



Dave Yost • Auditor of State



VILLAGE OF SHAWNEE HILLS  
DELAWARE COUNTY

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Village of Shawnee Hills  
Delaware County  
9484 Dublin Road  
Shawnee Hills, Ohio 43065

We have performed the procedures enumerated below, with which the Village Council and Mayor, and the management of the Village of Shawnee Hills have agreed, solely to assist the Council and Mayor in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2012 and 2011, including mayor's court receipts, disbursements and balances, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management, the Mayor, and / or the Council are responsible for complying with the compliance requirements. This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

This report only describes exceptions exceeding \$10.

## Cash

1. We tested the mathematical accuracy of the December 31, 2012 and December 31, 2011 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2011 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2010 balances in the prior year audited statements. The beginning balance of the General fund per the Fund Ledger Report was \$760 more than the December 31, 2010 balance in the prior year audited statements. This is due to fund balance adjustments made during 2010 to void outstanding warrants in the amount of \$760, which resulted in an increase to the December 31, 2010 beginning balance. However, the prior audited statements did not reflect the adjustments and therefore the beginning and ending balance of the General Fund on the 2010 financial statements was understated by \$760. We also agreed the January 1, 2012 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2011 balances in the Fund Ledger Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2012 and 2011 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We observed the year-end bank balances on the financial institution's website as of December 31, 2012. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2012 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2012 bank reconciliation:
  - a. We traced each debit to the subsequent January bank statement. We found no exceptions.

**Cash (continued)**

- b. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. We noted no exceptions.
6. We tested interbank account transfers occurring in December of 2012 and 2011 to determine if they were properly recorded in the accounting records and on each bank statement. We found no exceptions.

**Property Taxes, Intergovernmental and Other Confirmable Cash Receipts**

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2012 and one from 2011:
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Register Report. The amounts agreed.
  - b. We determined whether the receipt was allocated to the proper fund(s) as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. We found no exceptions.
  - c. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We scanned the Receipt Register Report to determine whether it included two real estate tax receipts for 2012 and 2011. We noted the Receipts Register Report included the proper number of tax receipts for each year.
3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2012 and five from 2011.
  - a. We compared the amount from the above report to the amount recorded in the Receipt Register Report. The amounts agreed.
  - b. We determined whether these receipts were allocated to the proper funds. We found no exceptions.
  - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.
4. We confirmed the amounts paid from the Ohio Public Works Commission to the Village during 2012 and 2011 with the Commission. We found no exceptions.
  - a. We determined whether these receipts were allocated to the proper fund. We found no exceptions.
  - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

**Income Tax Receipts**

1. We obtained the December 31, 2012 and 2011 Monthly Distribution Summary reports submitted by the Regional Income Tax Agency (RITA), the agency responsible for collecting income taxes on behalf of the Village. We agreed the total gross income taxes per year to the Village's Receipt Register Report. The amounts agreed.

**Sewer Fund Charges for Services**

1. We haphazardly selected 10 Sewer Fund collection cash receipts from the year ended December 31, 2012 and 10 Sewer Fund collection cash receipts from the year ended 2011 recorded in the Receipt Register Report and determined whether the:
  - a. Receipt amount per the Receipt Register Report agreed to the amount recorded to the credit of the customer's account in the Daily Cash Receipts Journal. The amounts agreed.
  - b. Amount charged for the related billing period:
    - i. Agreed with the debit to accounts receivable in the Billing Journal for the billing period. We found no exceptions.
    - ii. Complied with rates in force during the audit period multiplied by the consumption amount recorded for the billing period. We found no exceptions.
  - c. Receipt was posted to the proper funds, and was recorded in the year received. We found no exceptions.
  
2. We read the Aged Customer Delinquent Report.
  - a. We noted this report listed \$10,404 and \$8,535 of accounts receivable as of December 31, 2012 and 2011, respectively.
  - b. Of the total receivables reported in the preceding step, \$344 and \$384 were recorded as more than 90 days delinquent.
  
3. We read the Daily Cash Receipts Journal.
  - a. We noted this report listed a total of \$19,552 and \$23,700 non-cash receipts adjustments for the years ended December 31, 2012 and 2011, respectively.
  - b. We selected five non-cash adjustments from 2012 and five non-cash adjustments from 2011, and noted that written approval was not obtained for the adjustments. We recommend the Village maintain written approval for all non-cash adjustments.

**Debt**

1. From the prior audit documentation, we noted the following bonds and capital lease outstanding as of December 31, 2010.

