



Dave Yost • Auditor of State

VILLAGE OF SPRING VALLEY
GREENE COUNTY

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Dave Yost • 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.

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Dave Yost
Auditor of State

June 29, 2012

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Dave Yost • 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 the Village of Spring Valley, Greene County, (the Village) as of and for the years ended December 31, 2011 and 2010. 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(A) mandates 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 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 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 Village's 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, 2011 and 2010 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, 2011 and 2010, 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 as of December 31, 2011 and 2010 and the reserves for encumbrances as of December 31, 2010 of the Village of Spring Valley, Greene County, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 2, during 2011 the Village of Spring Valley adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2012, 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.



Dave Yost
Auditor of State

June 29, 2012

**VILLAGE OF SPRING VALLEY
GREENE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Property and Other Local Taxes	\$33,332	\$9,220	\$42,552
Intergovernmental	30,411	31,773	62,184
Charges for Services	6,240		6,240
Fines, Licenses and Permits	16,370		16,370
Miscellaneous	2,142	1,590	3,732
Total Cash Receipts	<u>88,495</u>	<u>42,583</u>	<u>131,078</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	13,091	7,123	20,214
Public Health Services	971	82	1,053
Community Environment	1,711		1,711
Basic Utility Services	5,980		5,980
Transportation	32,151	33,961	66,112
General Government	29,488		29,488
Total Cash Disbursements	<u>83,392</u>	<u>41,166</u>	<u>124,558</u>
Net Change in Fund Cash Balances	5,103	1,417	6,520
Fund Cash Balances, January 1, 2011	<u>97,598</u>	<u>64,630</u>	<u>162,228</u>
Fund Cash Balances, December 31, 2011:			
Restricted		66,047	66,047
Unassigned (Deficit)	102,701		102,701
Fund Cash Balances, December 31, 2011	<u>\$102,701</u>	<u>\$66,047</u>	<u>\$168,748</u>

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

VILLAGE OF SPRING VALLEY
GREENE COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Enterprise</u>
Operating Cash Receipts:	
Charges for Services	\$114,490
Total Operating Cash Receipts	<u>114,490</u>
Operating Cash Disbursements:	
Personal Services	30,249
Employee Fringe Benefits	4,930
Contractual Services	25,851
Supplies and Materials	9,838
Total Operating Cash Disbursements	<u>70,868</u>
Operating Income (Loss)	<u>43,622</u>
Non-Operating (Disbursements):	
Principal Retirement	<u>(24,354)</u>
Total Non-Operating Receipts (Disbursements)	<u>(24,354)</u>
Net Change in Fund Cash Balances	19,268
Fund Cash Balances, January 1 , 2011	<u>325,326</u>
Fund Cash Balances, December 31, 2011	<u>\$344,594</u>

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

**VILLAGE OF SPRING VALLEY
GREENE COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property and Local Taxes	\$35,553	\$10,106		\$45,659
Intergovernmental	31,113	31,661	\$39,143	101,917
Charges for Services	6,240			6,240
Fines, Licenses and Permits	15,220			15,220
Earnings on Investments	9			9
Miscellaneous	1,317	795		2,112
Total Cash Receipts	<u>89,452</u>	<u>42,562</u>	<u>39,143</u>	<u>171,157</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	13,343	7,108		20,451
Public Health Services	930	83		1,013
Community Environment	1,633			1,633
Basic Utility Service	4,730			4,730
Transportation	49,066	32,537		81,603
General Government	59,164			59,164
Capital Outlay			39,143	39,143
Total Cash Disbursements	<u>128,866</u>	<u>39,728</u>	<u>39,143</u>	<u>207,737</u>
Total Receipts Over/(Under) Disbursements	<u>(39,414)</u>	<u>2,834</u>		<u>(36,580)</u>
Fund Cash Balances, January 1, 2010	<u>137,012</u>	<u>61,796</u>		<u>198,808</u>
Fund Cash Balances, December 31, 2010	<u>\$97,598</u>	<u>\$64,630</u>	<u>\$0</u>	<u>\$162,228</u>
Reserve for Encumbrances, December 31, 2010	<u>\$1,352</u>	<u>\$709</u>	<u>\$0</u>	<u>\$2,061</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
CHANGES IN FUND BALANCES (CASH BASIS) - ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Enterprise</u>
Operating Cash Receipts:	
Charges for Services	\$112,433
Miscellaneous	3,711
Total Operating Cash Receipts	<u>116,144</u>
Operating Cash Disbursements:	
Personal Services	28,155
Employee Fringe Benefits	4,093
Contractual Services	23,564
Supplies and Materials	6,425
Total Operating Cash Disbursements	<u>62,237</u>
Operating Income/(Loss)	<u>53,907</u>
Non-Operating Cash Disbursements:	
Redemption of Principal	<u>(24,354)</u>
Total Non-Operating Cash Disbursements	<u>(24,354)</u>
Net Receipts Over/(Under) Disbursements	29,553
Fund Cash Balances, January 1, 2010	<u>295,773</u>
Fund Cash Balances, December 31, 2010	<u>\$325,326</u>
Reserve for Encumbrances, December 31, 2010	<u>\$433</u>

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, 2011 AND 2010**

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 directs 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. Deposits and Investments

The Village did not have any investments at December 31, 2011. 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.

