

MIAMI COUNTY PARK DISTRICT

FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011



DUVALL & ASSOCIATES, INC.

certified public accountants

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Dave Yost • Auditor of State

Board Members
Miami County Park District
2645 E State Route 41
Troy, Ohio 45373

We have reviewed the *Independent Auditors' Report* of the Miami County Park District, Miami County, prepared by Duvall & Associates, Inc., for the audit period January 1, 2011 through December 31, 2012. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Miami County Park District is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

October 29, 2013

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c e r t i f i e d p u b l i c a c c o u n t a n t s

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INDEPENDENT AUDITORS' REPORT

To The Board of the
Miami County Park District
Miami County, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Miami County Park District (the District), as of and for the years ended December 31, 2012 and 2011.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 *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 opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described more fully in Note 1 of the financial statements, the District prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03, which is an accounting basis other than accounting principles generally accepted in the United States of America to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2012 and 2011, or changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Miami County Park District as of December 31, 2012 and 2011, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions of the Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits, described in Note 1.

Emphasis of Matter

As discussed in Note 1 to the financial statements, during 2011 the Miami County Park District (the District) adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2013, on our consideration of the District'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 Miami County Park District's internal control over financial reporting and compliance.

Duvall & Associates, Inc.
Duvall & Associates, Inc.

June 26, 2013

MIAMI COUNTY PARK DISTRICT
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Governmental Fund Type</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
CASH RECEIPTS:			
Real Estate Property Tax	\$ 2,077,539	\$ -	\$ 2,077,539
Personal Property Tax	657	-	657
Grants	301,214	-	301,214
Intergovernmental Revenue	36,589	-	36,589
Investment Income	2,026	-	2,026
Gifts and Donations	32,745	1,885	34,630
Fees	8,398	-	8,398
Sales	10,053	-	10,053
Other Receipts	340,550	118,175	458,725
Total Cash Receipts	<u>2,809,771</u>	<u>120,060</u>	<u>2,929,831</u>
CASH DISBURSEMENTS:			
Salaries	1,057,522	-	1,057,522
Supplies	154,587	247	154,834
Equipment	87,201	501	87,702
Land & Improvements	219,279	12,850	232,129
Contracts - Repair	131,412	-	131,412
Contracts - Services	220,197	1,186	221,383
Grants	15,173	-	15,173
Rentals	39,400	-	39,400
Advertising and Printing	-	-	-
Travel	17,376	-	17,376
Public Employees Retirement	150,853	-	150,853
Workers' Compensation	16,910	-	16,910
Unemployment Compensation	-	-	-
Other	399,134	-	399,134
Total Cash Disbursements	<u>2,509,044</u>	<u>14,784</u>	<u>2,523,828</u>
TOTAL RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>300,727</u>	<u>105,276</u>	<u>406,003</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS.

MIAMI COUNTY PARK DISTRICT
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Governmental Fund Type</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
OTHER FINANCING RECEIPTS (DISBURSEMENTS):			
Proceeds from Sale of Stock	\$ -	\$ -	\$ -
Transfers - In	-	-	-
Advances - In	-	-	-
Transfers - Out	-	-	-
Advances - Out	-	-	-
Other Sources	-	-	-
Total Other Financing Receipts (Disbursements)	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF CASH RECEIPTS AND OTHER FINANCING RECEIPTS OVER (UNDER) CASH DISBURSEMENTS AND OTHER FINANCING DISBURSEMENTS	300,727	105,276	406,003
FUND CASH BALANCES, JANUARY 1	<u>3,458,360</u>	<u>374,098</u>	<u>3,832,458</u>
FUND CASH BALANCES, DECEMBER 31	<u>\$ 3,759,087</u>	<u>\$ 479,374</u>	<u>\$ 4,238,461</u>
DETAIL OF FUND CASH BALANCES:			
Restricted	\$ 68,276	\$ 479,374	\$ 547,650
Committed	12,728	-	12,728
Assigned	109,544	-	109,544
Unassigned (Deficit)	<u>3,568,539</u>	<u>-</u>	<u>3,568,539</u>
TOTAL FUND CASH BALANCES, DECEMBER 31	<u>\$ 3,759,087</u>	<u>\$ 479,374</u>	<u>\$ 4,238,461</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS.