<b>Issue</b>	<b>Principal outstanding as of December 31, 2010:</b>
2001 USDA Sewer Mortgage Revenue Bonds	\$1,550,400
Capital Lease- Dodge Charger	\$26,594

2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2012 or 2011 or debt payment activity during 2012 or 2011. All debt agreed to the summary we used in step 3. We noted new debt issuances.

We obtained a summary of bonded and capital lease debt activity for 2012 and 2011 and agreed principal and interest payments from the related debt amortization schedule to General Fund, Street Construction, Maintenance and Repair Fund, and Sewer Fund payments reported in the Payment Register Detail Report. We also compared the date the debt service payments were due to the date the Village made the payments. We noted two capital lease payments that were not made prior to the date due. A lease payment for the Village's truck, due January 12, 2012, was paid by the Village on January 13, 2012, and a lease payment for the Village's police cruiser, due March 18, 2012, was paid by the Village on March 19, 2012.

**Debt (continued)**

3. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Other Capital Projects fund per the Receipt Register Report. The amounts agreed. The Village properly recorded the various purpose bond proceeds in a capital projects fund as required by Ohio Rev. Code Section 5705.09(E).
4. For new debt issued during 2012 and 2011, we inspected the debt legislation, noting the Village must use the proceeds to pay a portion of the cost of acquiring a building and constructing renovations for use as a municipal office and to pay a portion of the cost of constructing sidewalk improvements; for storm water improvements; for overlay and berming improvements; and to lease a truck and police cruiser. We scanned the Payment Register Detail Report and noted the Village used the proceeds for the purposes described above.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2012 and one payroll check for five employees from 2011 from the Employee Detail Adjustment Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Employee Detail Adjustment Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
  - b. We determined whether the fund and account codes to which the check was posted were reasonable based on the employees' duties as documented in the employees' personnel files and minutes. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. For any new employees selected in step 1 we determined whether the following information in the employees' personnel files was consistent with the information used to compute gross and net pay related to this check:
  - a. Name
  - b. Authorized salary or pay rate
  - c. Department(s) and fund(s) to which the check should be charged
  - d. Retirement system participation and payroll withholding
  - e. Federal, State & Local income tax withholding authorization and withholding
  - f. Any other deduction authorizations (deferred compensation, etc.)

We found no exceptions related to steps a. – f. above.
3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2012 to determine whether remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period during 2012. We noted the following:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare	January 31, 2013	November 14, 2012 December 4, 2012 January 10, 2013	\$2,280 \$2,250 \$3,689	\$2,280 \$2,250 \$3,689
State income taxes	January 31, 2013	January 10, 2013	\$854	\$854
Village of Shawnee Hills income taxes	January 31, 2013	January 28, 2013	\$1,537	\$1,537
OPERS retirement	January 30, 2013	January 25, 2013	\$4,550	\$4,550
OP&F retirement	January 31, 2013	January 25, 2013	\$3,855	\$3,855



### **Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2012 and ten from the year ended 2011 and determined whether:
  - a. The disbursements were for a proper public purpose. We found no exceptions.
  - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Payment Register Detail Report and to the names and amounts on the supporting invoices. We found no exceptions.
  - c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.
  - d. The fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code Section 5705.41(D). We found no exceptions.

### **Mayors Court Transactions and Cash Balances**

1. We tested the mathematical accuracy of the December 31, 2012 and December 31, 2011 bank reconciliations. We found no exceptions.
2. We compared the reconciled cash totals as of December 31, 2012 and December 31, 2011 to the Mayor's Court Agency Fund balance reported in the Fund Status Reports. The balances are not being reported in the Village's accounting records on the UAN system.
3. We agreed the totals per the bank reconciliations to the total of December 31, 2012 and 2011 listing of unpaid distributions as of each December 31. The totals per the bank reconciliation exceeded the unpaid distributions at December 31, 2012 and 2011 by \$30 and \$37, respectively.
4. We confirmed the December 31, 2012 bank account balance with the Mayor's Court financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2012 bank reconciliation without exception.
5. We haphazardly selected five cases from the court cash book and agreed the payee and amount posted to the:
  - a. Duplicate receipt book.
  - b. Docket, including comparing the total fine paid to the judgment issued by the judge (i.e. mayor)
  - c. Case file.

### **Mayors Court Transactions and Cash Balances (continued)**

The amounts recorded in the cash book, receipts book, docket and case file agreed, except case 12TRD00102, for \$372. The payee and amount agreed to the docket and case file, however no duplicate receipt was issued to the payee and accordingly could not be agreed to the duplicate receipt book.

6. From the cash book, we haphazardly selected one month from the year ended December 31, 2012 and one month from the year ended 2011 and determined whether:
  - a. The monthly sum of fines and costs collected for those months agreed to the amounts reported as remitted to the Village, State or other applicable government in the following month. We found no exceptions.
  - b. The totals remitted for these two months per the cash book agreed to the returned canceled checks. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the cash book.

