

Village of Pleasantville  
Fairfield County  
Regular Audit  
For the Years Ended December 31, 2007 and 2006  
Fiscal Years Audited Under GAGAS: 2007 and 2006

BALESTRA, HARR & SCHERER, CPAs, INC.  
528 South West Street, P.O. Box 687  
Piketon, Ohio 45661

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# Mary Taylor, CPA

Auditor of State

Village Council  
Village of Pleasantville  
207 West Columbus Street  
Pleasantville, Ohio 43148

We have reviewed the *Independent Auditor's Report* of the Village of Pleasantville, Fairfield County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2006 through December 31, 2007. 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 *Independent Auditor's Report* 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 *Independent Auditor's Report* 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 Pleasantville 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

August 29, 2008

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FAIRFIELD COUNTY  
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## Independent Auditor's Report

Village Council  
Village of Pleasantville  
Fairfield County  
PO Box 193  
Pleasantville, Ohio 43148

We have audited the accompanying financial statements of the Village of Pleasantville, Fairfield County, (the Village) as of and for the years ended December 31, 2007 and 2006. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Village's larger (i.e., major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards require 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 governments to reformat their statements. The Village 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, 2007 and 2006 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, 2007 and 2006, or its changes in financial position or cash flows, where applicable, 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 reserve for encumbrances of the Village as of December 31, 2007 and 2006, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Village has not presented Management's Discussion & 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 June 19, 2008, 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 grant agreements and other matters. While we did not opine on the internal controls over financial reporting, 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.



Balestra, Harr & Scherer, CPAs, Inc.

June 19, 2008



**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Property Taxes	\$ 29,527	\$ 23,072	\$ -	\$ 52,599
Intergovernmental	41,379	33,375	-	74,754
Charges for Services	5,184	2,823	-	8,007
Earnings on Investments	3,700	543	-	4,243
Miscellaneous	56	2,164	-	2,220
	<u>79,846</u>	<u>61,977</u>	<u>-</u>	<u>141,823</u>
<b>Total Cash Receipts</b>				
	<u>79,846</u>	<u>61,977</u>	<u>-</u>	<u>141,823</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons & Property	11,538	10,826	-	22,364
Public Health Service	2,049	-	-	2,049
Leisure Time Activities	-	11,901	-	11,901
Community Environment	3,217	-	-	3,217
Transportation	-	24,764	-	24,764
General Government	44,409	17	-	44,426
Capital Outlay	-	2,725	-	2,725
Debt Service:				
Redemption of Principal	-	-	2,647	2,647
	<u>61,213</u>	<u>50,233</u>	<u>2,647</u>	<u>114,093</u>
<b>Total Cash Disbursements</b>				
	<u>61,213</u>	<u>50,233</u>	<u>2,647</u>	<u>114,093</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	18,633	11,744	(2,647)	27,730
<b>Other Financing Receipts and (Disbursements):</b>				
Transfers-In	-	4,808	2,647	7,455
Transfers-Out	(16,950)	-	-	(16,950)
	<u>(16,950)</u>	<u>4,808</u>	<u>2,647</u>	<u>(9,495)</u>
<b>Total Other Financing Receipts/(Disbursements)</b>				
	<u>(16,950)</u>	<u>4,808</u>	<u>2,647</u>	<u>(9,495)</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	1,683	16,552	-	18,235
<b>Fund Cash Balances, January 1</b>	<u>58,349</u>	<u>115,144</u>	<u>-</u>	<u>173,493</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$ 60,032</b></u>	<u><b>\$ 131,696</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 191,728</b></u>
Reserve for Encumbrances, December 31	<u>\$ 575</u>	<u>\$ 288</u>	<u>\$ -</u>	<u>\$ 863</u>

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

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2007**

---

	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ 101,216
Total Operating Cash Receipts	101,216
<b>Operating Cash Disbursements:</b>	
Personal services	34,936
Fringe benefits	5,095
Contractual services	38,315
Supplies and Materials	29,037
Capital outlay	136,386
Other	948
Total Operating Cash Disbursements	244,717
Operating Loss	(143,501)
<b>Non-Operating Cash Receipts/(Disbursements):</b>	
Intergovernmental	104,161
Proceeds of Note	34,720
Principal Payments	(4,527)
Total Non-Operating Cash Receipts/(Disbursements)	134,354
Excess of Receipts Over/(Under)	
Disbursements Before Interfund Transfers	(9,147)
Transfers-In	9,495
Net Receipts Over/(Under) Disbursements	348
<b>Fund Cash Balances, January 1</b>	<b>21,038</b>
<b>Fund Cash Balances, December 31</b>	<b>\$ 21,386</b>
Reserve for Encumbrances, December 31	\$ 590

