



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Riverlea
Franklin County
240 West Riverglen Drive
Worthington, Ohio 43085

We have performed the procedures enumerated below on the Village of Riverlea's (the Village) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2023 and 2022 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Village. The Village is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2023 and 2022 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Village.

The Village Council, Mayor and the management of the Village have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing assistance in the evaluation of the Village's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2023 and 2022, and certain compliance requirements related to these transactions and balances. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

For the purposes of performing these procedures, this report only describes exceptions exceeding \$10.

The procedures and the associated findings are as follows:

Cash and Investments

1. We recalculated the December 31, 2023 and December 31, 2022 bank reconciliations. We noted \$3,376 in outstanding checks incorrectly recorded as cleared for both fiscal years in their internal accounting system.

2. We agreed the January 1, 2022 beginning fund balances for each fund recorded in the General Ledger Report to the December 31, 2021 balances in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2023 beginning fund balances for each fund recorded in the General Ledger Report to the December 31, 2022 balances in the General Ledger Report. We found no exceptions.
3. We agreed the 2023 and 2022 bank reconciliation as of December 31, 2023 and 2022 to the total fund cash balances reported in the General Ledger Report and the financial statements filed by the Village in the Hinkle System. We noted for the years ending December 31, 2023 and 2022, the Village incorrectly reported 1 check for \$3,375 as a cleared disbursement rather than an outstanding check.
4. We confirmed the December 31, 2023 bank account balances with the Village's financial institutions and Ohio Pooled Collateral System. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2023 bank reconciliation. A variance of \$186.40 was noted due to an instance of a check clearing on the last day of the year compared to when the reconciliation was performed.
5. We selected 5 reconciling debits (such as outstanding checks) from the December 31, 2023 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and dates to the check register and determined the debits were dated prior to December 31. We found no exceptions.
6. We traced interbank account transfers occurring in December of 2023 and 2022 to the accounting records and bank statements to determine if they were properly recorded. We found no exceptions.
7. We inspected investments held at December 31, 2023 and December 31, 2022 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code §§ 135.13, 135.14, 135.144 or 135.145. We found no exceptions.
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code § 135.13 or 135.14. We found no exceptions.

Property Taxes and Intergovernmental Receipts

1. We selected a total of 5 receipts from the *Statement of Semiannual Apportionment of Taxes and State Distribution Transaction Listing (DTL)* for 2023 and a total of 5 from 2022:
 - a. We compared the amount from the above named reports to the amount recorded in the Receipt Ledgers. The amounts agreed.
 - b. We inspected the Receipt Ledgers to determine these receipts were allocated to the proper funds as required by Ohio Rev. Code §§ 5705.05 and 5705.10. We found no exceptions.
 - c. We inspected the Receipt Ledger to determine whether the receipt was recorded in the proper year. The receipt was recorded in the proper year. We found no exceptions.
2. We inspected the Receipt Ledgers to determine whether it included 2 real estate tax receipts for 2023 and 2022. The Receipt Ledgers included the proper number of tax receipts for each year. We found no exceptions.

Debt

1. From the prior agreed-upon procedures documentation, we observed the following loans were outstanding as of December 31, 2021.
 - a. These amounts did not agree to the Village's balances on the summary we used in procedure 3, as we noted the prior year report incorrectly included debt obligations that did not belong to the Village. The amounts reported as outstanding as of December 31, 2021 below were not included in the prior year agreed-upon procedures report; however, do agree to the Village's balances on the summary used to evaluate procedure 3.
 - b. We inspected the debt agreements for all outstanding debt, and we confirmed the Village was in compliance with the debt covenants listed below.

Issue	Principal outstanding as of December 31, 2021:	Debt Covenant
OPWC CC05Q	\$455,750.09	N/A
OPWC CC07U	\$2,050,556.64	N/A
OWDA 7922	\$1,407,272.59	In the event that the Issuer pays less than the full amount due hereunder or any due date, then the amount so paid shall be applied first to interest payable hereunder, then to any late charges payable.

2. We inquired of management and inspected the Revenue Ledgers and Expense Ledgers for evidence of debt issued during 2023 or 2022 or debt payment activity during 2023 or 2022. There were no new debt issuances and all debt payments agreed to the summary we used in procedure 3.
3. We obtained a summary of loans debt activity for 2023 and 2022 and agreed principal and interest payments from the related debt amortization schedules to debt service fund payments reported in the Expenses Ledgers. We also compared the date the debt service payments were due to the date the Village made the payments. We found no exceptions.

Payroll Cash Disbursements

1. We selected 1 payroll check for 5 employees from 2023 and 1 payroll check for 5 employees from 2022 from the Payroll Register and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Register to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. We inspected the fund and account codes to which the check was posted to determine the posting was allowable based on the employees' duties as documented in the minute record. We found no exceptions.
 - c. We confirmed the payment was posted to the proper year. We found no exceptions.
2. We selected all new employees and Council Members from 2022 and:
 - a. We inspected the employees'/Council Members' personnel files for the Retirement system, Federal, State & Local income tax withholding authorization.
 - b. We agreed the items in a above to the Employee W-4's.
 We found no exceptions.

3. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2023 to confirm remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period during 2023. We observed the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2024	December 17, 2023	\$900	\$900
State income taxes	January 15, 2024	December 17, 2023	\$2,100	\$2,100
Social Security	January 31, 2024	December 17, 2023	\$2,941	\$2,941

We found no exceptions.