### Compliance – Budgetary

1. We compared the total estimated receipts from the *Amended Certificate of the Total Amount From All Sources Available For Expenditures and Balances*, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Revenue Status Report for the General, Fire Levy and Other Capital Projects funds for the years ended December 31, 2012 and 2011. For 2011, the amounts on the *Certificate* agreed to the amount recorded in the accounting system, except for the General and Other Capital Projects Fund. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General and Other Capital Projects fund of \$566,849 and \$301,000, respectively. However, the final *Amended Official Certificate of Estimated Resources* reflected for the General and Other Capital Projects Fund \$545,404 and \$320,095, respectively. For 2012, the Revenue Status Report recorded budgeted (i.e. certified) resources for the General, Fire Levy, and Other Capital Projects fund of \$654,447, \$148,000, and \$2,000, respectively. However, the final *Amended Official Certificate of Estimated Resources* reflected for the General, Fire Levy, and Other Capital Projects Funds \$606,930, \$145,945, and \$0, respectively. The fiscal officer should periodically compare amounts recorded in the Revenue Status Report to amounts recorded on the *Amended Official Certificate of Estimated Resources* to assure they agree. If the amounts do not agree, the Council may be using inaccurate information for budgeting and to monitor spending.
2. We scanned the appropriation measures adopted for 2012 and 2011 to determine whether, for the General, State Highway, and Sewer funds, the Council appropriated separately for “each office, department, and division, and within each, the amount appropriated for personal services,” as is required by Ohio Rev. Code Section 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Rev. Code Sections 5705.38 and 5705.40, to the amounts recorded in the Appropriation Status Report for 2012 and 2011 for the following funds: General, Fire Levy, and Other Capital Projects. For 2012, the amounts on the appropriation resolution agreed to the amounts recorded in the Appropriation Status report. For 2011, the Appropriation Status Report recorded total appropriations for the General and Other Capital Projects funds of \$571,568 and \$6,020, respectively. However, the appropriation measure reflected for the General and Other Capital Projects funds \$571,840 and \$320,095, respectively. The fiscal officer should periodically compare amounts recorded in the Appropriation Status Report to the appropriation measure to assure they agree. If the amounts do not agree, the Council may be using inaccurate information for budgeting and to monitor spending.
4. Ohio Rev. Code Sections 5705.36(A)(5) and 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the General, Street Construction Maintenance & Repair, and Computer funds for the years ended December 31, 2012 and 2011. We noted no funds for which appropriations exceeded certified resources.
5. Ohio Rev. Code Section 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2012 and 2011 for the General, Street Construction Maintenance & Repair, and Computer funds, as recorded in the Council approved appropriations. We noted no funds for which expenditures exceeded appropriations.

### **Compliance – Budgetary (Continued)**

6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We scanned the Receipt Register Report for evidence of new restricted receipts requiring a new fund during December 31, 2012 and 2011. We also inquired of management regarding whether the Village received new restricted receipts. The Village established the Other Capital Projects (4901) fund during 2011 and the Other Capital Projects (4903) fund during 2012 to segregate Ohio Publics Works Commission receipts and disbursements, in compliance with Section 5705.09.
7. We scanned the 2012 and 2011 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers exceeding \$25,000 which Ohio Rev. Code Sections 5705.14 - .16 restrict. We found no evidence of transfers these Sections prohibit, or for which Section 5705.16 would require approval by the Tax Commissioner and Court of Common Pleas.
8. We inquired of management and scanned the Appropriation Status Reports to determine whether the Village elected to establish reserve accounts permitted by Ohio Rev. Code Section 5705.13. We noted the Village did not establish these reserves.

### **Compliance – Contracts & Expenditures**

We inquired of management and scanned the Payment Register Detail Report for the years ended December 31, 2012 and 2011 to determine if the Village proceeded by force account (i.e. used its own employees) to maintain or repair roads (cost of project exceeding \$30,000) or to construct or reconstruct Village roads (cost of project \$30,000/per mile) for which Ohio Rev. Code Sections 117.16(A) and 723.52 requires the Village engineer, or officer having a different title but the duties and functions of an engineer, to complete a force account project assessment form (i.e., cost estimate). We identified no projects requiring the completion of the force account assessment form.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the Village's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management, those charged with governance, and others within the Village, and is not intended to be, and should not be used by anyone other than these specified parties.



**Dave Yost**  
Auditor of State

April 19, 2013

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# Dave Yost • Auditor of State

**VILLAGE OF SHAWNEE HILLS**

**DELAWARE 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 13, 2013**