

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

***AUDIT REPORT***

***FOR THE YEARS ENDED DECEMBER 31, 2009 & 2008***

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





# Dave Yost • 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, 2008 through December 31, 2009. 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 black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

April 5, 2011

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**VILLAGE OF VALLEYVIEW  
FRANKLIN COUNTY, OHIO  
Audit Report  
For the Years Ended December 31, 2009 & 2008**

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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, 2009 and 2008. 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.

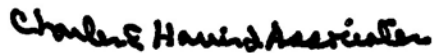
Revisions to GAAP would require the Village to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2009 and 2008. Instead of the combined funds the accompanying financial statements present for 2009 and 2008, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2009 and 2008. 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, 2009 and 2008, 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, 2009 and 2008, 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, 2009 and 2008, 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, 2009 and 2008. 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 4, 2011, 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.

A handwritten signature in black ink that reads "Charles E. Harris" followed by a stylized flourish.

*Charles E. Harris & Associates, Inc.*

March 4, 2011

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, 2009

	<u>Governmental Fund Types</u>		Totals -
	<u>General</u>	<u>Special Revenue</u>	<u>Memorandum Only</u>
Receipts:			
Property and Local Taxes	\$ 78,332	\$ 67,803	\$ 146,135
Intergovernmental	66,255	26,903	93,158
Fines, Licenses and Permits	63,161	3,709	66,870
Earnings on Investments	539	76	615
Miscellaneous	2,370	1,125	3,495
	<u>210,657</u>	<u>99,616</u>	<u>310,273</u>
Total Receipts			
Disbursements:			
Security of Persons & Property	131,586	93,901	225,487
Leisure Time Activities	3,721	-	3,721
Transportation	-	4,557	4,557
General Government	97,058	839	97,897
Capital Outlay	400	-	400
Debt Service:			
Principal	-	13,404	13,404
Interest	-	1,419	1,419
	<u>232,765</u>	<u>114,120</u>	<u>346,885</u>
Total Disbursements			
Total Receipts Over/(Under) Disbursements	(22,108)	(14,504)	(36,612)
Fund Cash Balance, January 1, 2009	<u>255,491</u>	<u>103,949</u>	<u>359,440</u>
Fund Cash Balance, December 31, 2009	<u>\$ 233,383</u>	<u>\$ 89,445</u>	<u>\$ 322,828</u>
Reserves for Encumbrances, December 31, 2009	<u>\$ 7,640</u>	<u>\$ 2,873</u>	<u>\$ 10,513</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, 2009

	Fiduciary Fund Type Agency
Non-Operating Receipts:	
Fines, Licenses, and Permits	\$ 85,736
Non-Operating Disbursements:	
Distribution of Fines and Costs	82,794
Excess of Non-Operating Receipts Over (Under) Non-Operating Disbursements	2,942
Fund Cash Balance, January 1, 2009	7,123
Fund Cash Balance, December 31, 2009	\$ 10,065

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, 2008

	<u>Governmental Fund Types</u>		<u>Totals - Memorandum Only</u>
	<u>General</u>	<u>Special Revenue</u>	
Receipts:			
Property and Local Taxes	\$ 88,505	\$ 76,742	\$ 165,247
Intergovernmental	62,603	30,144	92,747
Fines, Licenses and Permits	40,164	3,037	43,201
Earnings on Investments	4,876	709	5,585
Miscellaneous	2,996	78	3,074
	<u>199,144</u>	<u>110,710</u>	<u>309,854</u>
Total Receipts			
Disbursements:			
Security of Persons & Property	110,554	87,123	197,677
Leisure Time Activities	4,088	-	4,088
Transportation	-	56,080	56,080
General Government	105,666	1,278	106,944
Capital Outlay	1,597	-	1,597
Debt Service:			
Principal	-	18,567	18,567
Interest	-	1,171	1,171
	<u>221,905</u>	<u>164,219</u>	<u>386,124</u>
Total Disbursements			
Total Receipts Over/(Under)			
Disbursements	(22,761)	(53,509)	(76,270)
Fund Cash Balance, January 1, 2008	<u>278,252</u>	<u>157,458</u>	<u>435,710</u>
Fund Cash Balance, December 31, 2008	<u>\$ 255,491</u>	<u>\$ 103,949</u>	<u>\$ 359,440</u>
Reserves for Encumbrances, December 31, 2008	<u>\$ 10,287</u>	<u>\$ 3,517</u>	<u>\$ 13,804</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, 2008

	Fiduciary Fund Type Agency
Non-Operating Receipts:	
Fines, Licenses, and Permits	\$ 55,105
Non-Operating Disbursements:	
Distribution of Fines and Costs	51,163
Excess of Non-Operating Receipts Over (Under) Non-Operating Disbursements	3,942
Fund Cash Balance, January 1, 2008	3,181
Fund Cash Balance, December 31, 2008	\$ 7,123

See Accompanying Notes to the Financial Statements

**VILLAGE OF VALLEYVIEW  
FRANKLIN COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2009 and 2008**

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, 2009 and 2008**

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, 2009 and 2008**

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, 2008 and 2009. 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, 2009 and 2008**

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>2009</u>	<u>2008</u>
Demand Deposits	114,655	\$142,901
STAR Ohio	<u>218,238</u>	<u>223,622</u>
Total Deposits	<u>\$332,893</u>	<u>\$366,563</u>

**VILLAGE OF VALLEYVIEW  
FRANKLIN COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2009 and 2008**

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.

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 Village 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 Village. Tangible personal property tax is assessed on the property owners, who must file a list of such property to the County by each April 30. Tangible personal property taxes were phased out in 2009.

