



**VILLAGE OF HUNTING VALLEY
CUYAHOGA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001 & 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF HUNTING VALLEY
CUYAHOGA COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Hunting Valley
Cuyahoga County
38251 Fairmount Boulevard
Chagrin Falls, Ohio 44022

To the Village Council:

We have audited the accompanying financial statements of the Village of Hunting Valley, Cuyahoga County, Ohio, (the Village) as of and for the years ended December 31, 2001 and December 31, 2000. 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 audits.

We conducted our audits 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 audits 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 audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Village 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 combined fund cash balances of the Village of Hunting Valley, Cuyahoga County, Ohio, as of December 31, 2001 and December 31, 2000, and its combined 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 May 7, 2002 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 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 audits.

This report is intended solely for the information and use of management, Village Council 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, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

Jim Petro
Auditor of State

May 7, 2002

**VILLAGE OF HUNTING VALLEY
CUYAHOGA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Cash Receipts:					
Local Taxes	\$1,073,120	\$0	\$0	\$0	\$1,073,120
Intergovernmental	2,398,788	20,399	0	0	2,419,187
Special Assessments	0	0	63,935	0	63,935
Investment Income	1,612,724	0	0	149,167	1,761,891
Fines, Licenses, and Permits	77,175	0	0	0	77,175
Miscellaneous	328,183	0	0	1,200	329,383
Total Cash Receipts	<u>5,489,990</u>	<u>20,399</u>	<u>63,935</u>	<u>150,367</u>	<u>5,724,691</u>
Cash Disbursements:					
Current:					
Security of Persons and Property	1,194,525	0	0	0	1,194,525
Community Environment	131,631	0	0	0	131,631
Transportation	419,243	17,712	0	0	436,955
General Government	975,890	0	0	0	975,890
Debt Service					
Principal Payments	100,000	0	56,668	0	156,668
Interest Payments	16,667	0	2,666	0	19,333
Capital Outlay	1,880,306	0	0	1,328,383	3,208,689
Total Cash Disbursements	<u>4,718,262</u>	<u>17,712</u>	<u>59,334</u>	<u>1,328,383</u>	<u>6,123,691</u>
Total Receipts Over/(Under) Disbursements	<u>771,728</u>	<u>2,687</u>	<u>4,601</u>	<u>(1,178,016)</u>	<u>(399,000)</u>
Other Financing Receipts:					
Sale of Notes	0	0	4,750,000	4,750,000	9,500,000
Transfers-In	20,108	0	0	0	20,108
Total Other Financing Receipts	<u>20,108</u>	<u>0</u>	<u>4,750,000</u>	<u>4,750,000</u>	<u>9,520,108</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	<u>791,836</u>	<u>2,687</u>	<u>4,754,601</u>	<u>3,571,984</u>	<u>9,121,108</u>
Fund Cash Balances, January 1, 2001	<u>20,873,117</u>	<u>2,839</u>	<u>155</u>	<u>0</u>	<u>20,876,111</u>
Fund Cash Balances, December 31, 2001	<u>\$21,664,953</u>	<u>\$5,526</u>	<u>\$4,754,756</u>	<u>\$3,571,984</u>	<u>\$29,997,219</u>

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

**VILLAGE OF HUNTING VALLEY
CUYAHOGA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Fiduciary Fund Type
	Agency
Operating Cash Receipts:	
Investment Income	\$2,820
Total Operating Cash Receipts	2,820
Non-Operating Cash Receipts:	
Miscellaneous	98,723
Total Non-Operating Cash Receipts	98,723
Non-Operating Cash Disbursements:	
Other Non-Operating Cash Disbursements	91,257
Total Non-Operating Cash Disbursements	91,257
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers	10,286
Transfers-Out	(20,108)
Net Receipts Over/(Under) Disbursements	(9,822)
Fund Cash Balances, January 1, 2001	294,891
Fund Cash Balances, December 31, 2001	\$285,069

