

***VILLAGE OF VALLEYVIEW
FRANKLIN COUNTY, OHIO***

AUDIT REPORT

FOR THE YEARS ENDED DECEMBER 31, 2005 & 2004

Charles E. Harris and Associates, Inc.
Certified Public Accountants and Government Consultants



Mary Taylor, CPA

Auditor of State

Village Council
Village of Valleyview
432 North Richardson Avenue
Columbus, Ohio 43204

We have reviewed the *Report of Independent Accountants* of the Village of Valleyview, Franklin County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2004 through December 31, 2005. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Report of Independent Accountants* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Report of Independent Accountants* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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 Village of Valleyview is responsible for compliance with these laws and regulations.

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

Mary Taylor, CPA
Auditor of State

April 27, 2007

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**VILLAGE OF VALLEYVIEW
FRANKLIN COUNTY, OHIO
Audit Report
For the Years Ended December 31, 2005 & 2004**

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Valleyview
Franklin County
432 North Richardson Avenue
Columbus, Ohio 43204

To Village Council:

We have audited the accompanying financial statements of the Village of Valleyview, Franklin County, Ohio (the Village), as of and for the years ended December 31, 2005 and 2004. These financial statements are the responsibility of the Village'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 that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village 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.

Revisions to GAAP would require the Village to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2005 and 2004. Instead of the combined funds the accompanying financial statements present for 2005 and 2004, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2005 and 2004. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Village has elected not to reformat its statements. Since the Village does not use GAAP to measure financial statement amounts, 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, 2005 and 2004, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2005 and 2004, 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 combined fund cash balances and reserves for encumbrances of the Village of Valleyview, Franklin County, as of December 31, 2005 and 2004, and its combined cash receipts and disbursements and changes in fund cash balances for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Village to include Management's Discussion and Analysis for the years ended December 31, 2005 and 2004. The Village 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 March 16, 2007, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Charles E. Harris & Associates, Inc.

March 16, 2007

VILLAGE OF VALLEYVIEW
FRANKLIN COUNTY, OHIO
COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
All Governmental Fund Types
For the Year Ended December 31, 2005

	<u>Governmental Fund Types</u>		<u>Total - Memorandum Only</u>
	<u>General</u>	<u>Special Revenue</u>	
Receipts:			
Property and Local Taxes	\$ 70,567	\$ 64,741	\$ 135,308
Intergovernmental	92,449	45,893	138,342
Fines, Licenses and Permits	96,903	3,214	100,117
Earnings on Investments	2,003	899	2,902
Miscellaneous	<u>14,467</u>	<u>-</u>	<u>14,467</u>
Total Receipts	276,389	114,747	391,136
Disbursements:			
Security of Persons & Property	59,097	46,226	105,323
Public Health Service	1,627	-	1,627
Leisure Time Activities	2,875	-	2,875
Transportation	-	45,243	45,243
General Government	78,444	2,563	81,007
Debt Service:			
Principal	-	17,848	17,848
Interest	<u>-</u>	<u>822</u>	<u>822</u>
Total Disbursements	<u>142,043</u>	<u>112,702</u>	<u>254,745</u>
Total Receipts Over/(Under) Disbursements	134,346	2,045	136,391
Fund Cash Balance, January 1, 2005	<u>68,548</u>	<u>139,123</u>	<u>207,671</u>
Fund Cash Balance, December 31, 2005	<u>\$ 202,894</u>	<u>\$ 141,168</u>	<u>\$ 344,062</u>
Reserves for Encumbrances	<u>\$ 17,131</u>	<u>\$ 8,621</u>	<u>\$ 25,752</u>

See Accompanying Notes to the Financial Statements.