MIAMI COUNTY PARK DISTRICT
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Governmental Fund Type</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
CASH RECEIPTS:			
Real Estate Property Tax	\$ 2,065,076	\$ -	\$ 2,065,076
Personal Property Tax	3,816	-	3,816
Grants	100,355	196,539	296,894
Intergovernmental Revenue	51,448	-	51,448
Investment Income	1,792	-	1,792
Gifts and Donations	27,983	167,803	195,786
Fees	2,100	-	2,100
Sales	9,810	-	9,810
Other Receipts	471,569	-	471,569
Total Cash Receipts	<u>2,733,949</u>	<u>364,342</u>	<u>3,098,291</u>
CASH DISBURSEMENTS:			
Salaries	1,026,771	-	1,026,771
Supplies	156,841	-	156,841
Equipment	84,677	-	84,677
Land & Improvements	416,773	3,904	420,677
Contracts - Repair	131,183	-	131,183
Contracts - Services	222,761	199,723	422,484
Grants	7,595	-	7,595
Rentals	39,146	-	39,146
Advertising and Printing	6,790	-	6,790
Travel	8,145	260	8,405
Public Employee Retirement	147,776	-	147,776
Workers' Compensation	16,809	-	16,809
Unemployment Compensation	-	-	-
Other	389,490	-	389,490
Total Cash Disbursements	<u>2,654,757</u>	<u>203,887</u>	<u>2,858,644</u>
TOTAL RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>79,192</u>	<u>160,455</u>	<u>239,647</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS.

MIAMI COUNTY PARK DISTRICT
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Governmental Fund Type</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
OTHER FINANCING RECEIPTS (DISBURSEMENTS):			
Proceeds from Sale of Stock	\$ -	\$ -	\$ -
Transfers - In	-	-	-
Advances - In	-	-	-
Transfers - Out	-	-	-
Advances - Out	-	-	-
Other Sources	-	-	-
Total Other Financing	-	-	-
Receipts (Disbursements)	-	-	-
EXCESS OF CASH RECEIPTS AND FINANCING RECEIPTS OVER (UNDER) CASH DISBURSEMENTS AND OTHER FINANCING DISBURSEMENTS			
	79,192	160,455	239,647
FUND CASH BALANCES, JANUARY 1	<u>3,379,168</u>	<u>213,643</u>	<u>3,592,811</u>
FUND CASH BALANCES, DECEMBER 31	<u>\$ 3,458,360</u>	<u>\$ 374,098</u>	<u>\$ 3,832,458</u>
DETAIL OF FUND CASH BALANCES:			
Restricted	\$ 206,733	\$ 374,098	\$ 580,831
Committed	46,110	-	46,110
Assigned	73,586	-	73,586
Unassigned (Deficit)	<u>3,131,931</u>	<u>-</u>	<u>3,131,931</u>
TOTAL FUND CASH BALANCES, DECEMBER 31	<u>\$ 3,458,360</u>	<u>\$ 374,098</u>	<u>\$ 3,832,458</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS.

MIAMI COUNTY PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Miami County Park District, (the District) as a body corporate and political. The probate judge of Miami County appoints a three member Board of Commissioners to govern the District. The Commissioners are authorized to acquire, develop, protect, maintain, and improve park lands and facilities. The Commissioners may convert acquired land into forest reserves. The Commissioners are also responsible for activities related to conserving natural resources including streams, lakes, submerged lands, and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of these assets conducive to the general welfare.

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

Accounting Basis

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. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

Cash and Investments

As the Ohio Revised Code permits, the Miami County Treasurer holds the District's cash as the District's custodian. The County holds the District's assets in its investment pool, valued at the Treasurer's reported carrying amount.

The District values common stock at cost or fair value when donated.

Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

MIAMI COUNTY PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting

a) General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

b) Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Funds:

i) Land and Water Conservation Fund -

This fund receives federal land and water conservation grants for the Hobart Urban Nature Preserve.

ii) Ohio Department of Natural Resources Clean Ohio Grant Fund -

This fund receives state grant monies for the construction of a bikeway.

iii) Ohio Public Works Commission Clean Ohio Hobart Reserve Fund -

This fund receives state grant monies for the Clean Ohio Program for Hobart Urban Nature Reserve.

Budgetary Process:

The Ohio Revised Code requires the Board of Commissioners to budget each fund annually.

a) Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, each office, department and division level of control, and estimated resources. Appropriation authority includes current year appropriations plus encumbrances carried over from the prior year (if any). The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

b) Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

MIAMI COUNTY PARK DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2012 AND 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Process

c) Encumbrances:

The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2012 and 2011 budgetary activity appears in Note 2.

Property, Plant, and Equipment

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2012 and 2011 follows:

2012 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,472,159	\$ 2,809,771	\$ 337,612
Special Revenue	2,800	120,060	117,260
Total	<u>\$ 2,474,959</u>	<u>\$ 2,929,831</u>	<u>\$ 454,872</u>

2012 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 2,643,152	\$ 2,509,044	\$ 134,108
Special Revenue	87,125	14,784	72,341
Total	<u>\$ 2,730,277</u>	<u>\$ 2,523,828</u>	<u>\$ 206,449</u>

MIAMI COUNTY PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

2. BUDGETARY ACTIVITY (Continued)

2011 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 3,113,650	\$ 2,733,949	\$ (379,701)
Special Revenue	199,339	364,342	165,003
Total	<u>\$ 3,312,989</u>	<u>\$ 3,098,291</u>	<u>\$ (214,698)</u>

2011 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 3,614,086	\$ 2,654,757	\$ 959,329
Special Revenue	280,348	203,887	76,461
Total	<u>\$ 3,894,434</u>	<u>\$ 2,858,644</u>	<u>\$ 1,035,790</u>

3. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board of Park Commissioners adopts rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the District.

