



Mary Taylor, CPA
Auditor of State

VILLAGE OF SPRING VALLEY
GREENE COUNTY

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Mary Taylor, CPA
Auditor of State

Village of Spring Valley
Greene County
7 West Main Street
P.O. Box 418
Spring Valley, Ohio 45370

To the Mayor and Village Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

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Auditor of State

May 27, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Village of Spring Valley
Greene County
7 West Main Street
P.O. Box 418
Spring Valley, Ohio 45370

To the Mayor and Village Council:

We have audited the accompanying financial statements of Village of Spring Valley, Greene County, (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. The Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe 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.

Instead of the combined funds the accompanying financial statements present, GAAP requires 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 requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Villages 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, 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 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 reserves for encumbrances of the Village of Spring Valley, Greene County, as of December 31, 2009 and 2008, 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 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 May 27, 2010, 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 control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Mary Taylor, CPA
Auditor of State

May 27, 2010

**VILLAGE OF SPRING VALLEY
GREENE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES
IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Governmental Fund Types			Totals
	General	Special Revenue	Capital Projects	(Memorandum Only)
Cash Receipts:				
Property and Local Taxes	\$37,561	\$10,525		\$48,086
Intergovernmental	27,844	47,427	\$427,000	502,271
Charges for Services	5,320			5,320
Fines, Licenses and Permits	14,237			14,237
Earnings on Investments	1,514	190		1,704
Miscellaneous	9,283	5,997		15,280
Total Cash Receipts	95,759	64,139	427,000	586,898
Cash Disbursements:				
Current:				
Security of Persons & Property	13,740	7,763		21,503
Public Health Services	1,025	58		1,083
Community Environment	1,491			1,491
Basic Utility Services	4,508			4,508
Transportation	33,526	55,216		88,742
General Government	45,174			45,174
Capital Outlay			458,851	458,851
Total Cash Disbursements	99,464	63,037	458,851	621,352
Total Receipts Over/(Under) Disbursements	(3,705)	1,102	(31,851)	(34,454)
Other Financing Receipts:				
Loan Proceeds			31,851	31,851
Total Other Financing Receipts			31,851	31,851
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	(3,705)	1,102		(2,603)
Fund Cash Balance, January 1	140,716	60,692		201,408
Fund Cash Balance, December 31	\$137,011	\$61,794	\$0	\$198,805

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

**VILLAGE OF SPRING VALLEY
GREENE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGE
IN FUND CASH BALANCES - ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Enterprise
Operating Cash Receipts:	
Charges for Services	\$113,374
Miscellaneous	140
Total Operating Cash receipts	113,514
Operating Cash Disbursements:	
Current:	
Personal Services	28,145
Employee Fringe Benefits	4,348
Contractual Services	26,432
Supplies and Materials	11,561
Total Operating Cash Disbursements	70,486
Operating Income	43,028
Non-Operating Cash Receipts:	
Other Financing Sources	9,735
Total Non-Operating Cash Receipts	9,735
Non-Operating Cash Disbursements:	
Capital Outlay	(7,425)
Redemption of Principal	(22,761)
Total Non-Operating Cash Disbursements	(30,186)
Net Receipts Over/(Under) Cash Disbursements	22,577
Fund Cash Balance, January 1	273,197
Fund Cash Balance, December 31	\$295,774

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

**VILLAGE OF SPRING VALLEY
GREENE COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH 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</u>
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
Cash Receipts:			
Property and Local Taxes	\$33,936	\$10,859	\$44,795
Intergovernmental	31,971	32,134	64,105
Charges for Services	5,640		5,640
Fines, Licenses and Permits	13,292		13,292
Earnings on Investments	2,761	1,533	4,294
Miscellaneous	16,430		16,430
Total Cash Receipts	<u>104,030</u>	<u>44,526</u>	<u>148,556</u>
Cash Disbursements:			
Current:			
Security of Persons & Property	16,905	7,132	24,037
Public Health Services	2,273	91	2,364
Community Environment	450		450
Basic Utility Services	5,446		5,446
Transportation	23,500	49,058	72,558
General Government	45,390		45,390
Total Cash Disbursements	<u>93,964</u>	<u>56,281</u>	<u>150,245</u>
Total Receipts Over/(Under) Disbursements	10,066	(11,755)	(1,689)
Fund Cash Balance, January 1	<u>130,650</u>	<u>72,447</u>	<u>203,097</u>
Fund Cash Balance, December 31	<u>\$140,716</u>	<u>\$60,692</u>	<u>\$201,408</u>
Reserve for Encumbrances, December 31	<u>\$0</u>	<u>\$4,200</u>	<u>\$4,200</u>

