



OHIO AUDITOR OF STATE
KEITH FABER



**VILLAGE OF SHAWNEE HILLS
DELAWARE COUNTY**

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INDEPENDENT AUDITOR'S REPORT

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

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Shawnee Hills, Delaware County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and fiduciary fund type as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2024 and 2023, or the changes in financial position thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2025, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

September 10, 2025

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Village of Shawnee Hills, Ohio*Delaware County**Combined Statement of Receipts, Disbursements**and Changes in Fund Balances (Regulatory Cash Basis)**All Governmental Fund Types**For the Year Ended December 31, 2024*

	General	Special Revenue	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$135,131	\$445,237	\$0	\$580,368
Municipal Income Tax	866,542	0	0	866,542
Intergovernmental	44,696	97,925	25,000	167,621
Charges for Services	19,494	0	0	19,494
Licenses, Permits and Fees	13,622	375	0	13,997
Fines, Forfeitures and Settlements	8	0	0	8
Earnings on Investments	40,358	9,173	0	49,531
Miscellaneous	1,119	1,454	0	2,573
				0
<i>Total Cash Receipts</i>	<u>1,120,970</u>	<u>554,164</u>	<u>25,000</u>	<u>1,700,134</u>
Cash Disbursements				
Current:				
Security of Persons and Property	0	728,594	0	728,594
Community Environment	113,254	0	0	113,254
Transportation	0	72,065	0	72,065
General Government	413,877	56,855	0	470,732
Capital Outlay	0	304,139	0	304,139
Debt Service:				
Principal Retirement	7,008	28,534	25,000	60,542
Interest and Fiscal Charges	6,442	4,912	0	11,354
<i>Total Cash Disbursements</i>	<u>540,581</u>	<u>1,195,099</u>	<u>25,000</u>	<u>1,760,680</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>580,389</u>	<u>(640,935)</u>	<u>0</u>	<u>(60,546)</u>
Other Financing Receipts (Disbursements)				
Transfers In	0	477,821	0	477,821
Transfers Out	(477,821)	0	0	(477,821)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(477,821)</u>	<u>477,821</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	<u>102,568</u>	<u>(163,114)</u>	<u>0</u>	<u>(60,546)</u>
<i>Fund Cash Balances, January 1</i>	<u>510,456</u>	<u>538,452</u>	<u>12,500</u>	<u>1,061,408</u>
<i>Fund Cash Balances, December 31</i>	<u>\$613,024</u>	<u>\$375,338</u>	<u>\$12,500</u>	<u>\$1,000,862</u>

See accompanying notes to the basic financial statements

Village of Shawnee Hills, Ohio
Delaware County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Proprietary Fund Types
For the Year Ended December 31, 2024

	<u>Proprietary Fund Types</u>
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$374,998
<i>Total Operating Cash Receipts</i>	<u>374,998</u>
Operating Cash Disbursements	
Personal Services	22,932
Employee Fringe Benefits	4,010
Contractual Services	282,676
Supplies and Materials	<u>4,065</u>
<i>Total Operating Cash Disbursements</i>	<u>313,683</u>
<i>Operating Income (Loss)</i>	<u>61,315</u>
Non-Operating Receipts (Disbursements)	
Earnings on Investments (proprietary funds only)	199
Principal Retirement	(43,528)
Interest and Other Fiscal Charges	(37,969)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(81,298)</u>
<i>Income (Loss) before Capital Contributions</i>	(19,983)
Capital Contributions	<u>23,419</u>
<i>Net Change in Fund Cash Balances</i>	3,436
<i>Fund Cash Balances, January 1</i>	<u>234,202</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$237,638</u></u>
<i>See accompanying notes to the basic financial statements</i>	

Village of Shawnee Hills, Ohio
Delaware County
Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)
All Fiduciary Fund Types
For the Year Ended December 31, 2024

	Fiduciary Fund Types
	Custodial
	Evans Farm JEDD
Additions	
Amounts Received as Fiscal Agent	\$64,604
<i>Total Additions</i>	<u>64,604</u>
Deductions	
Distributions as Fiscal Agent	<u>72,117</u>
<i>Total Deductions</i>	<u>72,117</u>
<i>Net Change in Fund Balances</i>	(7,513)
<i>Fund Cash Balances, January 1</i>	<u>7,566</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$53</u></u>
<i>See accompanying notes to the basic financial statements</i>	

Village of Shawnee Hills, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 1 – Reporting Entity

The Village of Shawnee Hills (the Village), Delaware County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly elected six-member Council directs the Village. The Village provides sewer utilities, park operations, and police services. The Village contracts with Concord Township Fire Department for Fire and EMS protection Services.