VILLAGE OF VALLEYVIEW
FRANKLIN COUNTY, OHIO
COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
All Governmental Fund Types
For the Year Ended December 31, 2004

	<u>Governmental Fund Types</u>		<u>Total - Memorandum Only</u>
	<u>General</u>	<u>Special Revenue</u>	
Receipts:			
Property and Local Taxes	\$ 79,883	\$ 81,517	\$ 161,400
Intergovernmental	83,123	16,703	99,826
Fines, Licenses and Permits	30,273	1,288	31,561
Earnings on Investments	47	131	178
Miscellaneous	6,281	2,134	8,415
Total Receipts	199,607	101,773	301,380
Disbursements:			
Security of Persons & Property	14,212	48,390	62,602
Public Health Service	1,548	-	1,548
Leisure Time Activities	674	-	674
Transportation	-	5,238	5,238
General Government	79,934	543	80,477
Capital Outlay	3,456	21,821	25,277
Debt Service:			
Principal	1,839	16,831	18,670
Interest	21,839	-	21,839
Total Disbursements	123,502	92,823	216,325
Total Receipts Over/(Under) Disbursements	76,105	8,950	85,055
Other Financing Sources/(Uses):			
Loan Proceeds	3,456	21,821	25,277
Total Other Financing Sources/(Uses)	3,456	21,821	25,277
Excess of Receipts and Other Sources Over/(Under) Disbursements and Other Uses	79,561	30,771	110,332
Fund Cash Balance, January 1, 2004	(11,013)	108,352	97,339
Fund Cash Balance, December 31, 2004	<u>\$ 68,548</u>	<u>\$ 139,123</u>	<u>\$ 207,671</u>
Reserves for Encumbrances	<u>\$ 7,853</u>	<u>\$ 44,218</u>	<u>\$ 52,071</u>

See Accompanying Notes to the Financial Statements.

VILLAGE OF VALLEYVIEW
FRANKLIN COUNTY, OHIO
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND CASH BALANCES - FIDUCIARY FUND TYPE
For the Year Ended December 31, 2005

	Fiduciary Fund Type Agency
Non-Operating Receipts:	
Fines, Licenses, and Permits	\$ 112,685
Non-Operating Disbursements:	
Distribution of Fines and Costs	107,084
Excess of Non-Operating Receipts Over (Under) Non-Operating Disbursements	5,601
Fund Cash Balance, January 1, 2005	5,489
Fund Cash Balance, December 31, 2005	\$ 11,090

See Accompanying Notes to the Financial Statements.

VILLAGE OF VALLEYVIEW
FRANKLIN COUNTY, OHIO
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND CASH BALANCES - FIDUCIARY FUND TYPE
For the Year Ended December 31, 2004

	Fiduciary Fund Type Agency
Non-Operating Receipts:	
Fines, Licenses, and Permits	\$ 38,934
Non-Operating Disbursements:	
Distribution of Fines and Costs	33,785
Excess of Non-Operating Receipts Over (Under) Non-Operating Disbursements	5,149
Fund Cash Balance, January 1, 2004	340
Fund Cash Balance, December 31, 2004	\$ 5,489

See Accompanying Notes to the Financial Statements.

**VILLAGE OF VALLEYVIEW
FRANKLIN COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The Village of Valleyview, Franklin County (the Village) is a body corporate and politic established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six member Council. The Village provides park operation, street maintenance, and police services. The Village contracts with the Franklin Township to provide fire protection services.

The Village's management believes these financial statements included in this report represent all of the funds of the Village over which the Village has the ability to exercise direct operating control.

B. BASIS OF ACCOUNTING

The Village prepares its financial statements following 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved.)

The statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. CASH

Investments are included in the fund cash balances. Accordingly, purchases of investments are not recorded as disbursements and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. FUND ACCOUNTING

The Village maintains its accounting records in accordance with the principles of "Fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of

**VILLAGE OF VALLEYVIEW
FRANKLIN COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. FUND ACCOUNTING - (Continued)

specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity, which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

Governmental Fund Types:

General Fund: The general operating fund of the Village. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

Special Revenue Funds: These funds are used to account for proceeds from special sources (other than from trusts or for capital projects) that are restricted to expenditures for specific purposes. The Village has the following significant Special Revenue funds:

- Street Construction, Maintenance and Repair Fund—Receives gasoline and motor vehicle excise taxes for constructing, maintaining and repairing Village roads.
- Police Fund—Receives property taxes for the provision of police services.
- Fire Fund—Receives property taxes for the provision of fire protection services.

Fiduciary Fund Types: These funds are used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The following is the Village's fiduciary fund type:

Mayor's Court- This agency fund accounts for receipts and disbursements of the Mayor's Court.