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

**VILLAGE OF SPRING VALLEY
GREENE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGE
IN FUND CASH BALANCES - ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Enterprise
Operating Cash Receipts:	
Charges for Services	\$127,667
Miscellaneous	213
Total Operating Cash receipts	127,880
Operating Cash Disbursements:	
Current:	
Personal Services	26,391
Employee Fringe Benefits	4,077
Contractual Services	12,699
Supplies and Materials	27,933
Total Operating Cash Disbursements	71,100
Operating Income/(Loss)	56,780
Non-Operating Cash Disbursements	
Redemption of Principal	(22,761)
Total Non-Operating Cash Disbursements	(22,761)
Net Receipts Over/(Under) Cash Disbursements	34,019
Fund Cash Balance, January 1	239,178
Fund Cash Balance, December 31	\$273,197

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

**VILLAGE OF SPRING VALLEY
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Spring Valley, Greene County, (the Village) as a body corporate and politic. A publicly-elected six-member Council governs the Village. The Village provides general government, water utility, and street maintenance services. The Village contracts with the Greene County Sheriff's department to provide security of persons and property.

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

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash and Investments

The Village did not have any investments at December 31, 2009. All funds are maintained in depository accounts.

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 reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds account for proceeds from specific sources (other than from private-purpose 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 receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

Permissive Motor Vehicle License Tax Fund – This fund receives motor vehicle license money for constructing, maintaining, and repairing Village streets.

FEMA Reimbursement Fund – This fund was used to account for reimbursement of expenditures for storm damage from the Federal Emergency Management Agency.

**VILLAGE OF SPRING VALLEY
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Capital Project Fund

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Project Fund:

OPWC State Grant Fund – This fund was used for a Bellbrook Avenue infrastructure project for water and street improvements.

4. Enterprise Funds

These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Fund:

Water Operating Fund - This fund receives charges for services from residents to cover water service costs.

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. 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 individual commitments are made. Encumbrances outstanding at year end are carried forward, and need not be re-appropriated.

A summary of 2009 and 2008 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

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.

**VILLAGE OF SPRING VALLEY
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2009	2008
Demand deposits	\$494,579	\$474,605
Total deposits	\$494,579	\$474,605

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

3. BUDGETARY ACTIVITY

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

2009 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 91,299	\$ 95,759	\$ 4,460
Special Revenue	42,248	64,139	21,891
Capital Projects	472,000	458,851	(13,149)
Enterprise	109,735	123,249	13,514
Total	\$715,282	\$741,998	\$26,716

2009 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$125,195	\$ 99,464	\$25,731
Special Revenue	66,394	63,037	3,357
Capital Projects	472,000	458,851	13,149
Enterprise	108,896	100,672	8,224
Total	\$772,485	\$722,024	\$50,461

2008 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$103,956	\$104,030	\$ 74
Special Revenue	50,331	44,526	(5,805)
Enterprise	90,000	127,880	37,880
Total	\$244,287	\$276,436	\$32,149

2008 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$213,508	\$ 93,964	\$119,544
Special Revenue	118,808	60,481	58,327
Enterprise	329,178	93,861	235,317
Total	\$661,494	\$248,306	\$413,188

**VILLAGE OF SPRING VALLEY
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays 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 tangible personal 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 the Village's behalf.

5. DEBT

Debt outstanding at December 31, 2009 was as follows:

	Principal	Interest Rate
Ohio Public Works Commission Loan	\$386,939	0%
Ohio Public Works commission - Bellbrook Ave	31,851	0%
Total	\$418,790	

The Ohio Public Works Commission loan was for a new well field. This is a 0% loan.

