



Dave Yost • Auditor of State



Dave Yost • Auditor of State

Spring Valley Park District
Greene County
2547 US Route 42 South
Spring Valley, Ohio 45370

Thank you for the information provided and the courtesies you extended to our staff during our recent visit to Spring Valley Park District.

Current Year Observations

1. Bank reconciliations were not completed during 2012 or 2011. The December 31, 2012 bank statement agreed to the accounting ledger for the Park District with a variance of less than one dollar.

Reconciling cash is a critical control in assuring all transactions are posted accurately and in the proper accounting period. Unidentified differences result in inaccurate fund cash balance information, and conceivably could cause deficit spending. The Fiscal Officer should review transactions recorded since the last reconciliation and correct the error.

Also, the Park District's small size requires governing board involvement with critical accounting processes (such as bank reconciliation) to compensate for the inability to segregate these duties. The absence of these reviews may be a material weakness in internal accounting control resulting in inaccurate cash balances, or even undetected theft. Our prior audit also reported this deficiency

2. All required budgetary documents were not prepared by the Park District for the year ended December 31, 2012. The District was required to prepare a Certificate of Estimated Resources, Annual Appropriation Resolution, and an Annual Budget. A Certificate of Estimated Resources was not prepared for the year ended December 31, 2012 and the District did not utilize purchase orders. Additionally, the Park District did not have an active Board during 2012 or 2011 and none of the budgetary documents were approved by the Board.

The Park District should prepare all required budgetary documents and monitor the related activity to reduce the possibility of negative fund balances. The budget should be amended if significant fluctuations from original estimate are expected. Failure to have an active Board in place resulted in no governing of the entity's operations. Without an active Board meeting regularly, there was no monitoring of the Park District's financial or operational matters, and no formal record of any matters involving the District.

If the Park District wishes to dissolve, guidelines in **Ohio Rev. Code Section 1545.35-.40** should be adhered to, including filing of a formal request to cease operations with the Probate Court. Ohio Rev. Code Section 1545.35 provides guidance as to how this park district may legally dissolve. The code section specifically states that an active park district to which no territory has been annexed may be dissolved under section 1545.36 or 1545.37 of the Revised Code. An active park district to which territory has been annexed may be dissolved only under the applicable provisions of section 1545.37 of the Revised Code.

Additionally the Treasurer should certify that the funds are or will be available prior to the obligation by the Park District to improve controls over disbursements, to reduce the possibility of the Park District's funds exceeding budgetary spending limitations, and reduce financial reporting errors. When prior certification is not possible, "then and now" certification should be used. A review should be performed periodically to help assure that outstanding obligations have been certified and recorded in the budgetary accounting system and on the year-end financial statements. Our prior audit also reported this deficiency.

Current Status of Matters We Reported in our Prior Engagement

3. In addition to the matters reported in items 1 and 2 above, our prior audit for the years ended December 31, 2010 and 2009 included two additional findings related to failure to file annual financial statements with the Auditor of State, and the classification of revenues and expenditures on the financial statements. These findings were not corrected for fiscal years ended December 31, 2012 and 2011.

You should understand that our services were not designed to provide any assurance on your financial statements, transactions or balances for the years ended December 31, 2012 or 2011 under generally accepted auditing standards.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

March 5, 2013



Dave Yost • Auditor of State

SPRING VALLEY PARK DISTRICT

GREENE 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
MARCH 19, 2013