



**Auditor of State  
Betty Montgomery**



NORTHERN MIAMI VALLEY LOCAL GOVERNMENT ASSOCIATION  
MIAMI COUNTY

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Northern Miami Valley Local Government Association  
Miami County  
260 South Garber Drive  
P.O. Box 188  
Tipp City, Ohio 45371

To the Association Members:

We have audited the accompanying financial statements of the Northern Miami Valley Local Government Association, Miami County, (the Association), as of and for the years ended December 31, 2003 and 2002. 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 *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, 2003 and 2002, 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 July 29, 2004, 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Northern Miami Valley Local Government Association  
Miami County  
Independent Accountants' Report  
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This report is intended solely for the information and use of the management, 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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

July 29, 2004

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGE IN FUND CASH BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u><b>2003</b></u>
<b>Cash Receipts:</b>	
Dues	\$7,511
Investment Income	<u>68</u>
Total Operating Receipts	7,579
<b>Cash Disbursements:</b>	<u>          </u>
Cash Receipts Over (Under) Cash Disbursements	7,579
Fund Cash Balance, Beginning of Year	<u>3,192</u>
<b>Fund Cash Balance, End of Year</b>	<u><u><b>\$10,771</b></u></u>

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

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGE IN FUND CASH BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>2002</u>
<b>Cash Receipts:</b>	
Dues	\$6,142
Investment Income	<u>54</u>
Total Operating Receipts	6,196
<b>Cash Disbursements:</b>	
Advertising	26
Professional Fees	8,552
Audit Fees	<u>965</u>
Total Operating Disbursements	<u>9,543</u>
Cash Receipts Over (Under) Cash Disbursements	(3,347)
Fund Cash Balance, Beginning of Year	<u>6,539</u>
<b>Fund Cash Balance, End of Year</b>	<u><u>\$3,192</u></u>

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



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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**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 established under Chapter 167 of the Ohio Revised Code.

The Association is made of the following municipalities: the cities of Sidney, Troy, Piqua, West Milton, Covington, Springfield, Tipp City, Yellow Springs, New Carlisle, and the villages of Anna, Botkins, Fort Loramie, and Jackson Center.

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 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, they are not required to certify their action to the Miami County Budget Commission.

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(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 amount of cash at December 31 was as follows:

	<b>2003</b>	<b>2002</b>
Total deposits	<u>\$10,771</u>	<u>\$3,192</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.



**Auditor of State  
Betty Montgomery**

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

Northern Miami Valley Local Government Association  
Miami County  
260 South Garber Drive  
P.O. Box 188  
Tipp City, Ohio 45371

To the Association Members:

We have audited the accompanying financial statements of the Northern Miami Valley Local Government Association, Miami County, (the Association), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated July 29, 2004. 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.

**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 a certain immaterial instance of noncompliance that we have reported to management of the Association in a separate letter dated July 29, 2004.

**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. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Association in a separate letter dated July 29, 2004.

Northern Miami Valley Local Government Association  
Miami County  
Independent Accountants' Report on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

July 29, 2004



**Auditor of State  
Betty Montgomery**

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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  
SEPTEMBER 7, 2004**