



**JIM PETRO**  
**AUDITOR OF STATE**  

---

**STATE OF OHIO**



VILLAGE OF PLEASANT HILL  
MIAMI COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants .....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types and Similar Fiduciary Fund - For the Year Ended December 31, 2001 .....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - Proprietary Fund Type - For the Year Ended December 31, 2001 .....	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types and Fiduciary Fund - For the Year Ended December 31, 2000 .....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - Proprietary Fund Type - For the Year Ended December 31, 2000 .....	6
Notes to the Financial Statements .....	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	13
Schedule of Findings.....	15

**This page intentionally left blank.**



**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

One First National Plaza  
130 W. Second Street  
Suite 2040  
Dayton, Ohio 45402  
Telephone 937-285-6677  
800-443-9274  
Facsimile 937-285-6688  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

**REPORT OF INDEPENDENT ACCOUNTANTS**

Village of Pleasant Hill  
Miami County  
P.O. Box 557  
Pleasant Hill, Ohio 45359

To the Village Council:

We have audited the accompanying financial statements of the Village of Pleasant Hill (the Village) as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village as of December 31, 2001 and 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2002 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee, management, Village Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

July 22, 2002

**VILLAGE OF PLEASANT HILL  
MIAMI COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Governmental Fund Types		Fiduciary Fund	Totals (Memorandum Only)
	General	Special Revenue	Expendable Trust	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$34,398	\$27,105		\$61,503
Special Assessments		68,956		68,956
Intergovernmental Receipts	70,772	37,374		108,146
Charges for Services		27,037		27,037
Fines, Licenses, and Permits	40			40
Earnings on Investments	16,366	1,006	2,962	20,334
Miscellaneous	6,570	100	2,109	8,779
Total Cash Receipts	128,146	161,578	5,071	294,795
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	27,279	39,579		66,858
Public Health Services		21,443		21,443
Leisure Time Activities	3,467		1,100	4,567
Transportation		19,836		19,836
General Government	81,553			81,553
Capital Outlay	37,790	53,057		90,847
Total Cash Disbursements	150,089	133,915	1,100	285,104
Total Receipts Over/(Under) Disbursements	(21,943)	27,663	3,971	9,691
<b>Other Financing Receipts and (Disbursements):</b>				
Transfers Out	(1,341)			(1,341)
Other Financing Sources	486	5		491
Total Other Financing Receipts/(Disbursements)	(855)	5		(850)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(22,798)	27,668	3,971	8,841
Fund Cash Balances, January 1	177,525	120,487	61,064	359,076
<b>Fund Cash Balances, December 31</b>	<u>\$154,727</u>	<u>\$148,155</u>	<u>\$65,035</u>	<u>\$367,917</u>

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

**VILLAGE OF PLEASANT HILL  
MIAMI COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<b>Proprietary Fund Type</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$215,192
Miscellaneous	2,055
	217,247
Total Operating Cash Receipts	217,247
<b>Operating Cash Disbursements:</b>	
Personal Services	49,677
Fringe Benefits	13,279
Contractual Services	84,875
Supplies and Materials	12,524
Capital Outlay	26,588
Miscellaneous	9,874
	196,817
Total Operating Cash Disbursements	196,817
Operating Income	20,430
<b>Non-Operating Cash Receipts:</b>	
Special Assessments	24,938
	24,938
Excess of Receipts Over Disbursements Before Interfund Transfers	45,368
Transfers In	1,341
	1,341
Net Receipts Over Disbursements	46,709
Fund Cash Balances, January 1	167,356
	167,356
<b>Fund Cash Balances, December 31</b>	<b>\$214,065</b>

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



**VILLAGE OF PLEASANT HILL  
MIAMI COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>	
<b>Cash Receipts:</b>				
Property Tax and Other Local Taxes	\$33,905	\$26,904		\$60,809
Special Assessments	270	14,749		15,019
Intergovernmental Receipts	66,374	38,040		104,414
Charges for Services		23,717		23,717
Fines, Licenses, and Permits	762			762
Earnings on Investments	23,010	392	1,834	25,236
Miscellaneous	508		2,120	2,628
<b>Total Cash Receipts</b>	<u>124,829</u>	<u>103,802</u>	<u>3,954</u>	<u>232,585</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	25,754	41,628		67,382
Public Health Services		15,186	613	15,799
Leisure Time Activities	3,775		1,036	4,811
Transportation	1,028	12,425		13,453
General Government	58,565			58,565
Capital Outlay	1,218	1,905	50	3,173
<b>Total Cash Disbursements</b>	<u>90,340</u>	<u>71,144</u>	<u>1,699</u>	<u>163,183</u>
<b>Total Receipts Over Disbursements</b>	<u>34,489</u>	<u>32,658</u>	<u>2,255</u>	<u>69,402</u>
<b>Other Financing Receipts:</b>				
Other Financing Receipts	<u>6,343</u>	<u>5</u>		<u>6,348</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements</b>	<u>40,832</u>	<u>32,663</u>	<u>2,255</u>	<u>75,750</u>
<b>Fund Cash Balances, January 1</b>	<u>136,693</u>	<u>87,824</u>	<u>58,809</u>	<u>283,326</u>
<b>Fund Cash Balances, December 31</b>	<u>\$177,525</u>	<u>\$120,487</u>	<u>\$61,064</u>	<u>\$359,076</u>

