



Mary Taylor, CPA  
Auditor of State



**SPRING VALLEY PARK DISTRICT  
GREENE COUNTY**

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Mary Taylor, CPA  
Auditor of State

Spring Valley Park District  
Greene County  
2547 US Rt. 42 South  
PO Box 16  
Spring Valley, Ohio 45370

To the Board of Commissioners:

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 government 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.

*Mary Taylor*

**Mary Taylor, CPA**  
Auditor of State

August 17, 2009

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Spring Valley Park District  
Greene County  
2547 US Rt. 42 South  
PO Box 16  
Spring Valley, Ohio 45370

To the Board of Commissioners:

We have audited the accompanying financial statements of Spring Valley Park District, Greene County, (the District) as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the District'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 District 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.

While the District 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 Districts to reformat their statements. The District 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, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2008 and 2007, 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 balance of Spring Valley Park District, Greene County, as of December 31, 2008 and 2007, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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Spring Valley Park District  
Greene County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

The District has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 17, 2009, on our consideration of the District'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.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

August 17, 2009



**SPRING VALLEY PARK DISTRICT  
GREENE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGE IN FUND CASH BALANCE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<b>Governmental Fund</b>
	<b>General</b>
<b>Cash Receipts:</b>	
Intergovernmental	\$937
Gifts and Donations	550
Program Revenue	5,538
Event Parking	12,339
Total Cash Receipts	19,364
<b>Cash Disbursements:</b>	
<b>Current Disbursements:</b>	
Supplies	56
Insurance	658
Programs	5,408
Equipment	3,978
Donations	3,218
Other	2,028
Total Cash Disbursements	15,346
Total Receipts Over Disbursements	4,018
Fund Cash Balance, January 1	27,052
Fund Cash Balance, December 31	\$31,070

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

**SPRING VALLEY PARK DISTRICT  
GREENE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGE IN FUND CASH BALANCE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<b>Governmental Fund</b>
	<b>General</b>
<b>Cash Receipts:</b>	
Intergovernmental	\$952
Gifts and Donations	36
Program Revenue	6,500
Event Parking	10,844
Total Cash Receipts	18,332
<b>Cash Disbursements:</b>	
<b>Current Disbursements:</b>	
Administrative Supplies	135
Insurance	453
Programs	6,237
Auditor's fees	1,648
Donations	3,644
Park Supplies	2,500
Other	2,477
Total Cash Disbursements	17,094
Total Receipts Over Disbursements	1,238
Fund Cash Balances, January 1	25,814
Fund Cash Balances, December 31	\$27,052

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

**SPRING VALLEY PARK DISTRICT  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Spring Valley Park District, Greene County, (the District) as a body corporate and politic. The probate judge of Greene 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.

**B. 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.

**C. Deposit and Investments**

The District has no investments and maintains only an interest bearing checking account.

**D. Fund Accounting**

The District uses fund accounting to segregate cash that is restricted as to use. The District classifies its fund into the following type:

**1. General Fund**

The General Fund reports all financial resources.

**E. Budgetary Process**

The Ohio Revised Code requires that the general fund be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. The District Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

**SPRING VALLEY PARK DISTRICT  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2. Estimated Resources**

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

**3. Encumbrances**

The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2008 and 2007 budgetary activity appears in Note 3.

**F. 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.

**2. EQUITY IN POOLED DEPOSITS**

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

	<b>2008</b>	<b>2007</b>
Demand deposits	\$31,070	\$27,052

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2008 and 2007 follows:

<b>2008 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$17,475	\$19,364	\$1,889

<b>2008 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$22,020	\$15,346	\$6,674

<b>2007 Budgeted vs. Actual Receipts</b>			
<b>Fund Type</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
General	\$18,615	\$18,332	(\$283)

<b>2007 Budgeted vs. Actual Budgetary Basis Expenditures</b>			
<b>Fund Type</b>	<b>Appropriation Authority</b>	<b>Budgetary Expenditures</b>	<b>Variance</b>
General	\$23,884	\$17,094	\$6,790

**SPRING VALLEY PARK DISTRICT  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**4. RISK MANAGEMENT**

**Commercial Insurance**

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Errors and omissions.