**VILLAGE OF SPRING VALLEY
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Capital Project Funds

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:

Grant Construction Fund – This fund was used for a storm sewer project on Race Street. Funds received were from a Community Development Block Grant through Greene County.

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 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 fund, function or 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 individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be re-appropriated.

A summary of 2011 and 2010 budgetary activity appears in Note 4.

F. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

VILLAGE OF SPRING VALLEY
GREENE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Non-spendable

The Village classifies assets as *non-spendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. 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.

H. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**VILLAGE OF SPRING VALLEY
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

2. CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 2011, the Village implemented Governmental Accounting Standard Board (GASB) Statement No. 54. Implementing GASB Statement No. 54 did not have an effect on fund balances previously reported.

3. Equity in Pooled Deposits and Investments

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

	2011	2010
Demand deposits	\$513,342	\$487,554
Total deposits	\$513,342	\$487,554

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; and collateralized by securities specifically pledged by the financial institution to the Village.

4. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2011 and 2010 follows:

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 81,540	\$ 88,495	\$ 6,955
Special Revenue	35,400	42,583	7,183
Enterprise	110,000	114,490	4,490
Total	\$226,940	\$245,568	\$18,628

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$133,803	\$ 83,392	\$50,411
Special Revenue	53,800	41,166	12,634
Enterprise	121,611	95,222	26,389
Total	\$309,214	\$219,780	\$89,434

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 68,341	\$ 89,452	\$21,111
Special Revenue	34,250	42,562	8,312
Capital Projects	40,000	39,143	(857)
Enterprise	110,000	116,144	6,144
Total	\$252,591	\$287,301	\$34,710

**VILLAGE OF SPRING VALLEY
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

4. BUDGETARY ACTIVITY (Continued)

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$139,564	\$130,218	\$ 9,346
Special Revenue	53,800	40,437	13,363
Capital Projects	40,000	39,143	857
Enterprise	121,604	87,024	34,580
Total	\$354,968	\$296,822	\$58,146

5. 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 pay semiannually, 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 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.

6. DEBT

Debt outstanding at December 31, 2011 was as follows:

	Principal	Interest Rate
Ohio Public Works Commission	\$341,417	0%
Ohio Public Works Commission - Bellbrook Ave	28,666	0%
Total	\$370,083	

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 OPWC 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 assumes that \$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.

A contract was signed in December 2008 for upgrade of drainage, streets, and water lines for Bellbrook Avenue through an 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.

**VILLAGE OF SPRING VALLEY
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

6. DEBT (Continued)

Amortization of the above debt is scheduled as follows: Semi-annual payments July 1st and January 1st each year.

Year ending December 31:	OPWC Loan	OPWC Loan Bellbrook Ave
2012	\$ 22,761	\$ 1,593
2013	22,761	1,593
2014	22,761	1,593
2015	22,761	1,593
2016	22,761	1,593
2017-2021	113,806	7,962
2022-2026	113,806	7,962
2027-2031	4,777	4,777
Total	\$341,417	\$28,666

7. RETIREMENT SYSTEMS

A. Ohio Public Employees 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 plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2011 and 2010, 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, 2011.

B. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the Ohio Public Employees Retirement System have an option to choose Social Security or the Ohio Public Employees Retirement System. As of December 31, 2011, all council members and the mayor have elected Social Security. The Village's liability is 6.2 percent of wages paid.

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.



Dave Yost • 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, 2011 and 2010, and have issued our report thereon dated June 29, 2012, wherein we noted the Village adopted the provisions of Government Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the year ended December 31, 2011. We also noted the Village prepared its financial statement using accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted 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(A) mandates 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.

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 combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 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 June 29, 2012.

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 "Dave Yost". The signature is written in a cursive style with a large, looping "Y" and "O".

Dave Yost
Auditor of State

June 29, 2012

VILLAGE OF SPRING VALLEY
GREENE COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2011 AND 2010

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2009-001	Posting Financial Activity	No	Partially Corrected therefore moved to Management Letter



Dave Yost • 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 31, 2012