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

**VILLAGE OF PLEASANT HILL  
MIAMI COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<b>Proprietary Fund Type</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$216,421
Miscellaneous	1,568
	217,989
Total Operating Cash Receipts	217,989
<b>Operating Cash Disbursements:</b>	
Personal Services	45,599
Fringe Benefits	11,440
Contractual Services	87,133
Supplies and Materials	7,572
Capital Outlay	42,502
Miscellaneous	4,106
	198,352
Total Operating Cash Disbursements	198,352
Operating Income	19,637
<b>Non-Operating Cash Receipts/(Disbursements):</b>	
Special Assessments	25,251
Debt Service	(9,751)
	15,500
Total Non-Operating Cash Receipts/Disbursements	15,500
Net Receipts Over Disbursements	35,137
Fund Cash Balances, January 1	132,219
<b>Fund Cash Balances, December 31</b>	<b>\$167,356</b>

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

**VILLAGE OF PLEASANT HILL  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Pleasant Hill, Miami County, (the Village), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides water and sewer utilities, and police services.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

Certificates of deposit are valued at cost. Money market mutual funds (including STAR Ohio) are recorded at share values reported by the mutual fund.

**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 is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Fund**

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

**Street Construction, Maintenance and Repair Fund** - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

**Permissive Motor Vehicle License Fund** -This fund receives motor vehicle tax money for constructing, maintaining and repairing state highway streets through the Village.

**Police Levy Fund** -This fund receives proceeds from a property tax levy for police protection for Village residents.

**VILLAGE OF PLEASANT HILL  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

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

**Cemetery Fund** - This fund receives money from the sale of grave plots and burials to manage the cemetery.

**Street Lights Fund** - This fund receives proceeds from a special assessment for street lights for Village residents.

**3. Enterprise Funds**

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

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

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

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

**4. Fiduciary Funds (Trust Fund)**

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. The Village had the following significant fiduciary fund:

**Expendable Trust Fund**

**Oakes Beiteman Building Fund** – This fund receives interest earnings to be used for upkeep of the building.

**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 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.

**VILLAGE OF PLEASANT HILL  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

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

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2001 and 2000 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**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.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	2001	2000
Demand deposits	\$137,170	\$97,997
Certificates of deposit	93,184	90,798
Total deposits	230,354	188,795
 STAR Ohio	 351,628	 337,637
 Total deposits and investments	 \$581,982	 \$526,432

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Village.

**Investments:** Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**VILLAGE OF PLEASANT HILL  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$121,080	\$128,632	\$7,552
Special Revenue	94,324	161,583	67,259
Enterprise	241,000	243,526	2,526
Fiduciary	1,360	5,071	3,711
Total	<u>\$457,764</u>	<u>\$538,812</u>	<u>\$81,048</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$298,655	\$151,430	\$147,225
Special Revenue	214,812	133,915	80,897
Enterprise	408,356	196,817	211,539
Fiduciary	62,424	1,100	61,324
Total	<u>\$984,247</u>	<u>\$483,262</u>	<u>\$500,985</u>

2000 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$131,172	\$131,172	\$0
Special Revenue	104,303	103,807	(496)
Enterprise	243,240	243,240	0
Fiduciary	3,954	3,954	0
Total	<u>\$482,669</u>	<u>\$482,173</u>	<u>(\$496)</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$256,100	\$90,340	\$165,760
Special Revenue	181,608	71,144	110,464
Enterprise	374,454	208,103	166,351
Fiduciary	62,107	1,699	60,408
Total	<u>\$874,269</u>	<u>\$371,286</u>	<u>\$502,983</u>

**VILLAGE OF PLEASANT HILL  
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

**5. RETIREMENT SYSTEMS**

The Village's law enforcement officers [belong to the Ohio Police and Fire Pension Funds (OP&F). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, OP&F participants contributed 10% of their wages. The Village contributed an amount equal to 19.5% of police participant wages. PERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Village has paid all contributions required through December 31, 2001.