E. BUDGETARY PROCESS

A budget of estimated cash receipts and disbursements is prepared by the Clerk, approved by the Village Council, and submitted to the county auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

**VILLAGE OF VALLEYVIEW
FRANKLIN COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. BUDGETARY PROCESS - (Continued)

1. Estimated Resources

The county auditor calculates the estimated revenues available to the Village. He prepares a certificate of estimated resources based upon this calculation and upon the other financial information supplied in the budget sent by the Village. The certificate is approved by the county budget commission and sent to the Village Clerk by September 1.

Prior to December 31, the Village must revise its budget so that the total budgeted expenditures for a fund will not exceed the amount of estimated resources stated in the certificate of estimated resources. The revised budget serves as the basis for the annual appropriation measure.

On or about January 1, the Clerk sends the county auditor a certificate, which includes the actual unencumbered balances from the preceding year. The county auditor prepares an amended certificate, submits it to the county budget commission for approval. This amended certificate may be further amended during the year if projected revenue increases or the Clerk identifies decreases in revenue.

Budgeted receipts, as shown in Note 4, do not include the unencumbered fund balances as of January 1, 2004 and 2005. However, those fund balances are available for appropriation.

2. Appropriations

A temporary appropriation measure to control cash expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by March 31 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

**VILLAGE OF VALLEYVIEW
FRANKLIN COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. BUDGETARY PROCESS - (Continued)

3. Encumbrances

The Village is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The sum of expenditures and encumbrances may not exceed appropriated totals at any level of budgetary control. The legal level of control is the object level.

Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year without being re-appropriated.

F. PROPERTY, PLANT AND EQUIPMENT

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. ACCUMULATED LEAVE

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's basis of accounting.

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS

The Village maintains a cash and investment pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 was as follows:

	<u>2005</u>	<u>2004</u>
Demand Deposits	\$208,515	\$160,731
STAR Ohio	<u>146,637</u>	<u>52,429</u>
Total Deposits	<u>\$355,152</u>	<u>\$213,160</u>

**VILLAGE OF VALLEYVIEW
FRANKLIN COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004**

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS – (Continued)

Deposits: Deposits are either (1) insured by the Federal Deposit Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Village, or (3) collateralized by the financial institution's public entity deposit pool.

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. PROPERTY TAXES

Real property taxes are levied on assessed values, which equal 35% of appraised value. The county auditor reappraises all real property every six years with a triennial update. The last update was completed for tax year 2004.

Real property taxes become a lien on all non-exempt real property located in the county on January 1. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

The State Board of Tax Equalization adjusts the tax rates for inflation. Real property owners' tax bills are further reduced by homestead and rollback deductions when applicable. The amount of these homestead and rollback reductions is reimbursed to the Township by the State of Ohio. The amounts reimbursed by the State of Ohio are reflected in the accompanying financial statements as intergovernmental receipts.

Public utilities are also taxed on personal and real property located within the Township. The property owners, who must file a list of such property to the County by each April 30, assess tangible personal property tax.

The County Treasurer collects property tax on behalf of all taxing authorities within the county. The County Auditor periodically remits to the taxing authorities their portions of the taxes collected.

**VILLAGE OF VALLEYVIEW
FRANKLIN COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004**

4. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2005 and 2004 follows:

<u>Fund:</u>	<u>2005 Budgeted vs Actual Receipts</u>		<u>Variance</u>
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	
General Fund	\$ 184,806	\$ 276,389	\$ 91,583
Special Revenue Funds	90,880	114,747	23,867

<u>Fund:</u>	<u>2005 Budgeted vs Actual Budgetary Basis Expenditures</u>		<u>Variance</u>
	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	
General Fund	\$ 193,338	\$ 159,174	\$ 34,164
Special Revenue Funds	136,079	121,323	14,756

<u>Fund:</u>	<u>2004 Budgeted vs Actual Receipts</u>		<u>Variance</u>
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	
General Fund	\$ 195,347	\$ 203,063	\$ 7,716
Special Revenue Funds	101,773	123,594	21,821

<u>Fund:</u>	<u>2004 Budgeted vs Actual Budgetary Basis Expenditures</u>		<u>Variance</u>
	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	
General Fund	\$ 172,450	\$ 131,355	\$ 41,095
Special Revenue Funds	147,765	137,041	10,724

5. RETIREMENT SYSTEM

The Village's employees belong to the Ohio Public Employees Retirement System (OPERS), a state operated, cost sharing, multiple employer plans. The plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are prescribed by the Ohio Revised Code. OPERS members contributed 8.5% of their gross pay while the Village contributed an amount equal to 13.55% of covered payroll. The Township paid all required contributions through 2005.