In 2020, the Village, along with Orange Township and Concord Township entered into a Joint Economic Development District Contract creating the Evans Farm JEDD. The Village is the fiscal agent for this JEDD.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all organized on a fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Construction Maintenance and Repair The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Police District Fund The Police District Fund receives real estate property tax monies along with transfers from the General Fund to provide safety services to the village.

Fire Levy Fund The Fire Levy Fund receives real estate property tax monies for providing fire and EMS protection. This service is contracted out to the Concord Township Fire Department.

Village of Shawnee Hills, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project funds: Other Capital Projects Fund. This fund receives monies to assist in the payment of projects.

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 Funds:

Sewer Operating Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Enterprise Debt Service Fund The Enterprise Debt Service Fund is used to accumulate resources for the payment of the Sanitary Sewer System Bonds.

Custodial Fund This fund is used for the Evans Farm JEDD income tax monies that come in.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund – department – personal services level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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 approve estimated resources.

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 reappropriated.

Village of Shawnee Hills, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

A summary of 2024 budgetary activity appears in Note 3.

Capital Assets

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

Accumulated Leave

Village employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2024, distributions of \$771.04 are reflected as Class Action Lawsuit revenue in OneOhio Special Revenue Fund in the accompanying financial statements.

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:

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

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.

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.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

Village of Shawnee Hills, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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.

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2024 follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,031,125	\$1,120,970	\$89,845
Special Revenue	1,048,267	1,031,985	(16,282)
Capital Projects	25,000	25,000	0
Enterprise	388,854	398,616	9,762
Total	<u>\$2,493,246</u>	<u>\$2,576,571</u>	<u>\$83,325</u>

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,147,812	\$1,035,947	\$111,865
Special Revenue	1,547,427	1,218,224	329,203
Capital Projects	25,000	25,000	0
Enterprise	489,114	395,441	93,673
Total	<u>\$3,209,353</u>	<u>\$2,674,612</u>	<u>\$534,741</u>

The Village custodial fund is not required to be budgeted.

Note 4 – Deposits and Investments

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained

Village of Shawnee Hills, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit and investment accounts are as follows:

	<u>2024</u>
<i>Cash Management Pool:</i>	
Demand deposits	<u>\$1,238,553</u>
Total deposits	<u>\$1,238,553</u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2024, the village is holding \$7,040.46 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Note 5 – Taxes

Property Taxes

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

Village of Shawnee Hills, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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

Income Taxes

The Village levies a municipal income tax of 2.0 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Regional Income Tax Authority either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 6 – Risk Management

Workers' Compensation

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The intent of the GRP is to achieve the benefit of reduced premiums for the participants, foster safer working conditions and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating entities is calculated as one experience and a common premium is applied to all entities in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for all entities in the GRP rather than its individual rate. Total savings are then calculated, and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP. Sedgwick provides administrative, cost control and actuarial services to the GRP.

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. *(If material; can be deleted if immaterial.)*

Risk Pool Membership

The Village is a member of the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable unincorporated non-profit association providing a formalized, jointly, administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The

Village of Shawnee Hills, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 801 members as of December 31, 2023.

The Pool's audited financial statements conform with accounting principles generally accepted in the United /states of America, with the exception of a qualified opinion related to recording premiums and membership fees earned pro-rata over the individual coverage and membership periods of each policy. The financial statements reported the following assets, liabilities and equity at December 31,2023.

Cash and investments	\$23,113,696
Actuarial liabilities	\$16,078,587
Member's Equity	7,035,109

You can read the complete audited financial statements for OPRM at the Plan's website:
www.ohioplan.org.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All full-time and part-time Village employees, excluding full-time police officers, 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2024.