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

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Property Taxes	\$ 30,821	\$ 23,883	\$ -	\$ 54,704
Intergovernmental	21,005	35,100	-	56,105
Charges for Services	-	3,875	-	3,875
Fines, Licenses, and Permits	5,127	-	-	5,127
Earnings on Investments	2,752	545	-	3,297
Miscellaneous	11	66	-	77
	<u>59,716</u>	<u>63,469</u>	<u>-</u>	<u>123,185</u>
<b>Total Cash Receipts</b>				
<b>Cash Disbursements:</b>				
Current:				
Security of Persons & Property	6,080	15,053	-	21,133
Public Health Service	2,059	-	-	2,059
Leisure Time Activities	-	9,244	-	9,244
Community Environment	2,431	-	-	2,431
Transportation	-	16,968	-	16,968
General Government	51,298	1,115	-	52,413
Capital Outlay	-	6,441	-	6,441
Debt Service:				
Redemption of Principal	-	-	2,647	2,647
	<u>61,868</u>	<u>48,821</u>	<u>2,647</u>	<u>113,336</u>
<b>Total Cash Disbursements</b>				
Total Cash Receipts Over/(Under) Cash Disbursements	(2,152)	14,648	(2,647)	9,849
<b>Other Financing Receipts and (Disbursements):</b>				
Transfers-In	-	3,550	2,647	6,197
Transfers-Out	(15,025)	-	-	(15,025)
Advances-In	500	500	-	1,000
Advances-Out	(500)	(500)	-	(1,000)
	<u>(15,025)</u>	<u>3,550</u>	<u>2,647</u>	<u>(8,828)</u>
<b>Total Other Financing Receipts/(Disbursements)</b>				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(17,177)	18,198	-	1,021
<b>Fund Cash Balances, January 1</b>	<u>75,526</u>	<u>96,946</u>	<u>-</u>	<u>172,472</u>
<b>Fund Cash Balances, December 31</b>	<u>\$ 58,349</u>	<u>\$ 115,144</u>	<u>\$ -</u>	<u>\$ 173,493</u>
Reserve for Encumbrances, December 31	<u>\$ 398</u>	<u>\$ 242</u>	<u>-</u>	<u>\$ 640</u>

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

**VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2006**

---

	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ 98,002
Total Operating Cash Receipts	98,002
<b>Operating Cash Disbursements:</b>	
Personal services	38,071
Employee Fringe Benefits	5,380
Contractual services	60,920
Supplies and Materials	26,820
Capital Outlay	60,614
Other	948
Total Operating Cash Disbursements	192,753
Operating Loss	(94,751)
<b>Non-Operating Cash Receipts/(Disbursements):</b>	
Intergovernmental	55,289
Miscellaneous cash receipts	11
Proceeds of Note	18,430
Principal Payments	(3,199)
Total Non-Operating Cash Receipts	70,531
Excess of Receipts Over/(Under)	
Disbursements Before Interfund Transfers	(24,220)
Transfers-In	8,828
Net Receipts Over/(Under) Disbursements	(15,392)
<b>Fund Cash Balances, January 1</b>	<b>36,430</b>
<b>Fund Cash Balances, December 31</b>	<b>\$ 21,038</b>
Reserve for Encumbrances, December 31	\$ 615

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

VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Pleasantville, Fairfield County, Ohio, (the Village) is a body politic and corporate 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. The Village provides water utilities, pool and park operations. The Village contracts with the Fairfield County Sheriff's department to provide security of persons and property.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. 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.

Certificates of deposit are valued at cost.

**D. Fund Accounting**

The Village uses fund accounting to segregate cash that is 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 Funds:**

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 Funds:

*Street Construction, Maintenance and Repair Fund* – This fund receipts gasoline tax and motor vehicle license tax money to construct, maintain and repair Village streets.

VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006

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

**D. Fund Accounting (Continued)**

**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:

*CQ22D Note Retirement* – This fund receives transfers-in from the General fund for the repayment, of debt associated with the Summit Street Storm Sewer project.

**3. Proprietary Funds:**

**Enterprise Fund**

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Village had the following significant enterprise fund:

*Water Fund* – This fund receives charges for services from residents to cover the cost of providing this utility.

**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 object level of control and appropriations may not exceed estimated resources. The Village 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 carried over, and need not be reappropriated.

A summary of 2007 and 2006 budgetary activity appears in Note 3.

VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006

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

**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.

**2. EQUITY IN POOLED CASH**

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

	<u>2007</u>	<u>2006</u>
Demand deposits	\$149,800	\$121,538
Certificate of Deposit	<u>68,314</u>	<u>72,993</u>
Total Deposits	<u>\$218,114</u>	<u>\$194,531</u>

Deposits:

The Village's deposits are insured by the Federal Deposit Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2007 and December 31, 2006, was as follows:

<u>Fund Type</u>	<b>2007 Budgeted vs. Actual Receipts</b>		
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$57,427	\$84,846	\$27,419
Special Revenue	68,392	66,785	(1,607)
Debt Service	2,647	2,647	0
Enterprise	<u>250,848</u>	<u>249,592</u>	<u>(1,256)</u>
Total	<u>\$379,314</u>	<u>\$403,870</u>	<u>\$24,556</u>

VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006

3. BUDGETARY ACTIVITY (Continued)

2007 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Disbursements</u>	<u>Variance</u>
General	\$86,920	\$78,738	\$8,182
Special Revenue	112,669	50,521	62,148
Debt Service	2,647	2,647	0
Enterprise	<u>270,084</u>	<u>249,834</u>	<u>20,250</u>
Total	<u>\$472,320</u>	<u>\$381,740</u>	<u>\$90,580</u>

2006 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$55,788	\$59,716	\$3,928
Special Revenue	68,492	67,019	(1,473)
Debt Service	2,647	2,647	0
Enterprise	<u>194,250</u>	<u>180,560</u>	<u>(13,690)</u>
Total	<u>\$321,177</u>	<u>\$309,942</u>	<u>(\$11,235)</u>

2006 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Disbursements</u>	<u>Variance</u>
General	\$106,611	\$77,291	\$29,320
Special Revenue	100,704	49,063	51,641
Debt Service	2,647	2,647	0
Enterprise	<u>200,512</u>	<u>196,567</u>	<u>3,945</u>
Total	<u>\$410,474</u>	<u>\$325,568</u>	<u>\$84,906</u>



VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006

**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 payment, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to 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.

**1. DEBT**

Debt outstanding at December 31, 2007 was as follows:

	Principal	Interest Rate
OPWC Summit Street Sewer Project	\$33,083	0%
OPWC Water Tower Design & Construction	31,737	0%
OPWC N. Main Street Waterline Replacement	23,545	0%
OPWC S. Main Street Waterline Replacement	51,822	0%
Total	\$140,187	

The Ohio Public Works Commission (OPWC) Summit Street Sewer Project loan relates to a storm sewer project. The OPWC approved a \$52,935 loan to the Village for this project. The loan will be repaid in semiannual installments of \$1,323, over 20 years. The loan is collateralized by general fund revenues. The OPWC Water Tower Design and Construction loan relates to a water tower project. The OPWC approved a loan of \$36,272 to the Village for this project. The loan will be repaid in semiannual installments of \$907, over 20 years. The loan is collateralized by water fund revenues. The OPWC N. Main Street Waterline Replacement loan relates to a waterline repair project. The OPWC approved a loan of \$27,700 to the Village for this project. The loan will be repaid in semiannual installments of \$692, over 20 years. The loan is collateralized by water fund revenues. The OPWC S. Main Street Waterline Replacement loan relates to a waterline repair project. The OPWC approved a loan of \$53,150 to the Village for this project. The loan will be repaid in semiannual installments of \$1,329, over 20 years. The loan is collateralized by water fund revenues.

Amortization of the above debt is scheduled as follows:

Year ending December 31:	OPWC Loans
2008	\$8,503
2009	8,503
2010	8,503
2011	8,503
2012	8,503
2013-2017	42,514
2018-2022	35,897
2023-2027	19,261
Total	\$140,187

VILLAGE OF PLEASANTVILLE  
FAIRFIELD COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006

**6. RETIREMENT SYSTEMS**

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

The Ohio Revised Code also prescribes contribution rates. For 2007 and 2006, OPERS members contributed 9.5 and 9 percent, respectively, of their gross salaries and the Village contributed an amount equaling 13.85 and 13.7 percent, respectively, of participants' gross salaries. The Village has paid all contributions required through December 31, 2007.

**7. RISK MANAGEMENT**

The Village has obtained commercial insurance coverage for the following risks:

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

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant change in coverage from last year.

**8. CONTINGENT LIABILITIES**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.

**9. SUBSEQUENT EVENT**

In 2008 the Village will have a major water line replacement project starting. The project will be funded through OPWC with \$241,537 coming from grant monies and \$80,513 coming from loan proceeds.

# BALESTRA, HARR & SCHERER, CPAS, INC.

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## **Report On Internal Control Over Financial Reporting and On Compliance and Other Matters Based On An Audit Of Financial Statements Performed in Accordance With *Government Auditing Standards***

Village Council  
Village of Pleasantville  
Fairfield County  
PO Box 193  
Pleasantville, Ohio 43148

We have audited the financial statements of the Village of Pleasantville, Fairfield County, (the Village) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated June 19, 2008, wherein we noted the Village followed accounting practices the Auditor of State prescribes or permits 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 Control 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 expressing our opinion on the financial statements, but not to opine 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.

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 Village'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 Village's internal control will not prevent or detect a more than inconsequential financial statement misstatement.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### 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 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 no instances of noncompliance or other matters that we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters what we reported to the Village's management in a separate letter dated June 19, 2008.

We intend this report solely for the information and use of the Village's management and the Village Council. We intend it for no one other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.

June 19, 2008



**Mary Taylor, CPA**  
Auditor of State

**VILLAGE OF PLEASANTVILLE**

**FAIRFIELD 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 11, 2008**