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

**VILLAGE OF HUNTING VALLEY
CUYAHOGA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts:				
Local Taxes	\$1,076,199	\$0	\$0	\$1,076,199
Intergovernmental	4,877,132	20,525	0	4,897,657
Special Assessments	0	0	59,249	59,249
Investment Income	1,354,360	0	0	1,354,360
Fines, Licenses, and Permits	124,559	0	0	124,559
Miscellaneous	198,526	0	0	198,526
	<u>7,630,776</u>	<u>20,525</u>	<u>59,249</u>	<u>7,710,550</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Security of Persons and Property	1,081,474	0	0	1,081,474
Community Environment	130,736	0	0	130,736
Transportation	317,281	42,500	0	359,781
General Government	1,120,706	0	413	1,121,119
Debt Service				
Principal Payments	0	0	56,668	56,668
Interest Payments	0	0	3,555	3,555
Capital Outlay	382,391	0	0	382,391
	<u>3,032,588</u>	<u>42,500</u>	<u>60,636</u>	<u>3,135,724</u>
Total Cash Disbursements				
Total Receipts Over/(Under) Disbursements	<u>4,598,188</u>	<u>(21,975)</u>	<u>(1,387)</u>	<u>4,574,826</u>
Other Financing Receipts:				
Transfers-In	12,003			12,003
	<u>12,003</u>	<u>0</u>	<u>0</u>	<u>12,003</u>
Total Other Financing Receipts				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	<u>4,610,191</u>	<u>(21,975)</u>	<u>(1,387)</u>	<u>4,586,829</u>
Fund Cash Balances, January 1, 2000	<u>16,262,926</u>	<u>24,814</u>	<u>1,542</u>	<u>16,289,282</u>
Fund Cash Balances, December 31, 2000	<u><u>\$20,873,117</u></u>	<u><u>\$2,839</u></u>	<u><u>\$155</u></u>	<u><u>\$20,876,111</u></u>

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

**VILLAGE OF HUNTING VALLEY
CUYAHOGA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Fiduciary Fund Type
	Agency
Operating Cash Receipts:	
Investment Income	\$1,070
Total Operating Cash Receipts	1,070
Non-Operating Cash Receipts:	
Miscellaneous	139,452
Other Non-Operating Receipts	89,724
Total Non-Operating Cash Receipts	229,176
Non-Operating Cash Disbursements:	
Other Non-Operating Cash Disbursements	174,270
Total Non-Operating Cash Disbursements	174,270
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers	55,976
Transfers-Out	(12,003)
Net Receipts Over/(Under) Disbursements	43,973
Fund Cash Balances, January 1, 2000	250,918
Fund Cash Balances, December 31, 2000	\$294,891

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

**VILLAGE OF HUNTING VALLEY
CUYAHOGA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Hunting Valley, Cuyahoga County, (the Village) is a body corporate and politic established to exercise 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 and Mayor. The Village provides general governmental services, including road maintenance, building inspections, and police protection. The Village contracts with the Village of Chagrin Falls for fire protection, emergency medical and dispatch services.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

The Village is a member of the Northeast Ohio Public Energy Council ("NOPEC"), a jointly governed organization. NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of 92 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each community then elect one person to serve on the eight-member NOPEC Board of Directors. The Board of Directors oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board of Directors. The Village did not contribute to NOPEC in 2001. Financial information can be obtained by contacting Dan DiLiberto, Treasurer, 35150 Lakeshore Boulevard, Eastlake, Ohio, 44095.

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. 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 prescribed or permitted by the Auditor of State.

C. Cash and Investments

Investments are included in 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.

The Village invested in Certificates of Deposits, U.S. Treasury Notes, Bills, and Government Agency Securities, which are valued at cost.

**VILLAGE OF HUNTING VALLEY
CUYAHOGA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Fund

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

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

3. Debt Service Funds

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following significant Debt Service Funds:

Bond Anticipation Note Fund – This fund is used to pay off the village hall bond anticipation notes.

Special Assessment Bond Retirement Fund – This fund is used to account for the payment of bonds which were issued for the construction of the Village water mains.

4. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Project Funds:

Daisy Hill Bridge Fund – This fund is used to account for the construction of a bridge in the Daisy Hill development.

Construction Fund — This fund is used to account for the construction of the new village hall.

6. Fiduciary Funds

Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant Fiduciary Fund:

Construction Guarantee Deposit Fund – The Village collects and retains deposits from contractors. These funds are retained in trust by the Village until the project is completed in accordance with the Village building codes.

**VILLAGE OF HUNTING VALLEY
CUYAHOGA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund object level of control for the General Fund and the fund level of control for all other funds, and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

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

A summary of 2001 and 2000 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Accumulated Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as a liability under the basis of accounting used by the Village.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Village maintains a cash and investment pools used by all funds except the construction fund which maintains its own pool. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

**VILLAGE OF HUNTING VALLEY
CUYAHOGA COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

	2001	2000
Demand deposits	\$1,865,730	\$520,774
Certificates of deposit	47,585	44,764
Total deposits	1,913,315	565,538
U.S Treasury Bills	4,063,227	0
U.S. Government Agency Obligations	6,029,428	0
U.S. Treasury Notes	18,276,319	20,605,467
Total investments	28,368,974	20,605,467
Total deposits and investments	\$30,282,289	\$21,171,005

