



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Fort Shawnee
Allen County
Joanne Johnson, Finance Director
2050 West Breese Road
Fort Shawnee, Ohio 45806

Shawnee Township
Allen County
Stephanie Hoffer, Fiscal Officer
2530 Fort Amanda Road
Lima, Ohio 45804

We have performed the procedures enumerated below, as of October 24, 2013, for the period of January 1, 2012 through June 15, 2013, which were agreed to by the addressees, solely to assist you in the surrender of corporate powers of the Village of Fort Shawnee. The dissolution of the Village is the responsibility of the Village Finance Director. 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 addressees 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.

Confirmation of Closure of Operations:

1. We confirmed with the Allen County Board of Elections that the Village residents voted in favor of the Village to surrender its' corporate powers and cease to exist in accordance with Ohio Rev. Code Section 703.20. The Village residents voted on November 6, 2012, to surrender its corporate powers.

Bank Statement Reconciliation

1. We reviewed the latest available bank reconciliation (as of 6/14/13), and performed the following procedures:
 - a. confirmed the bank balance reconciliation amount presented with the appropriate depository. We found no exceptions
 - b. agreed reconciling items to supporting documentation. We found no exceptions
 - c. agreed the reconciled cash balance to the total balances in the Fund Status Report. The amounts agreed.
 - d. confirmed with the depository listed on the bank reconciliation that the bank balance was \$0 at the end of the month following the date the Village distributed all balances to the Township. The bank balance at June 30, 2013 was \$0; however, the bank balance at August 31, 2013 was \$39.75 due to an interest credit in July 2013. The remaining balance should be transferred to the Township.

Bank Statement Reconciliation (Continued)

2. We agreed the January 1, 2012 beginning fund balances recorded in the Village's Fund Ledger Report to the December 31, 2011 balances in the prior audit working papers. We found no exceptions. We also agreed the January 1, 2013 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2012 balances in the Fund Status Report. We found no exceptions.

Cash Receipts

1. We agreed all property tax receipts from the *Statement of Semiannual Apportionment of Taxes* (the Statement) to the proper fund postings in the Revenue Ledger Report as required by Ohio Rev. Code Sections 5705.05-06 and 5705.10. The Village recorded property tax receipts from the 2012 first half manufactured homes statement in the amount of \$193.57 belonging to the Cops Levy Fund in the Street Improvement Levy Fund and \$160.82 belonging to the Street Improvement Levy Fund in the Cops Levy Fund.

Ohio Rev. Code Section 5705.10(C) requires that all revenue from a special levy shall be credited to a special fund for the purpose for which the levy was made. During 2012 the Village recorded property tax receipts from first half manufactured homes statement in the amount \$193.57 belonging to the Cops Levy Fund in the Street Improvement Levy Fund, and \$160.82 belonging to the Street Improvement Levy Fund in the Cops Levy Fund. The recording of receipts in the wrong fund could result in the illegal disbursement of restricted money after the Village paid the remaining balances to the Township.

The Township has made the necessary adjustments to their accounting records to allocate these receipts to the proper funds. The correction of these recording errors had the following impact on the individual fund balances:

Cops Levy (Village fund name)/Police District (Township fund name) \$32.75
Street Improvement Levy (Village fund name)/ Gasoline Tax (Township fund name) (\$32.75)

2. We agreed all receipts from the State Distribution Transaction Lists (DTL) and the County Auditor Vendor History to the fund posting in the Receipts Register Report. The amounts agreed. We determined whether these receipts were allocated to the proper funds. The May 2012 Tangible Personal Property Reimbursement receipt in the amount of \$282.03 and the November 2012 Tangible Personal Property Reimbursement receipt in the amount of \$1,692.15 were recorded in the General Fund instead of the Street Improvement Levy Fund. The February 2012 Gas and Electric Reimbursement receipt in the amount of \$232.19 and the August 2012 Gas and Electric Reimbursement receipt in the amount of \$232.19 were recorded in the General Fund instead of the Street Improvement Levy Fund.

Ohio Rev. Code Section 5705.10(D) requires all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose. The Village recorded the May 2012 Tangible Personal Property Reimbursement receipt in the amount of \$282.03 and the November 2012 Tangible Personal Property Reimbursement receipt in the amount of \$1,692.15 in the General Fund instead of the Street Improvement Levy Fund. Also, the February 2012 Gas and Electric Reimbursement receipt in the amount of \$232.19 and the August 2012 Gas and Electric Reimbursement receipt in the amount of \$232.19 were recorded in the General Fund instead of the Street Improvement Levy Fund.

