of the Northern Miami Valley Local Government Association, Montgomery County, (the Association) as of and for the years ended December 31, 2011 and 2010. 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Association has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

GAAP requires presenting entity wide statements and also presenting the Association's larger (i.e. major) funds separately. While the Association does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Associations to reformat their statements. The Association has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2011 and 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Association as of December 31, 2011 and 2010, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Northern Miami Valley Local Government Association, Montgomery County, as of December 31, 2011 and 2010, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 1, during 2011 the Northern Miami Valley Local Government Association adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2012, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Dave Yost
Auditor of State

July 9, 2012

**NORTHERN MIAMI VALLEY LOCAL GOVERNMENT ASSOCIATION
MONTGOMERY COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGE IN FUND BALANCE (CASH BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	General
Cash Receipts:	
Dues	\$5,006
Interest	47
Total Cash Receipts	5,053
 Cash Disbursements	
Professional Fees	10,498
Total Cash Disbursements	10,498
 Net Change in Fund Cash Balance	(5,445)
 Fund Cash Balance, January 1	21,007
 Fund Cash Balance, December 31	
Unassigned	15,562
 Fund Cash Balance, December 31	\$15,562

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

**NORTHERN MIAMI VALLEY LOCAL GOVERNMENT ASSOCIATION
MONTGOMERY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>General</u>
Cash Receipts:	
Dues	\$12,855
Interest	105
Total Cash Receipts	<u>12,960</u>
Cash Disbursements	
Professional Fees	15,144
Audit Fees	1,125
Miscellaneous	26
Total Cash Disbursements	<u>16,295</u>
Total Cash Receipts Under Cash Disbursements	<u>(3,335)</u>
Fund Cash Balance, January 1	<u>24,342</u>
Fund Cash Balance, December 31	<u><u>\$21,007</u></u>

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

**NORTHERN MIAMI VALLEY LOCAL GOVERNMENT ASSOCIATION
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Northern Miami Valley Local Government Association, Montgomery County, (the Association), is a Regional Council of Governments established under Chapter 167 of the Ohio Revised Code.

The Association is made of the following municipalities: City of Clayton, City of Vandalia, City of Huber Heights, City of Troy, City of Sidney, City of Piqua, City of Springfield, City of Tipp City and the Village of Yellow Springs.

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 accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. 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 the Auditor of State prescribes or permits.

C. Cash

The primary share savings account and checking account are valued at cost.

D. Fund Accounting

The Association uses fund accounting and classifies its fund 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 budget at the beginning of each year to govern expenditures for the year. At the present time, it is not required to certify its action to the Montgomery County Budget Commission.

F. Fund Balance

For December 31, 2011, the fund balance is divided into five classifications based primarily on the extent to which the Association must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**NORTHERN MIAMI VALLEY LOCAL GOVERNMENT ASSOCIATION
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Non-spendable

The Association classifies assets as non-spendable when legally or contractually required to maintain the amounts intact.

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

The Association can *commit* amounts via formal action (resolution). The Association must adhere to these commitments unless the Association amends 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 the Association or a Association 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 Association 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.

2. DEPOSITS

The Association maintains cash used by its fund. The Association's By-Laws prescribes allowable deposits and investments. The Association had no investments at year end. The carrying amount of cash at December 31 was as follows:

	<u>2011</u>	<u>2010</u>
Total Deposits	<u>\$15,562</u>	<u>\$21,007</u>

Deposits are insured by the National Credit Union Share Insurance Fund, which is administered by the National Credit Union Administration, an agency of the Federal Government.



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Northern Miami Valley Local Government Association
Montgomery County
6996 Taywood Road
Englewood, Ohio 45322

To the Association:

We have audited the financial statements of the Northern Miami Valley Local Government Association, Montgomery County, (the Association) as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated July 9, 2012, wherein we noted Association prepared its financial statements using the accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We also noted that the Association adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the year ended December 31, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Association's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Association's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Association'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, 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 more than a reasonable possibility that a material misstatement of the Association's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Association'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, providing an opinion 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*.

We intend this report solely for the information and use of management, the Association Board and others within the Association. We intend it for no one other than these specified parties.

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

July 9, 2012



Dave Yost • Auditor of State

NORTHERN MIAMI LOCAL GOVERNMENT ASSOCIATION

MONTGOMERY 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
AUGUST 23, 2012**