Effective January 1, 2009, the personal property tax for property owners within the county was phased out and replaced with the Commercial Activity Tax (CAT).

MIAMI COUNTY PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

3. PROPERTY TAX (Continued)

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the District.

4. RETIREMENT SYSTEMS

The District's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes 10% contribution rates. For 2012 and 2011, OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% in 2011 and 2012 of participants' gross salaries. The District has paid all contributions required through December 31, 2012.

5. RISK MANAGEMENT

The Government is exposed to various risks of property and casualty losses, and injuries to employees.

The Government insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Government belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Insurance

For occurrences prior to January 1, 2006, PEP retains casualty risks up to \$250,000 per claim, including loss adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000 and provides up to \$1,750,000 per claim.

For occurrences on or after January 1, 2006, PEP retains casualty risk up to \$350,000 per claim, including loss adjustment expenses. PEP pays a percentage of its contribution to APEEP. APEEP reinsures claims exceeding \$350,000 and provides up to \$2,650,000 per claim.

MIAMI COUNTY PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

5. RISK MANAGEMENT (Continued)

Casualty Insurance

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to an aggregate of \$10,000,000. Governments can elect additional coverage, from \$3,000,000 to \$13,000,000, General Reinsurance Corporation.

Property Insurance

Prior to January 1, 2009, Travelers reinsured specific losses exceeding \$250,000, and provided up to \$600,000,000 per occurrence. APEEP reinsures members for a specific loss exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined PEP members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600,000,000 per occurrence limit.

On or after January 1, 2009, Travelers reinsures specific losses exceeding \$250,000, and provides up to \$600,000,000 per occurrence. APEEP reinsures members for a specific loss exceeding \$150,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined PEP members' total insurable values. If the stop loss is reached by payment of losses between \$150,000 and \$500,000, Travelers will reinsure specific losses exceeding \$150,000 up to their \$600,000,000 per occurrence limit.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective PEP member.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2012 and 2011 (the latest information available):

MIAMI COUNTY PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

5. RISK MANAGEMENT (Continued)

	<u>2012</u>	<u>2011</u>
Assets	\$ 34,389,569	\$ 33,362,404
Liabilities	<u>(14,208,353)</u>	<u>(14,187,273)</u>
Net Assets - Unrestricted	<u>\$ 20,181,216</u>	<u>\$ 19,175,131</u>
 # of members	 466	 455

The Casualty Coverage assets and retained earnings above include approximately \$12.6 million of unpaid claims to be billed to approximately 466 member governments in the future, as of December 31, 2012. PEP will collect these amounts in future annual premium billings when PEP'S related liabilities are due for payment. The District's share of these unpaid claims is \$112,034.

The Pool uses reinsurance and excess risk-sharing arrangements to reduce its exposure to loss. These agreements permit recovery of a portion of its claims from reinsurers and a risk-sharing pool; however, they do not discharge the Pool's primary liability for such payments. The Pool is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York Risk Pooling Services, Inc. (YORK). APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, the Pool retains insured risk up to an amount specified in the contracts. (At December 31, 2012, the Pool retained \$350,000 for casualty claims and \$100,000 for property claims). The Board of Directors and YORK periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

MIAMI COUNTY PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

5. RISK MANAGEMENT (Continued)

Contributions to PEP

2010	\$45,392
2011	\$49,739
2012	\$56,017

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they give written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.



DUVALL & ASSOCIATES, INC.

c e r t i f i e d p u b l i c a c c o u n t a n t s

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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*

Miami County Park District
2645 East State Route 41
Troy, Ohio 45373

To the Board of Miami County Park District:

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 the Miami County Park District (the District), as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 26, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies, may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 affect 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 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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Duvall & Associates, Inc.

Duvall & Associates, Inc.
June 26, 2013

MIAMI COUNTY PARK DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2012 AND 2011

NO CURRENT FINDINGS

MIAMI COUNTY PARK DISTRICT
SCHEDULE OF PRIOR FINDINGS
DECEMBER 31, 2012 AND 2011

NO PRIOR FINDINGS



Dave Yost • Auditor of State

MIAMI COUNTY PARK DISTRICT

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
NOVEMBER 12, 2013**