**6. RISK MANAGEMENT**

**Risk Pool Membership**

The Village belongs to the Public Entities Pool of Ohio ("PEP"), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty insurance for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

PEP retains casualty risks up to \$250,000 per occurrence. Claims exceeding \$250,000 are reinsured with APEEP up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000, from the General Reinsurance Corporation.

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to a per-occurrence limit of \$2,000,000.

VILLAGE OF PLEASANT HILL  
MIAMI COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)

6. RISK MANAGEMENT (Continued)

Property Coverage

PEP retains property risks, including automobile physical damage up to \$100,000 on any specific loss. The Travelers Indemnity Company reinsures specific losses exceeding \$100,000. The Travelers Indemnity Company also provides aggregate excess coverage for property including automobile physical damage subject to an annual stop loss. When the stop loss is reached in any year, The Travelers Indemnity Company provides coverage in excess of \$10,000.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31:

<u>Casualty Coverage</u>	<u>2001</u>	<u>2000</u>
Assets	\$19,358,458	\$17,112,129
Liabilities	<u>(8,827,588)</u>	<u>(7,715,035)</u>
Retained earnings	<u>\$10,530,870</u>	<u>\$9,397,094</u>
<u>Property Coverage</u>	<u>2001</u>	<u>2000</u>
Assets	1,890,323	\$1,575,614
Liabilities	<u>(469,100)</u>	<u>(281,561)</u>
Retained earnings	<u>\$1,421,223</u>	<u>\$1,294,053</u>





**STATE OF OHIO  
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

One First National Plaza  
130 W. Second Street  
Suite 2040  
Dayton, Ohio 45402  
Telephone 937-285-6677  
800-443-9274  
Facsimile 937-285-6688  
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND  
ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Village of Pleasant Hill  
Miami County  
P.O. Box 557  
Pleasant Hill, Ohio 45359

To the Village Council:

We have audited the accompanying financial statements of the Village of Pleasant Hill, Miami County (the Village) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated July 22, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2001-30355-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated July 22, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 2001-30355-002.

**Internal Control Over Financial Reporting  
(Continued)**

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider item 2001-30355-002 to be a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated July 22, 2002.

This report is intended solely for the information and use of the audit committee, management and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

July 22, 2002

**VILLAGE OF PLEASANT HILL  
MIAMI COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2001 AND 2000**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2001-30355-001**

**FINDING FOR RECOVERY - REPAID UNDER AUDIT**

Robert Chaney is the Service Superintendent for the Village of Pleasant Hill. For the period of April 4, 2000 through October 3, 2000, Robert Chaney's contract states he would receive compensation at the rate of \$35,000 annually (\$1,346.15 bi-weekly). Mr. Chaney was allowed overtime pay at 1.5 times his base pay which calculates to be \$25.24/hr. The Village Clerk, Mary Stanforth, incorrectly calculated Mr. Chaney's pay, and subsequently Mr. Chaney was paid compensation of \$1,394.23 bi-weekly and overtime at the rate of \$26.13/hr for the period stated above, which is higher than his contract allows. This resulted in Mr. Chaney being overpaid in the amount of eight hundred, thirty-seven dollars and twenty-one cents (\$837.21).

In accordance with the forgoing facts, and pursuant to **Ohio Rev. Code Section 117.28**, a Finding for Recovery for public monies being illegally expended is hereby issued against Robert Chaney, Service Superintendent, Mary Stanforth, Village Clerk, and Hartford Fire Insurance (bonding company of the clerk) jointly and severally, and in favor of the Village of Pleasant Hill's General Fund (33.3%), Water Fund (33.3%), and Sewer Fund (33.3%), for the amount of eight hundred, thirty-seven dollars and twenty-one cents (\$837.21). A signed agreement was entered into between Mr. Chaney and the Village, dated August 28, 2002, to repay the finding in the amount of \$32.20 per pay period over the next 26 payroll periods.

**FINDING NUMBER 2001-30355-002**

**MATERIAL WEAKNESS**

**Utility Reports and Records**

The following utility reports are not printed at month end for review:

- Account Ledger
- Summary Cash Receipt by Cycle and Book Report

In addition, the amount of utility revenue is not reconciled to the Village's books, nor are any adjustments made at month end approved by the Clerk and Board of Public Affairs.

This could result in funds being misappropriated or customers' accounts being adjusted without justification. At month end, the Billing Clerk should print the Summary Cash Receipt by Cycle and Book Report and an Account Ledger. Total revenue per type should be reconciled to the Village revenue ledger and bank statements. A report identifying all adjustments should be prepared and presented to the Board of Public Affairs for approval each month.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**VILLAGE OF PLEASANT HILL**

**MIAMI COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 19, 2002**