

**VILLAGE OF RIVERLEA  
FRANKLIN COUNTY**

**AGREED UPON PROCEDURES**

**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

**Wilson, Phillips & Agin, CPA's, Inc.  
1100 Brandywine Blvd., Building G  
Zanesville, Ohio 43701**





# Dave Yost • Auditor of State

Village Council  
Village of Riverlea  
240 W Riverglen Dr  
Worthington, OH 43085

We have reviewed the *Independent Accounts' Report on Applying Agreed-Upon Procedures* of the Village of Riverlea, Franklin County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the period January 1, 2014 through December 31, 2015. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Riverlea is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

July 19, 2016

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**WILSON, PHILLIPS, & AGIN, CPA'S, INC.  
1100 BRANDYWINE BLVD., BUILDING G  
ZANESVILLE, OHIO 43701**

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

Village of Riverlea  
Franklin County  
240 W Riverglen Dr  
Worthington, OH 43085

We have performed the procedures enumerated below, with which the Village Council, Mayor and the management of Village of Riverlea, Franklin County, Ohio (the Village) and the Auditor of State agreed, solely to assist the Council and Mayor in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2015 and 2014, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management, the Mayor, and/or the Council are responsible for complying with the compliance requirements. This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

This report only describes exceptions exceeding \$10.

**Cash and Investments**

1. We tested the mathematical accuracy of the December 31, 2015 and December 31, 2014 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2014 beginning fund balances recorded in the Cash Journal to the December 31, 2013 balances in documentation in the prior year agreed upon procedures. We found no exceptions. We also agreed the January 1, 2015 beginning fund balances recorded in the Cash Journal to the December 31, 2014 balances in the Cash Journal. We found no exceptions.
3. We agreed the totals per the bank reconciliation to the total of December 31, 2015 and 2014 fund cash balances reported in the Cash Journal. The amounts agreed.
4. We confirmed the December 31, 2015 and 2014 bank account balance with the Village's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2015 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2015 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 cash journal, to determine the debits were dated prior to December 31. We found no exceptions.
6. We tested interbank account transfers occurring in December of 2015 and 2014 to determine if they were properly recorded in the accounting records and on each bank statement. We found no exceptions.

7. We tested investments held at December 31, 2015 and December 31, 2014 to determine that they:
  - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.44. We found no exceptions.
  - b. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. We noted no exceptions.

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

1. We selected a property tax receipt from one Statement of Semiannual Apportionment of Taxes (the Statement) for 2015 and one from 2014.
  - a. We traced the gross receipts from the Statement to the amount recorded in the Cash Journal. The amounts agreed.
  - b. We determined whether the receipt was allocated to the proper funds as required by Ohio Rev. Code 5705.05-.06 and 5705.10. We found no exceptions.
  - c. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We scanned the Cash Journal to determine whether it included two real estate tax receipts for 2015 and 2014. We noted the Cash Journal included the proper number of tax receipts for each year.
3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2015 and five from 2014. We also selected five receipts from the County Auditor's DTLs from 2015 and five from 2014.
  - a. We compared the amount from the above reports to the amount recorded in the Cash Journal. The amounts agreed.
  - b. We determined whether these receipts were allocated to the proper funds. We found no exceptions.
  - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

**Debt**

1. From the prior agreed upon procedures documentation, we noted the following loan outstanding as of December 31, 2013. These amounts agreed to the Villages January 1, 2014 balances on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2013:
OPWC - SEWER IMPROVEMENT	\$522,872

2. We inquired of management and scanned the Cash Journal for evidence of debt issued during 2015 or 2014 or debt payment activity during 2015 or 2014. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of debt activity for 2015 and 2014 and agreed principal and interest payments from the related debt amortization schedule to General Fund payments reported in the Cash Journal. We also compared the date the debt service payments were due to the date the Village made the payments. We found no exceptions.
4. We agree the amount of debt proceeds from the debt documents to amounts recorded in the Capital Projects Fund per the Cash Journal. The amounts agree.
5. For new debt issued during 2015 and 2014, we inspected the debt legislation, noting the Village must use the proceeds to improve Sanitary Sewer Lines. This is a continuation of the loan that began in 2013. We scanned the Cash Journal and noted the Village used the proceeds to replace the Sanitary Sewer Lines, Pipe Lining, and bypass pumping.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2015 and one payroll check for five employees from 2014 from the Payroll Records and:
  - a. We compared the hours and pay rate, or salary recorded in the Employee Detail Adjustment Report to supporting documentation (timecard, legislatively or statutorily approved rate or salary). We found no exceptions.
  - b. We recomputed gross and net pay and agreed it to the amount recorded in the Payroll Records. We found no exceptions.
  - c. We determined whether the fund and account codes to which the check was posted were reasonable based on the employee's duties as documented in the minute record, timesheets or as required by statute. We also determined whether the payment was posted to the proper year. We found no exceptions.
  