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

Investments: U.S. Treasury Notes, Bills and Government Agency Obligations are held in book-entry form by the Federal Reserve, in the name of the Village's financial institution. The financial institution maintains records identifying the Village as owner of these securities.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,963,309	\$5,510,098	\$2,546,789
Special Revenue	60,000	20,399	(39,601)
Debt Service	60,000	4,813,935	4,753,935
Capital Projects	4,750,000	4,900,367	150,367
Fiduciary	150,600	101,543	(49,057)
Total	\$7,983,909	\$15,346,342	\$7,362,433

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Budgeted Expenditures	Actual Expenditures	Variance
General	\$23,836,520	\$4,718,262	\$19,118,258
Special Revenue	62,840	17,712	45,128
Debt Service	60,062	59,334	728
Capital Projects	4,750,000	1,328,383	3,421,617
Fiduciary	445,491	111,365	334,126
Total	\$29,154,913	\$6,235,056	\$22,919,857

**VILLAGE OF HUNTING VALLEY
CUYAHOGA COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,768,732	\$7,642,779	\$5,874,047
Special Revenue	60,000	20,525	(39,475)
Debt Service	61,668	59,249	(2,419)
Fiduciary	150,600	230,246	79,646
Total	\$2,041,000	\$7,952,799	\$5,911,799

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Budgeted Expenditures	Actual Expenditures	Variance
General	\$18,031,339	\$3,032,588	\$14,998,751
Special Revenue	84,814	42,500	42,314
Debt Service	63,117	60,636	2,481
Fiduciary	901,518	186,273	715,245
Total	\$19,080,788	\$3,321,997	\$15,758,791

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

Tangible personal property tax is assessed by the property owners, who must file a list of such property with the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

5. LOCAL INCOME TAX

The Village levies a municipal income tax of three-quarters percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Regional Income Tax Agency (RITA) either monthly or quarterly, as required. RITA distributes to the Village its portion of income tax monthly. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**VILLAGE OF HUNTING VALLEY
CUYAHOGA COUNTY**

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

6. DEBT

Debt outstanding at December 31, 2001 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Real Estate Acquisition Bonds	\$300,000	5.00%
Bond Anticipation Notes	4,750,000	3.60%
Bond Anticipation Notes	4,750,000	2.20%
Water Main Special Assessments	18,000	9.875%
Total	<u>\$9,818,000</u>	

The Real Estate Acquisition Bonds relate to an agreement between the Village and a land owner for the purchase of land located within the Village. The Bonds will be repaid in annual installments of \$100,000, plus interest, over 4 years.

The Bond Anticipation Notes were issued for the construction of a new village hall.

Amortization of the above debt, including interest, is scheduled as follows:

	<u>Water Main Special Assessments</u>	<u>Real Estate Acquisition Bonds</u>	<u>General Obligation Notes</u>
Year ending December 31:			
2002	\$10,778	\$115,000	\$9,775,500
2003	9,889	110,000	
2004		105,000	
Total	<u>\$20,667</u>	<u>\$330,000</u>	<u>\$9,775,500</u>

7. RETIREMENT SYSTEMS

The Village's full-time law enforcement officers belong to the Ohio Police and Fire Pension Funds (OP&F). All other employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are 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 also prescribed by the Ohio Revised Code. For 2001 and 2000, OP&F participants contributed 10% of their wages. The Village contributed an amount equal to 19.5% of police participant wages. PERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Village has paid all contributions required through December 31, 2001.

VILLAGE OF HUNTING VALLEY
CUYAHOGA COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 2001
(Continued)

8. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

The Village also provides for health insurance and dental and vision coverage to full-time employees through a private carrier.

9. CONSTRUCTION COMMITMENTS

The Village had construction commitments for the construction of the new village hall in the amount of \$4,478,369.

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**STATE OF OHIO
OFFICE OF THE AUDITOR**

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

Village of Hunting Valley
Cuyahoga County
38251 Fairmount Boulevard
Chagrin Falls, Ohio 44022

To the Village Council:

We have audited the accompanying financial statements of the Village of Hunting Valley, Cuyahoga County, Ohio, (the Village) as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated May 7, 2002. We conducted our audits 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 Village'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 audits 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 Village in a separate letter dated May 7, 2002.

Internal Control Over Financial Reporting

In planning and performing our audits, 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 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 other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated May 7, 2002.

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a horizontal line extending to the right.

Jim Petro
Auditor of State

May 7, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF HUNTING VALLEY

CUYAHOGA 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
JUNE 20, 2002**