**VILLAGE OF VALLEYVIEW
FRANKLIN COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004**

6. RISK MANAGEMENT

RISK POOL MEMBERSHIP

The Village belongs to the Ohio Municipal Joint Self-Insurance Pool, (the "Pool"), an unincorporated non-profit association available to municipal corporations and their instrumentalities. The Plan is a separate legal entity per Section 2744 of the Ohio Revised Code. The Pool provides property and casualty insurance for its members. The Plan pays judgments, settlements and other expenses resulting for covered claims that exceed the members' deductibles.

The Pool cedes certain premiums to reinsures or excess reinsurers. The Pool is contingently liable should any reinsurer be unable to meet its reinsurance obligations.

The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained deficit at December 31.

	<u>2005</u>	<u>2004</u>
Assets	\$ 2,063,636	\$ 2,390,150
Liabilities	<u>(3,279,694)</u>	<u>(3,424,271)</u>
Accumulated Deficit	<u>\$(1,216,058)</u>	<u>\$(1,034,121)</u>

Settled claims have not exceeded coverage in any of the last three years. There have been no significant reductions in insurance coverage from last year.

The Village pays the State Worker's Compensation System a premium based on a rate per \$100 of salaries. The rate is calculated based on accident history and administrative costs.

7. DEBT

Debt outstanding at December 31, 2005 is as follows:

<u>Description:</u>	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission	\$103,210	0.00%
Police Cruiser Loan	8,419	5.40%
Total Debt	<u>\$111,629</u>	

The Village purchased a police cruiser in 2004 in the amount of \$25,277. Payments are \$8,840 per year, including interest.

**VILLAGE OF VALLEYVIEW
FRANKLIN COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2005 and 2004**

7. DEBT – (Continued)

Principal and interest requirements for debt outstanding at December 31, 2005 is as follows:

Year <u>Ended</u>	<u>OPWC</u>	<u>Police Cruiser</u>
2006	\$ 9,830	\$8,840
2007	9,830	-
2008	9,830	-
2009	9,830	-
2010	9,830	-
2011-2015	49,150	-
2016	4,915	-
Total	<u>\$ 69,115</u>	<u>\$8,840</u>

8. CONTINGENT LIABILITES/SUBSEQUENT EVENTS

Management believes there are no pending claims or lawsuits.

Charles E. Harris & Associates, Inc.
Certified Public Accountants

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Village of Valleyview
Franklin County
432 North Richardson Avenue
Columbus, Ohio 43204

To Village Council:

We have audited the financial statements of the Village of Valleyview, Franklin County, Ohio (the Village), as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated March 16, 2007, wherein we noted the Village 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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls Over Financial Reporting

In planning and performing our audit, we considered the Village'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 an opinion on the internal control over financial reporting. Our consideration of internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud 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 other matters involving internal controls over financial reporting that we have reported to the management of the Village in a separate letter dated March 16, 2007.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters, 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 or other matters that are required to be reported under *Government Auditing Standards*.

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

Charles E. Harris and Associates, Inc.

March 16, 2007

**VILLAGE OF VALLEYVIEW
FRANKLIN COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS
For the Years Ended December 31, 2005 and 2004**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2003-001	ORC 5705.14,15,16- Illegal transfer	Yes	Corrected
2003-002	ORC 5705.41(D) – Expenditures not certified by Clerk	Yes	Corrected
2003-003	ORC 5705.39 – Appropriations exceeded estimated resources	Yes	Corrected
2003-004	Reportable Condition- Tax receipts and audit adjustments not properly posted	Yes	Corrected
2003-005	Reportable Condition- Council not effectively monitoring financial activities	Yes	Corrected



Mary Taylor, CPA
Auditor of State

VILLAGE OF VALLEY VIEW

FRANKLIN 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
MAY 10, 2007