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, 2009 and 2008**

4. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2009 and 2008 follows:

<u>Fund:</u>	<u>2009 Budgeted vs Actual Receipts</u>		<u>Variance</u>
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	
General Fund	\$ 245,391	\$ 210,657	\$ (34,734)
Special Revenue Funds	119,961	99,616	(20,345)

<u>Fund:</u>	<u>2009 Budgeted vs Actual Budgetary Basis Expenditures</u>		<u>Variance</u>
	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	
General Fund	\$ 413,024	\$ 240,405	\$ 167,159
Special Revenue Funds	133,253	116,993	16,260

<u>Fund:</u>	<u>2008 Budgeted vs Actual Receipts</u>		<u>Variance</u>
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	
General Fund	\$ 246,477	\$ 199,144	\$ (47,333)
Special Revenue Funds	96,302	110,710	14,408

<u>Fund:</u>	<u>2008 Budgeted vs Actual Budgetary Basis Expenditures</u>		<u>Variance</u>
	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	
General Fund	\$ 429,549	\$ 232,192	\$ 197,357
Special Revenue Funds	193,105	167,736	25,369

5. RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Ohio Police & Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are state operated, cost sharing, multiple employer plans. These plans provide 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. Members of OP&F contributed 10.0% of their gross pay, while the Village contributed 19.5%. OPERS members contributed 10.0% of their gross pay while the Village contributed an amount equal to 14.00% of covered payroll. The Village paid all required contributions through 2009.

**VILLAGE OF VALLEYVIEW  
FRANKLIN COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2009 and 2008**

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>2009</u>	<u>2008</u>
Assets	\$ 2,109,514	\$ 2,552,519
Liabilities	<u>(1,920,839)</u>	<u>(2,814,306)</u>
Accumulated Surplus (Deficit)	<u>\$ 188,675</u>	<u>\$ (261,787)</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, 2009 is as follows:

<u>Description:</u>	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission	<u>\$ 68,807</u>	0.00%

The Village paid off a loan related to the purchase of a police cruiser in 2009.

**VILLAGE OF VALLEYVIEW  
FRANKLIN COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2009 and 2008**

7. DEBT – (Continued)

Principal and interest requirements for debt outstanding at December 31, 2009 is as follows:

<u>Year Ended</u>	<u>OPWC</u>
2010	\$ 14,745
2011	9,830
2012	9,830
2013	9,830
2014	9,830
2015-2016	14,742
Total	<u>\$ 68,807</u>

8. CONTINGENT LIABILITES/SUBSEQUENT EVENTS

Management believes there are no pending claims or lawsuits.

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

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INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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, 2009 and 2008, and have issued our report thereon dated March 4, 2011, 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 the 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 as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village'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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified deficiencies in internal control over financial reporting, that we consider material weaknesses.

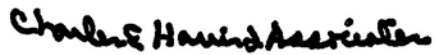
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal 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 timely corrected. We consider findings 2009-VAL-01 and 02 as described in the accompanying schedule of findings to be material weaknesses.

## Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grants 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 such an opinion. The results of our tests disclosed an instance of noncompliance that we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as 2009-VAL-02.

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

We intend this report solely for the information and use of management, the audit committee, Village Council and others within the Village. We intend it for no one other than these specified parties.



*Charles E. Harris and Associates, Inc.*

March 4, 2011

**VILLAGE OF VALLEYVIEW  
FRANKLIN COUNTY, OHIO  
SCHEDULE OF FINDINGS  
For the Years Ended December 31, 2009 and 2008**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**Finding Number 2009-VAL-01-Material Weakness**

**Mayor's Court Activity**

The Mayor's court activity is not reflected on the Village books, thus understating the Village's financial statements. The Mayor's Court activity should be presented on the books as an Agency fund type to reflect the total financial activity of the Village.

Each month the Village Clerk receives the monthly report from the Mayor's Court to support the distribution to the Village. However, the activity is not entered into the Village's accounting system (UAN) and reported in the financial statements. The total revenue collected by the court should be posted as revenue to an Agency fund and the distributions to the Village, the State of Ohio, and others should be posted as disbursements in the Agency fund. The financial statements have been adjusted to reflect the proper activity.

We recommend that the Mayor's Court activity be posted monthly to the UAN system in an Agency Fund.

**Management's Response**

Management will begin recording Mayor's court activity on the books beginning in 2011.

**Finding Number 2009-VAL-02-Material Weakness/Noncompliance**

**Recording Errors**

Ohio Rev. Code Sections 733.28 and 733.43 state that the Fiscal Officer shall keep the books of the Village, exhibit accurate statements of all monies received and expended, of all property owned by the Village and the income derived therefrom, and of all taxes and assessments. Contrary to this requirement, there were transactions which were incorrectly recorded on the books of the Village:

- Debt service payments of \$9,908 were improperly recorded as capital outlays in 2008 and 2009.

The financial statements have been adjusted to reflect the proper presentation and management has agreed with these adjustments.

**VILLAGE OF VALLEYVIEW  
FRANKLIN COUNTY, OHIO  
SCHEDULE OF FINDINGS - CONTINUED  
For the Years Ended December 31, 2009 and 2008**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**Finding Number 2009-VAL-02-Material Weakness/Noncompliance-Continued**

We recommend that the disbursements and receipts be recorded in accordance with the classifications found in the *Ohio Village Officers' Handbook*.

Management Response:

Management will take appropriate actions and record transactions properly beginning in 2011.

VILLAGE OF VALLEYVIEW  
FRANKLIN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
December 31, 2009 and 2008

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid:
2007-VAL-01	Mayor's Court activity not included in financial statements	No	Not Corrected, repeated as Item 2009-VAL-01





# Dave Yost • Auditor of State

VILLAGE OF VALLEYVIEW

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 5, 2011