Ohio Police and Fire Retirement System

The Village's full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2024

Village of Shawnee Hills, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

Note 9 – Debt Debt outstanding at December 31, 2024, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Lease 2021 Ford Explorer	\$11,087	0.0398
Lease 2022 Ford Explorer	\$30,423	0.0399
Lease 2023 Chevy Tahoe	\$23,663	0.0629
Lease 2024 Ford F350	40,571	0.679
OPWC 2011	34,432	0
OPWC 2016	37,500	0
2012 Various Purpose Bonds	320,696	0.3675
2016 Sanitary Sewer Refunding Bonds	991,668	0.3675
Total	<u><u>\$1,490,040</u></u>	

In 2011, the Village entered into a zero percent loan agreement in the amount of \$60,762.51 with the Director of the Ohio Public Works Commission for the Storm Water Improvement Project. The Village will repay the loan in semiannual installments of \$1,102.71 over thirty years. The Village has agreed to set storm water rates sufficient to cover the OWDA debt service requirements. The last payment is due July, 2041.

In August 2016, the Village received Sanitary Sewer Refunding Bonds from Delaware County in the amount of \$1,284,500.00. The Refunding Bond has a beginning interest rate of 3.71% which will increase every five years. For 2023 the interest rate was 3.675%. The Village has agreed to set the sanitary sewer rate to

Village of Shawnee Hills, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

be sufficient to cover the Delaware County debt service requirements. The payments for these bonds will be paid annually with a final pay date of August 2041.

In 2012, the Village received various purpose bonds from Delaware County in the amount of \$499,999.80 with a beginning interest rate of 2.66% and increasing every five years for the cost of acquiring a building for municipal purposes and installing a sidewalk along Dublin Road. For 2024 the interest rate was 3.95%. The Village will repay these bonds annually with a beginning payment of \$26,849.04. The last payment is due in November, 2042.

In January 2016, the Village entered into a zero percent loan agreement with the director of the Ohio Public Works commission for the Dublin Rd./Glick Rd. Intersection project in the amount of \$250,000.00. The loan has a 10-year term with biannual payments of \$12,500.00 over ten years with the last payment due in January 2026. The City of Dublin has agreed to pay for this loan as they partnered with the Village on this intersection project.

In July 2018, the Village entered into a 72-month lease agreement for a 2018 Dodge Journey in the amount of \$12,443.50. This lease has an interest rate of 5.79% with a monthly payment of \$204.99 with the last payment due July 3, 2024.

In September 2021, the Village entered into a 58-month lease agreement for a 2021 Ford Interceptor in the amount of \$32,760.00. This lease has an interest rate of 3.98% with the first payment of \$1,809.09 and the remaining monthly payments of \$603.03 with the last payment due on July 1, 2026.

In April 2022, the Village entered into a sixty-month lease agreement for a 2022 Ford Interceptor in the amount of \$61,900.40. This lease has an interest rate of 3.99% with a monthly payment of \$1,139.71 with the last payment due on April 1, 2027.

In March 2023 the Village entered into a sixty-month lease agreement for a 2023 Chevy Tahoe in the amount of \$35,630.00. This lease has an interest rate of 6.29% with a monthly payment of \$685.08 with the last payment due on February 15, 2028.

In July 2024 the Village entered into a sixty-month lease agreement for a 2024 Ford F350 with a snow plow in the amount of \$43,665.00. This lease has an interest rate of 6.79% with a monthly payment of \$862.35. The last payment will be due on July 1, 2029.

Amortization

Amortization of the above debt, including interest, is scheduled as follows:

Village of Shawnee Hills, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Year Ending December 31:	Financed Purchases	OPWC	Bonds
2025	\$34,406	\$27,025	60,589
2026	33,151	14,525	62,863
2027	21,347	2,026	64,699
2028	10,940	2,026	66,905
2029	5,900	2,026	69,549
2030-2034	0	10,127	367,836
2035-2039	0	10,127	410,475
2040-2042	0	4,050	<u>209,448</u>
Total	<u>\$105,744</u>	<u>\$71,932</u>	<u>1,312,364</u>

Note 10 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Fund Balances	General	Revenue	Enterprise	Total
Outstanding Encumbrance	17,545	23,125	261	40,931
<i>Total</i>	<u>\$17,545</u>	<u>\$23,125</u>	<u>\$261</u>	<u>\$40,931</u>