2. We scanned the last remittance of tax withholdings for the year ended December 31, 2015 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld, plus the employer's share, where applicable during the final withholding period during 2015. We noted the following:

<b>Withholding</b>					
<b>(Plus employer share</b>					
<b>Where applicable)</b>	<b>Due Date</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>	
Federal Income Taxes	January 31, 2016	January 25, 2016	\$ 1,779.68	\$ 1,779.68	
State Income Taxes	January 31, 2016	January 25, 2016	225.00	225.00	

**Non-payroll Cash Disbursements**

From the Cash Journal, we re-footed checks recorded as General Fund disbursements for security of persons and property, and checks recorded as public works in the General Fund for 2015. We found no exceptions.

We haphazardly selected ten disbursements from the Cash Journal for the year ended December 31, 2015 and ten from the year ended December 31, 2014 and determined whether:

- a. In our opinion, the disbursements were for a public purpose. We found no exceptions.
- b. The check number, date, payee name and amount recorded on the returned, canceled check image agreed to the check number, date, payee name and amount recorded in the Cash Journal and to the names and amounts on the supporting invoices. We noted no exceptions.
- c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.
- d. The fiscal officer certified disbursements requiring certification or issued a Then and Now Certificate, as required by Ohio Rev. Code Section 5705.41(D). We found no exceptions.

**Compliance-Budgetary**

1. We compared the total estimated receipts from the Amended Official Certificate of Estimated Resources, required by Ohio Revised Code Section 5705.36 (A)(1), to the amounts recorded in the financial records for the General Fund, Street Fund, and the Permissive Fund for the years ended December 31, 2015 and 2014. The amount on the Certificate does not agree to the amounts recorded in the financial records. The Village does not have a budgetary report that they use. Council should prepare and use a budget report for more accurate information for budgeting and to monitor spending.

2. We scanned the appropriation measures adopted for 2015 and 2014 to determine whether, for the General Fund, Street Fund and the Permissive Fund, the Council appropriated separately for "each office, department, and division, and within each, the amount appropriated for personal services," as is required by Ohio Revised Code Section 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Revised Code Section 5705.38 and 5705.40, to the amounts recorded in the financial records for 2015 and 2014 for the following funds: General Fund, Street Fund and the Permissive Fund. The amounts on the appropriation resolutions do not agree to the amounts recorded in the financial records. The Village does not have a budgetary report. Council should prepare and use a budget report for more accurate information for budgeting and to monitor spending.
4. Ohio Revised Code Section 5705.36(A)(5) and 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the General Fund, Street Fund and the Permissive Fund for the years ended December 31, 2015 and 2014. We noted no funds for which appropriations exceeded certified resources.
5. Ohio Revised Code Section 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2015 and 2014 for the General Fund, Street Fund and the Permissive Fund, as recorded in the Cash Journal. We noted no funds for which expenditures exceeded appropriations.
6. Ohio Revised Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We scanned the Cash Journal for evidence of new restricted receipts requiring a new fund during December 31, 2015 and 2014. We also inquired of management regarding whether the Village received new restricted receipts. We noted no evidence of new restricted receipts for which Ohio Revised Code Section 5705.09 would require the Village to establish a new fund.
7. We scanned the 2015 and 2014 Cash Journal for evidence of interfund transfers exceeding \$20,000 which Ohio Revised Code Sections 5705.14 - .16 restrict. We found no evidence of transfers these Sections prohibit, or for which Section 5705.16 would require approval by the Tax Commissioner and Court of Common Pleas.
8. We inquired of management and scanned the Cash Journal to determine whether the Village elected to establish reserve accounts permitted by Ohio Revised Code Section 5705.13. We noted the Village did not establish these reserves.
9. We scanned the Cash Journal by Fund for the years ended December 31, 2015 and 2014 for negative cash fund balance. Ohio Revised Code Section 5705.10(I) 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. We noted no funds having a negative cash fund balance.

#### **Compliance – Contracts and Expenditures**

We inquired of management and scanned the Payment Register Detail report for the years ended December 31, 2015 and 2014 to determine if the Village proceeded by force account (i.e. used its own employees) to maintain or repair roads (cost of project exceeding \$30,000) or to construct or reconstruct Village roads (cost of project \$30,000/per mile) for which Ohio Rev. Code Sections 117.16(A) and 723.52 requires the Village engineer, or officer having a different title but the duties and functions of an engineer, to complete a force account project assessment form (i.e., cost estimates). We identified no projects requiring completion of the force account assessment form.

**Other Compliance**

1. Ohio Revised Code Section 117.38 requires townships to file their financial information in the HINKLE system formerly known as the Annual Financial Data Reporting System (AFDRS) within 60 days after the close of the fiscal year. We reviewed AFDRS to verify the Village filed their financial information within the allotted timeframe for the years ended December 31, 2015 and 2014. Financial information was filed on April 23, 2015 which was not within the allotted timeframe.

Client Response: We agree with findings in this report.

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

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

***Wilson, Phillips & Agin, CPA's, Inc.***  
Zanesville, Ohio  
June 30, 2016

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# Dave Yost • Auditor of State

**VILLAGE OF RIVERLEA**

**FRANKLIN 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  
AUGUST 2, 2016**