The Ohio Public Works Commission (OPWC) loan relates to a water plant expansion project the Ohio Environmental Protection Agency mandated. The OWDA approved up to \$500,000 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$11,381 over 20 years. The scheduled payment amount below is based on \$455,222 that was borrowed. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements. Amortization of the above debt, including interest, is scheduled as follows: Semi-annual payments July 1st and January 1st each year.

Year Ending December 31	OPWC Loan
2010	\$ 22,761
2011	22,761
2012	22,761
2013	22,761
2014	22,761
2015-2019	113,806
2020-2024	113,806
2025-2026	45,522
Total	\$386,939

A Contract was signed in December 2008 for upgrade of drainage, streets, and water lines for Bellbrook Avenue through a OPWC grant and loan, community block grants (CDBG) and in-kind contribution. The project has been completed with an expected OPWC loan of \$31,851 that was received in 2009. The new loan is 0% loan rate over a 20 year term. Semi-annual payments are due July 1st and January 1st each year.

**VILLAGE OF SPRING VALLEY
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

5. DEBT (Continued)

<u>Year Ending December 31</u>	<u>OPWC Loan</u>
2010	\$ 1,593
2011	1,593
2012	1,593
2013	1,593
2014	1,593
2015-2019	7,962
2020-2024	7,962
2025-2029	7,962
Total	<u><u>\$31,851</u></u>

6. RETIREMENT SYSTEM

The Village's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2009.

7. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

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Mary Taylor, CPA

Auditor of State

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

Village of Spring Valley
Greene County
7 West Main Street
P.O. Box 418
Spring Valley, Ohio 45370

To the Mayor and Village Council:

We have audited the financial statements of The Village of Spring Valley, Greene County, (the Village) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated May 27, 2010, wherein we noted the Village prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We also noted the Village uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Village. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion 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 a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 finding 2009-001 described in the accompanying schedule of findings to be a material weakness.

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 we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated May 27, 2010.

The Village's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Village's response and, accordingly, we express no opinion on it.

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

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

May 27, 2010

**VILLAGE OF SPRING VALLEY
GREENE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2009-001

Material Weakness

Posting Financial Activity

The Village's annual financial statements for 2009 and 2008 had numerous errors due to the Village incorrectly posting their financial activity as follows:

- The Village incorrectly posted \$75,000 of Grant Proceeds from the Community Development Block Grant (CDBG) as Special Assessment receipts and incorrectly posted \$352,000 in Ohio Public Works Commission (OPWC) grant revenue to the special revenue opinion unit rather than the capital projects opinion unit as outlined in Auditor of State Bulletin 2002-004 during 2009.
- Receipts from Spring Valley Township, public utility deregulation reimbursements, tax rollbacks, personal property reimbursements and gas tax totaling \$5,688 in 2009 and \$6,266 in 2008 were posted as property taxes instead of intergovernmental receipts.
- The Village failed to post loan proceeds from the OPWC in the amount of \$31,851 to the Capital Projects opinion unit during 2009.

Improper posting of financial activity could restrict management's ability to make informed decisions and resulted in audit adjustments and reclassifications being made which are reflected in the accompanying financial statements.

To assist in the effective management and reporting of financial transactions, the Village should develop procedures to determine that all financial activity is properly posted and routinely reviewed by someone independent of the record keeping process.

Officials Response:

Grant money was handled by the Dept of Development and the recordkeeping was strictly in and out, zero balance. I understand the posting to be in the wrong subcategory within the fund and will correct the error on future grants. Similarly, I have tried to correct postings from other government entities and classify them as intergovernmental. As to the OPWC loan, we did not know if it would all be needed until the end of the year and it was as oversight that we did not amend the estimated resources / appropriations certified by the County Auditor.

VILLAGE OF SPRING VALLEY
GREENE 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; <i>Explain</i>
2007-001	Accurate recording of financial activity	No	Repeated as material weakness in Finding 2009-001.



Mary Taylor, CPA
Auditor of State

VILLAGE OF SPRING VALLEY

GREENE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 6, 2010