The fund balance of special revenue funds is either restricted or committed. These restricted, committed and assigned amounts in the special revenue fund would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 11 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2024, the Village did not receive COVID-19 funding. The Village will continue to spend available COVID-19 funding consistent with the applicable program guidelines

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Village of Shawnee Hills, Ohio*Delaware County**Combined Statement of Receipts, Disbursements**and Changes in Fund Balances (Regulatory Cash Basis)**All Governmental Fund Types**For the Year Ended December 31, 2023*

	General	Special Revenue	Capital Projects	Combined Total
Cash Receipts				
Property and Other Local Taxes	\$103,282	\$475,849	\$0	\$579,131
Municipal Income Tax	767,735	0	0	767,735
Intergovernmental	36,167	92,525	37,500	166,192
Charges for Services	13,277	0	0	13,277
Licenses, Permits and Fees	15,397	307	0	15,704
Earnings on Investments	20,753	13,945	0	34,698
Miscellaneous	37,231	1,333	0	38,564
<i>Total Cash Receipts</i>	<u>993,842</u>	<u>583,959</u>	<u>37,500</u>	<u>1,615,301</u>
Cash Disbursements				
Current:				
Security of Persons and Property	0	652,080	0	652,080
Community Environment	105,059	0	0	105,059
Transportation	0	55,132	0	55,132
General Government	335,236	22,807	0	358,043
Capital Outlay	0	582,788	0	582,788
Debt Service:				
Principal Retirement	17,420	24,627	25,000	67,047
Interest and Fiscal Charges	14,037	4,367	0	18,404
<i>Total Cash Disbursements</i>	<u>471,752</u>	<u>1,341,801</u>	<u>25,000</u>	<u>1,838,553</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>522,090</u>	<u>(757,842)</u>	<u>12,500</u>	<u>(223,252)</u>
Other Financing Receipts (Disbursements)				
Transfers In	0	530,955	0	530,955
Transfers Out	(530,955)	0	0	(530,955)
Other Financing Sources	0	550	0	550
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(530,955)</u>	<u>531,505</u>	<u>0</u>	<u>550</u>
<i>Net Change in Fund Cash Balances</i>	<u>(8,865)</u>	<u>(226,337)</u>	<u>12,500</u>	<u>(222,702)</u>
<i>Fund Cash Balances, January 1</i>	<u>519,321</u>	<u>764,789</u>	<u>0</u>	<u>1,284,110</u>
<i>Fund Cash Balances, December 31</i>	<u>\$510,456</u>	<u>\$538,452</u>	<u>\$12,500</u>	<u>\$1,061,408</u>

See accompanying notes to the basic financial statements

Village of Shawnee Hills, Ohio
Delaware County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Proprietary Fund Types
For the Year Ended December 31, 2023

	<u>Proprietary Fund Types</u>
	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	\$337,832
<i>Total Operating Cash Receipts</i>	<u>337,832</u>
Operating Cash Disbursements	
Personal Services	24,284
Employee Fringe Benefits	4,158
Contractual Services	153,560
Supplies and Materials	<u>4,604</u>
<i>Total Operating Cash Disbursements</i>	<u>186,606</u>
<i>Operating Income (Loss)</i>	<u>151,226</u>
Non-Operating Receipts (Disbursements)	
Earnings on Investments (proprietary funds only)	1,877
Principal Retirement	(42,057)
Interest and Other Fiscal Charges	(39,440)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(79,620)</u>
<i>Net Change in Fund Cash Balances</i>	71,606
<i>Fund Cash Balances, January 1</i>	<u>162,596</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$234,202</u></u>
<i>See accompanying notes to the basic financial statements</i>	

Village of Shawnee Hills, Ohio

Delaware County

Combined Statement of Additions, Deductions

and Changes in Fund Balances (Regulatory Cash Basis)

All Fiduciary Fund Types

For the Year Ended December 31, 2023

	Fiduciary Fund Types
	Custodial
	Evans Farm JEDD
Additions	
Amounts Received as Fiscal Agent	\$20,459
<i>Total Additions</i>	<u>20,459</u>
Deductions	
Distributions as Fiscal Agent	<u>12,893</u>
<i>Total Deductions</i>	<u>12,893</u>
<i>Net Change in Fund Balances</i>	7,566
<i>Fund Cash Balances, January 1</i>	<u>0</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$7,566</u></u>

See accompanying notes to the basic financial statements

Village of Shawnee Hills, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The Village of Shawnee Hills (the Village), Delaware County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides sewer utilities, park operations, and police services. The Village contracts with Concord Township Fire Department to receive Fire and EMS protection services.