Cash Receipts (Continued)

The Township has made the necessary adjustments to their accounting records to allocate these receipts to the proper funds. The correction of these recording errors had the following impact on the individual fund balances:

General (Village fund name)/General (Township fund name) (\$2,438.56)
 Street Improvement Levy (Village fund name) / Gasoline Tax (Township fund name) \$2,438.56

Debt

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2011.
2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2013 or 2012 or debt payment activity during 2013 or 2012. We noted no new debt issuances, nor any debt payment activity during 2013 or 2012.

Payroll Cash Disbursements

1. We selected one payroll check for two employees from 2013 from the Village's Wage Detail Report and for four employees from 2012 from the Village's Employee Detail Adjustment Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Village's Wage Detail Report or the Village's 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 minute record or as required by statute. We found no exceptions.
2. We scanned the last remittance of tax and retirement withholdings 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 2013. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	July 31, 2013	June 14, 2013	\$ 8.02	\$ 8.02
State income taxes	July 15, 2013	June 14, 2013	\$ 2.10	\$ 2.10
OPERS retirement	June 30, 2013	June 14, 2013	\$66.24	\$66.24

3. We haphazardly selected and recomputed one termination payment (unused vacation, etc.) using the following information, and agreed the computation to the amount paid as recorded in the Village's Wage Detail Report:
 - a. Accumulated leave records
 - b. The employee's pay rate in effect as of the termination date
 - c. The Village's payout policy.

The amount paid was consistent with the information recorded in a. through c. above.

Non-Payroll Cash Disbursements

1. We selected eight disbursements from 2013 and ten disbursements from 2012 from the Village's Payment Register Detail Report 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 Village's 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.
2. We inquired of the Village Finance Director of the nature of any outstanding, unpaid, obligations. There were no outstanding, unpaid obligations.
3. We agreed the payment of the Village book balance cash amounts and delivery of outstanding obligations list to Shawnee Township, Allen County, as the final closure of account activity. We also agreed restricted fund balances of the Village to the appropriate fund posting in the Township's Receipt Detail Report. The Township Fiscal Officer's fund allocation document showed that the General Fund should have received \$629.10 less money and the Special Revenue Gasoline Tax Fund should have received \$629.10 more money than was actually posted to these funds.

Ohio Rev. Code Section 5705.10(D) requires all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose. After receiving the Village's book balance, the Township offset the negative general fund balance of the Village by reducing the street construction balance of the Village. However, the Township utilized the Village balances reported on June 11, 2013 versus the balances on June 14, 2013 when the Village book balance was distributed to the Township. As a result the Township recorded an additional \$629.10 of money in the Township's General Fund that should have been recorded in the Township's Gasoline Tax Fund.

The Township has made the necessary adjustments to their accounting records to correct this allocation. This correction had the following impact on the individual fund balances:

General	(\$629.10)
Gasoline Tax	\$629.10

Mayors Court Transactions and Cash Balances

1. We reviewed the latest bank reconciliation (as of 5/31/13) and performed the following:
 - a. confirmed the bank balance presented the appropriate depository;
 - b. agreed reconciling items to supporting documentation;
 - c. agreed the reconciled cash balance to the total balance in the Cash Summary by Fund Report.

We found no exceptions.
2. From the Monthly Distribution Journal (4/4/13), we selected the latest month and determined whether:
 - a. The monthly sum of fines and costs collected for this month agreed to the amounts reported as remitted to the Village, State or other applicable government in the following month. We found no exceptions.

Mayors Court Transactions and Cash Balances (Continued)

- b. The totals remitted for this month per the Monthly Distribution Journal (April 2013) 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 Daily Cash Control Report.

Capital Assets:

1. Determined that the Village has notified the Township of the location, description, and address of buildings, vehicles, and equipment to be transferred to the Township's ownership.

The Village has notified the Township of the location, description, and address of buildings, vehicles, and equipment to be transferred to the Township's ownership.

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

October 24, 2013

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VILLAGE OF FORT SHAWNEE

ALLEN 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
DECEMBER 3, 2013**