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Expense Ledgers for the year ended December 31, 2023 and 10 from the year ended 2022 and determined whether:
 - a. The disbursements were for a proper public purpose. We found no exceptions.
 - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Expense Ledgers and to the names and amounts on the supporting invoices. We found 2 instances where the Village failed to maintain supporting documentation, and thus, we were unable to agree the amount on the check and Expense Ledgers to the supporting documentation.
 - c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.
 - d. The fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code § 5705.41(D). We found no exceptions.

Compliance – Budgetary

1. Ohio Rev. Code § 5705.41(B) prohibits expenditures (disbursements plus certified commitments including outstanding encumbrances) from exceeding appropriations. We compared total expenditures to total approved appropriations (Ohio Rev. Code §§ 5705.38 and 5705.40) plus any carryover appropriations for the years ended December 31, 2023 and 2022 for the General Fund, Street Fund, Infrastructure Improvement Bond, Infrastructure Maintenance, and Infrastructure Construction funds as recorded in the Appropriation and Expenses Report. Infrastructure Improvement Bond Fund expenditures for 2022 exceeded total appropriations by \$6,720, contrary to Ohio Rev. Code § 5705.41(B).
2. We inspected the General Ledgers Report for the years ended December 31, 2023 and 2022 for negative cash fund balance. Ohio Rev. Code § 5705.10(l) provides that money paid into a fund must be used for the purposes for which such fund is established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another. There were no funds having negative cash fund balances.

Sunshine Law Compliance

1. We obtained and inspected the Village's Public Records Policy to determine the policy was in accordance with Ohio Rev. Code §§ 149.43(E)(2) and 149.43(B)(7)(c) and did not limit the number of responses that may be made to a particular person, limit the number of responses during a specified period of time, or establish a fixed period of time before it will respond unless that period is less than eight hours. We found no exceptions.
2. We selected the only public records request from the engagement period and inspected the request to determine the following:
 - a. For the public records request selected, the Village did not respond to the request in accordance with their adopted policy. See the table below.

Date Request Received	Date Request Fulfilled	Policy Response Time (in Business days)	Actual Response Time (in Business Days)
April 17, 2023	May 8, 2023	7	15

- b. The Village did not have any denied public records requests during the engagement period.
 - c. The Village did not have any public records requests with redactions during the engagement period.
3. We inquired whether the Village had a records retention schedule and observed that it was readily available to the public as required by Ohio Rev. Code § 149.43(B)(2). We found no exceptions.
4. We inquired with Village management and determined that the Village did not have written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2).
5. We inquired with Village management and determined that the Village did not have a policy manual during the engagement period therefore the public records policy could not be included as required by Ohio Rev. Code § 149.43(E)(2).
6. We inquired with Village management and determined the Village did not have a physical location during the engagement period and therefore the Public Records Policy could not be displayed in all the branches of the Village as required by Ohio Rev. Code § 149.43(E)(2). Additionally, the Village did not post the policy to their website in lieu of having it displayed in a physical location.
7. We inquired with Village management and determined that the Village did not have any applications for record disposal submitted to the Records Commission during the engagement period.
8. We inquired with Village management and determined two elected officials (or his/her designee) did not complete the Public Records Training requirements during the engagement period as required r each elected official in accordance with Ohio Rev. Code § 149.43(E)(1).
9. We inspected the public notices for the public meetings held during the engagement period and determined the Village notified the general public and news media of when and where meetings during the engagement period were to be held as required by Ohio Rev. Code § 121.22(F). We found no exceptions.

10. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Rev. Code § 121.22(C) and determined whether they were:
 - a. Prepared – a file is created following the date of the meeting
 - b. Filed – placed with similar documents in an organized manner
 - c. Maintained - retained, at a minimum, for the engagement period
 - d. Open to public inspection – available for public viewing or request.We found no exceptions.

11. We inspected the minutes from the engagement period in accordance with Ohio Rev. Code § 121.22(G) and determined that there were no executive sessions held during the engagement period.

Contract Compliance:

1. We inspected the Minutes and identified the Village had expenditures subject to competitive bidding. We found no exceptions.

2. We selected the Village's only contract subject to competitive bidding requirements for 2023 and
 - a. We inspected the contract and other bids for the contracted expenditure and determined:
 - i. The Village accepted the lowest bid and met the requirements of Ohio Rev. Code § 735.05.
 - ii. No bid splitting occurred.
 - iii. No deliberate attempts to evade bid limitations occurred, such as successive contracts just under the bid amount, occurred.
 - iv. No apparent interest in the contract by a public official occurred.We found no exceptions.

 - b. We inspected the advertisements of the proposals for bids in the newspaper and determined they were made as required by Ohio Rev. Code §§731.14 and 7.16 We found no exceptions.

Other Compliance

1. Ohio Rev. Code § 117.38 requires villages to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies, regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. We confirmed the Village filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended December 31, 2023 and 2022 in the Hinkle system. We found no exceptions for financial statements filed for fiscal year ended December 31, 2023, however, financial information for fiscal year ended December 31, 2022 was filed on March 31, 2023 which was not within the allotted timeframe.

2. We inspected the Fiscal Integrity Act Portal (<http://www.ohioauditor.gov/fiscalintegrity/default.html>) to determine whether the fiscal officer obtained the training required by Ohio Rev. Code §§ 507.12 and 733.81. The Fiscal Officer obtained none of the required 12 hours of training.

We were engaged by the Village to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Village's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Village and to meet our ethical responsibilities, in accordance with the ethical requirements established by the Comptroller General of the United States' *Government Auditing Standards* related to our agreed upon procedures engagement.



Keith Faber
Auditor of State
Columbus, Ohio

September 3, 2024

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF RIVERLEA

FRANKLIN 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 9/17/2024

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