In 2020, the Village, along with Orange Township and Concord Township entered into a Joint Economic Development District Contract creating the Evans Farm JEDD. The Village is the fiscal agent for this JEDD.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all organized on a fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Construction Maintenance and Repair The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax and motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

Police District Fund The Police district fund receives real estate property tax monies along with transfers from the general fund to provide safety services to the village.

Fire Levy Fund The fire levy fund receives real estate property tax monies for providing fire and EMS protection. This service is contracted out to the Concord Township Fire Department.

Village of Shawnee Hills, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project funds: Other Capital Projects Fund. This fund receives monies to assist in the payment of projects.

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 Funds:

Sewer Operating Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Enterprise Debt Service Fund This fund is used to accumulate resources for the payment of the Sanitary Sewer System Bonds.

Custodial Fund This fund is used for the Evans Farm JEDD income tax monies that come in.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund-department-personal services level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

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 approve estimated resources.

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 reappropriated.

Village of Shawnee Hills, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2023

A summary of 2023 budgetary activity appears in Note 3.

Capital Assets

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

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.

Settlement Monies

During 2023, Ohio reached a settlement agreement with Monsanto. As a participating subdivision, the Village received a settlement payment of \$17,414.03 during 2023. This amount is reflected as miscellaneous revenue in the General Fund in the accompanying financial statements

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:

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

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.

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.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

Village of Shawnee Hills, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2023

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

Note 3 – Budgetary Activity

Budgetary activity for the year ending 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,044,013	\$993,842	(\$50,171)
Special Revenue	1,117,331	1,115,464	(1,867)
Capital Projects	25,000	37,500	12,500
Enterprise	350,736	339,709	(11,027)
Total	<u>\$2,537,080</u>	<u>\$2,486,515</u>	<u>(\$50,565)</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,084,589	\$1,005,462	\$79,127
Special Revenue	1,826,991	1,364,674	462,317
Capital Projects	25,000	25,000	0
Enterprise	402,959	268,498	134,461
Total	<u>\$3,339,539</u>	<u>\$2,663,634</u>	<u>\$675,905</u>

The Village custodial fund is not required to be budgeted.

Village of Shawnee Hills, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 4 – Deposits and Investments

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit and investment accounts are as follows:

Cash Management Pool	<u>2023</u>
Demand Deposits	<u>\$1,303,176</u>
Total Deposits	<u>\$1,303,176</u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the village is holding \$8,199.59 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Note 5 – Taxes

Property Taxes

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

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

Income Taxes

The Village levies a municipal income tax of 2.0 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Village of Shawnee Hills, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Employers within the Village withhold income tax on employee compensation and remit the tax to the Regional Income Tax Authority (RITA) either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 6 – Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Risk Pool Membership

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 801 members as of December 31, 2023.

The Pool's audited financial statements conform with accounting principles generally accepted in the United States of America, with the exception of a qualified opinion related to recording premiums and membership fees earned in full as of December 31, 2023. Those premiums and fees should be earned pro-rata over the individual coverage and membership periods of each policy. The financial statements reported the following assets, liabilities and equity at December 31, 2023.

Assets	\$ 23,113,696
Liabilities	<u>(16,078,587)</u>
Members' Equity	<u>\$ 7,035,109</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Village of Shawnee Hills, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

All Full Time and part time Village employees, excluding full time police officers, 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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

Ohio Police and Fire Retirement System

All village full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2023.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

Note 9 – Debt

Debt outstanding at December 31, 2023, was as follows:

Village of Shawnee Hills, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2023