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# Mary Taylor, CPA

Auditor of State

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

Spring Valley Park District  
Greene County  
2547 US Rt. 42 South  
PO Box 16  
Spring Valley, Ohio 45370

To the Board of Commissioners

We have audited the financial statements of Spring Valley Park District, Greene County, (the District) as of and for the year ended December 31, 2008 and 2007, and have issued our report thereon dated August 17, 2009, wherein we noted the District followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider findings 2008-001 and 2008-002 described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

**Internal Control Over Financial Reporting  
(Continued)**

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. Of the significant deficiencies described above, we believe finding numbers 2008-001 and 2008-002 are also material weakness.

We also noted a certain internal control matter that we reported to the District's management in a separate letter dated August 17, 2009.

**Compliance and Other Matters**

As part of reasonably assuring whether the District'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 an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2008-001.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated August 17, 2009.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the District's responses and, accordingly, we express no opinion on them.

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



**Mary Taylor, CPA**  
Auditor of State

August 17, 2009



**SPRING VALLEY PARK DISTRICT  
GREENE COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2008 AND 2007**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2008-001**

**Non-Compliance and Material Weakness**

**Ohio Revised Code Section 149.011(G)** defines “records” for purposes of the public records law, as any document, device, or item, regardless of physical form or characteristic, including an electronic record as defined in section 1306.01 of the Revised Code, created, received by, or coming under the jurisdiction of any public office which serves to document the organization, functions, policies, decisions, procedures, operations, or other activities of the public office.

**Ohio Revised Code Section 149.43(B)(1)** states, in part, that “all public records shall be promptly prepared and made available for inspection to any member of the general public at all reasonable times during regular business hours.”

Also, **Ohio Revised Code Section 149.351(A)** states, in part, that “all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commission provided for under Ohio Revised Code Sections 149.38 to 149.42.”

The Fiscal Officer failed to maintain 55% of validated deposit slips and 10% festival parking receipt documentation for tested receipts during the audit period of 2007 through 2008. Additional procedures were performed to substantiate reported amounts. Furthermore, the parking receipts, which account for over 50 percent of total revenues, were improperly classified as miscellaneous on the financial statements. Parking receipts were adjusted from miscellaneous to event parking on the financial statements to accurately reflect the revenue received.

Proper supporting documentation allows for accurate financial reporting including proper classification of revenues.

The District should develop and implement policies to verify that proper receipting procedures are being performed. These include preparing receipts, maintaining support documentation including deposit slips, and posting transactions specifically and accurately. These procedures will allow for a proper audit trail and improved financial reporting and accountability.

## FINDING NUMBER 2008-002

### Material Weakness

#### Cash Reconciliations

In 2008, the District's bank account and financial records were not properly reconciled at year-end. The reconciliation included a variance of \$4,017 due to the incorrect beginning balance being used. This resulted in incorrect cash balances on the annual financial report. The Fiscal Officer revised the annual statements to correct the error. Additionally, the Fiscal Officer reconciled the books and bank amounts at December 16, 2008, but not at year-end. Had the reconciliation been completed at year-end and compared to the annual financial report ending cash balances, the Fiscal Officer could have identified the \$4,017 error. Additionally, the reconciliation performed did not include supporting documentation for reconciling items such as deposits in transit and outstanding checks.

Bank account reconciliations are a basic control to verify accuracy and completeness of the District's recording of current income accounts. Failure to maintain complete accountability of public monies could increase the possibility of funds being altered, impaired, lost, or stolen.

To strengthen controls over the reconciliation process, monthly bank reconciliations should be performed and an annual reconciliation should be performed at year end. The reconciliations should include supporting documentation for reconciling items and the amounts reconciled should correspond to reported fund cash balances. To facilitate the supporting documentation requirement, the Fiscal Officer should include check numbers on the cash journal, which will help determine which checks are outstanding. Any discrepancies noted on the reconciliations should be investigated and corrected in a timely manner.

Implementation of these procedures will provide the District with accurate and timely financial information needed for decision making purposes and security over bank funds as well as accurate reporting of ending cash balances.

We did not receive a response from Officials to the findings reported above.

**SPRING VALLEY PARK DISTRICT  
GREENE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2008 and 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2006-001	Ohio Rev. Code Section 117.38 – Failure to file annual reports	Yes	





**Mary Taylor, CPA**  
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**  
**SEPTEMBER 29, 2009**