	<u>Principal</u>	<u>Interest Rate</u>
Lease 2018 Dodge Journey	\$1,408	0.0579
Lease 2022 Ford Explorer	\$42,620	0.0399
Lease 2021 Ford Explorer	\$17,739	0.0398
Lease 2023 Chevy Tahoe	30,254	0.0629
OPWC 2011	36,458	0
OPWC 2016	62,500	0
2016 Sanitary Sewer Refunding Bonds	1,033,171	0.03675
2012 Various Purpose Bonds	337,588	0.0366
Total	<u>\$1,561,738</u>	

In 2011, the Village entered into a zero percent loan agreement in the amount of \$60,762.51 with the Director of the Ohio Public Works Commission for the Storm Water Improvement Project. The Village will repay the loan in semiannual installments of \$1,102.71 over thirty years. The Village has agreed to set storm water rates sufficient to cover the OWDA debt service requirements. The last payment is due July, 2041.

In August 2016, the Village received Sanitary Sewer Refunding Bonds from Delaware County in the amount of \$1,284,500.00. The Refunding Bond has a beginning interest rate of 3.71% which will increase every five years. For 2023 the interest rate was 3.675%. The Village has agreed to set the sanitary sewer rate to be sufficient to cover the Delaware County debt service requirements. The payments for these bonds will be paid annually with a final pay date of August 2041.

In 2012, the Village received various purpose bonds from Delaware County in the amount of \$499,999.80 with a beginning interest rate of 2.66% and increasing every five years for the cost of acquiring a building for municipal purposes and installing a sidewalk along Dublin Road. For 2023 the interest rate was 3.66%. The Village will repay these bonds annually with a beginning payment of \$26,849.04. The last payment is due in November, 2042.

In January 2016, the Village entered into a zero percent loan agreement with the director of the Ohio Public Works commission for the Dublin Rd./Glick Rd. Intersection project in the amount of \$250,000.00. The loan has a 10-year term with biannual payments of \$12,500.00 over ten years with the last payment due in January 2026. The City of Dublin has agreed to pay for this loan as they partnered with the Village on this intersection project.

In July 2018, the Village entered into a 72-month lease agreement for a 2018 Dodge Journey in the amount of \$12,443.50. This lease has an interest rate of 5.79% with a monthly payment of \$204.99 with the last payment due July 3, 2024.

Village of Shawnee Hills, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2023

In September 2021, the Village entered into a 58-month lease agreement for a 2021 Ford Interceptor in the amount of \$32,760.00. This lease has an interest rate of 3.98% with the first payment of \$1,809.09 and the remaining monthly payments of \$603.03 with the last payment due on July 1, 2026.

In April 2022, the Village entered into a sixty-month lease agreement for a 2022 Ford Interceptor in the amount of \$61,900.40. This lease has an interest rate of 3.99% with a monthly payment of \$1,139.71 with the last payment due on April 1, 2027.

In March 2023 the Village entered into a sixty-month lease agreement for a 2023 Chevy Tahoe in the amount of \$35,630.00. This lease has an interest rate of 6.29% with a monthly payment of \$685.08 with the last payment due on February 15, 2028.

Amortization

Amortization of the above debt, including interest, is scheduled as follows:

<u>YE December 31</u>	<u>Financed Purchases</u>	<u>OPWC</u>	<u>Bonds</u>
2024	\$26,847	\$27,025	\$58,395
2025	26,610	27,025	60,589
2026	24,801	14,525	62,863
2027	12,403	2,026	64,699
2028	1,360	2,026	66,905
2029-2033		10,127	364,605
2034-2038		10,127	394,297
2039-2042		6,077	298,406
Total	<u>\$92,021</u>	<u>\$98,958</u>	<u>\$1,370,759</u>

Note 10 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

Village of Shawnee Hills, Ohio
Delaware County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Fund Balances	General	Special Revenue	Enterprise	Total
Outstanding Encumbrances	2,755	22,873	395	26,023
Total	\$2,755	\$22,873	\$395	\$26,023

The fund balance of special revenue funds is either restricted or committed. These restricted, committed and assigned amounts in the special revenue fund would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 11 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2023, the Village did not receive COVID-19 funding. The Village will continue to spend available COVID-19 funding consistent with the applicable program. We plan to use the funds for sanitary sewer repairs.

Note 12 - Restatement of Fund Cash Balance

The Village increased their beginning fund cash position at January 1, 2023 in the General Fund due to a check in the amount of \$62.89 written in 2022 never being cashed. The effect of the adjustment on the beginning fund cash balance is reflected in the chart below.

Governmental Funds	12/31/2022 As Previously Reported	Corrections	01/01/2023 As restated
General Fund	519,258	63	519,321

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OHIO AUDITOR OF STATE KEITH FABER

65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

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

To the Village Council:

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the years ended December 31, 2024 and 2023 and the related notes to the financial statements of the Village of Shawnee Hills, Delaware County, Ohio (the Village) and have issued our report thereon dated September 10, 2025, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2024-001 that we consider to be a significant deficiency.


Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2024-002.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

September 10, 2025

VILLAGE OF SHAWNEE HILLS
DELAWARE COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023

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

FINDING NUMBER 2024-001

Payroll Approvals – Significant Deficiency

The Village of Shawnee Hills's Policy No. 610, *Payroll Records*, states supervisors are responsible for approving the payroll records of employees under their supervision.

During Fiscal Years 2024 and 2023, the Village did not have the proper internal controls in place to help ensure employees' timesheets and leave requests were approved by supervisors prior to being submitted to the Fiscal Officer for processing.

We noted the following errors were processed by the Fiscal Officer without prior approval:

- 19 out of 26 (73%) of the Village Administrator's timesheets were not approved in 2024, and 21 out of 27 (78%) were not approved in 2023.
- 3 out of 21 (14%) of the Fiscal Officer's leave usage were not approved by a supervisor in 2024, and 9 out of 14 (64%) were not approved in 2023.

We also noted the Village did not use leave request forms during 2024 and 2023. Instead, leave usage was recorded on the employees' timesheets. The accrued leave in the payroll system was not monitored by any independent employees other than the Fiscal Officer.

Failure of supervisors, who have knowledge of employees' time worked, to review and approve timesheets and leave requests, increases the risk of fraud and could result in financial statement misstatements and expenditures that are not for a proper public purpose.

The Village should review its internal control policies and procedures over the payroll process to help ensure that supervisors are approving employee timesheets and leave requests as intended by policy.

Officials' Response: We did not receive a response from Officials to this finding.

**VILLAGE OF SHAWNEE HILLS
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2024 AND 2023
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2024-002

Finding for Recovery – Material Noncompliance

On September 10, 2024, shortly after the Village of Shawnee Hills's paving project was awarded to a paving firm, the Village's Fiscal Officer received an email from an individual representing herself as an employee of the paving firm requesting an electronic payment form. When filling out the electronic payment form, this individual provided routing and bank account numbers, which were supposedly the routing and bank account numbers of the paving firm's account. The Village did not perform any verbal confirmations of the account information with the paving firm.

On October 16, 2024, the Village's Fiscal Officer, Shirley Roskoski, submitted an electronic payment of \$54,388.20 to the bank account listed on the above noted electronic payment form supposedly containing the paving firm's account information.

On December 4, 2024, the Village's Fiscal Officer was informed by the Azusa, California Police Department, during the course of their investigation into fraudulent activity, that the Village's \$54,388.20 electronic payment was actually sent to Beverly Lowring's bank account, instead of the paving firm's account. As of the conclusion of our audit, the monies have not been repaid to the Village.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code §§ 117.24 & 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Beverly Lowring, Shirley Roskoski, and Ms. Roskoski's bonding company, Western Surety Company, jointly and severally, in the amount of \$54,388.20, and in favor of Village of Shawnee Hills's Street Construction, Maintenance, and Repair Fund, in the amount of \$54,388.20.

The Fiscal Officer should obtain confirmation of all bank accounts for electronic payments to vendors, via a phone call or an established email address with a confirmed employee at the vender, prior to adding/changing electronic payment information in the Village's automated system.

Officials' Response: We did not receive a response from Officials to this finding.



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2024 AND 2023**

Finding Number	Finding Summary	Status	Additional Information
2022-001 (Initial Occurrence 2022)	Significant Deficiency regarding payroll approvals.	Not Corrected.	Payroll approvals are not being performed consistently. Re-issued as Finding 2024-001. Refer to Official's response in Schedule of Findings.

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF SHAWNEE HILLS

DELAWARE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/25/2025

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov