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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Village of Arlington Heights
Hamilton County
601 Elliot Avenue
Arlington Heights, Ohio 45215

We have performed the procedures enumerated below on the Village of Arlington Heights, Hamilton County, Ohio (the Village's) 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

1. We recalculated the December 31, 2023 and December 31, 2022 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2022 beginning fund balances for each fund recorded in the Fund Ledger Report to the December 31, 2021 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2023 beginning fund balances for each fund recorded in the Fund Ledger Report to the December 31, 2022 balances in the Fund Ledger Report. We found no exceptions.

3. We agreed the 2023 and 2022 bank reconciliation adjusted UAN Balances and Adjusted Bank Balances as of December 31, 2023 and 2022 to the total fund cash balances reported in the Fund Status Report and the financial statements filed by the Village in the Hinkle System. The amounts agreed. The Village maintained a payroll bank account that was excluded from the main cash reconciliation for both years. In addition, a separate payroll account reconciliation was not performed in either year. The payroll bank statement balances on December 31, 2023 and December 31, 2022 were \$4,150 and \$3,770 respectively. The year-end balances in the payroll bank accounts did not clear shortly after year-end. The Village should either include the payroll accounts in the main cash reconciliation or prepare a separate payroll account reconciliation.
4. We confirmed the December 31, 2023 bank account balances with the 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 without exception.
5. We selected five 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 inspected the Receipts Detail Ledger and the Fund Balance Adjustment Listing to determine whether the Finding for Adjustment identified in the prior audit report of \$38,810 due from the General fund and payable to the American Rescue Plan Act fund, was properly posted to the ledgers and reflected in the fund balances in Procedure 2. The adjustment was never made. A finding for adjustment is proposed for \$38,810 due from the General fund, payable to the American Rescue Plan Act fund.
7. We traced interbank account transfers occurring in December of 2023 and 2022 to the bank statements to determine if they were properly recorded. We found no exceptions.

Property Taxes, Intergovernmental and Other Confirmable Cash Receipts

1. We selected a total of five receipts from the *Statement of Semiannual Apportionment of Taxes and State Distribution Transaction Listing (DTL)* for 2023 and a total of five from 2022:
 - a. We compared the amount from the above named report to the amount recorded in the Receipt Register Report. The amounts agreed.
 - b. We inspected the Receipt Register Report 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 Register Report to determine whether the receipt was recorded in the proper year. The receipts were recorded in the proper year. We found no exceptions.
2. We inspected the Receipt Register Report to determine whether it included two real estate tax receipts for 2023 and 2022. The Receipt Register Report included the proper number of tax receipts for each year. We found no exceptions.

Income Tax Receipts

1. We obtained the December 31, 2023 and 2022 Monthly Distribution Summary reports submitted by the Regional Income Tax Agency (RITA), the agency responsible for collecting income taxes on behalf of the Village. We agreed the total net income taxes per year to the Village's Receipt Register Report. The amounts agreed. The Village failed to post income tax receipts at the gross

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amount. The Village should post income tax receipts from RITA at the gross amount and the related expenses associated with using RITA.

2. We obtained the original income tax ordinance which set the tax rate and effective period. The original ordinance was dated November 2, 2015. We determined there were no additional (Council or voter) approved amendments to the original ordinance. We agreed the most recent approved rate to the rate on RITA's supporting documentation. We found no exceptions.

Other Receipts

We selected 10 other receipts from the year ended December 31, 2023 and 10 other receipts from the year ended 2022 and:

- a. Agreed the receipt amount recorded in the Receipt Register Report to supporting documentation. The amounts agreed.
- b. Inspected the Receipt Register Report to determine the receipt was posted to the proper funds, and was recorded in the proper year.

Debt

1. From the prior audit documentation, we observed the following loans were outstanding as of December 31, 2021.
 - a. These amounts agreed to the Village's January 1, 2022 balances on the summary we used in procedure 3.
 - b. We inspected the debt documents and confirmed the Village does not have any debt covenants.

Issue	Principal outstanding as of December 31, 2021:
2019 OPWC Loan #CB23W	\$29,685
2020 OPWC Loan #CB21X	\$66,614

2. We inquired of management and inspected the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2023 or 2022 or debt payment activity during 2023 or 2022. All debt agreed to the summary we used in procedure.,
3. We obtained a summary of loan debt activity for 2023 and 2022 and agreed principal and interest payments from the related debt amortization schedules to Permissive Motor Vehicle License Tax fund payments reported in the Payment Register Detail Report. 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 one payroll check for five employees from 2023 and one payroll check for five employees from 2022 from the Wage Withholdings Detail Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Wage Detail Report 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 employees' personnel files. We found no exceptions.
 - c. We confirmed the payment was posted to the proper year. We found no exceptions.

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2. We selected one new employee from 2023 and:
 - a. We inspected the employee's personnel file for the Retirement system, Federal, State & Local income tax withholding authorization.
 - b. We agreed the items in a above to the Earnings Summary Report.

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 (and social security, for employees not enrolled in pension system)	January 31, 2024	January 3, 2024 and January 5, 2024	\$1,992.50	\$1,992.50
State income taxes	January 15, 2024	January 3, 2024	\$370.75	\$370.75
Village of Arlington Heights income tax	January 15, 2024	December 29, 2023	\$325.19	\$325.19
OPERS retirement	January 30, 2024	January 3, 2024	\$2,078.04	\$2,078.04

We found no exceptions.

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Payment Register Detail Report 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 canceled check agreed to the check number, date, payee name and amount recorded in the Payment Register Detail Report and to the names and amounts on the supporting invoices. The Village was unable to provide supporting documentation for one of 10 (10%) expenditures tested in 2023. The payee for this expenditure was Morton Salt, Inc.
 - c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used.
 - d. The Fiscal Officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code § 5705.41(D). One of 10 (10%) expenditures tested in 2023 did not have a supporting invoice so proper certification could not be determined.

Mayor's Court Transactions and Cash Balances

1. We recalculated the December 31, 2023 and December 31, 2022 bank reconciliations. We found no exceptions.
2. We compared the reconciled cash totals as of December 31, 2023 and December 31, 2022 to the Mayor's Court Fund balance reported in the Total to be Disbursed Reports. The balances agreed.
3. We agreed the totals per the bank reconciliations to the total of December 31, 2023 and 2022 listing of unpaid distributions plus bonds held and outstanding checks as of each December 31. The

amounts agreed. We did note \$1,740 of stale dated open bonds and \$131 of stale dated outstanding checks on the December 31, 2023 and 2022 Mayor's Court Reconciliations.

4. We confirmed the December 31, 2023 bank account balance with the 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 without exception.
5. We selected five cases from the court cash book and agreed the payee and amount posted to the:
 - a. Duplicate receipt book.
 - b. Docket, including comparing the total fine paid to the judgment issued by the judge (i.e. mayor)
 - c. Case file.The amounts recorded in the cash book, receipts book, docket and case file agreed.
6. From the cash book, we selected one month from the year ended December 31, 2023 and one month from the year ended 2022 and determined whether:
 - a. The monthly sum of fines and costs collected for those months agreed to the amounts reported as remitted to the Village, State, or other applicable government in the following month. We found no exceptions.
 - b. The totals remitted for these two months per the cash book agreed to the returned canceled checks. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the cash book.

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 every fund as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.
2. We inspected the Cash Summary by Fund Report for the years ended December 31, 2023 and 2022 for negative cash fund balance. Ohio Rev. Code § 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. 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. The Village was not able to provide support for tracking or responding to any public records requests as required by Ohio Rev. Code § 149.43(B)(1).
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. There was not any 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 inspected the Village's policy manual and determined the public records policy was included as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
6. We observed that the Village's poster describing their Public Records Policy was displayed conspicuously in all branches of the Village as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
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 inspected individual proofs of attendance and determined whether each elected official in accordance with Ohio Rev. Code § 149.43(E)(1) (or his/her designee) successfully attended a certified three-hour Public Records Training for each term of office as required by Ohio Rev. Code § 109.43(B). We found no exceptions.
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; and
 - 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 the following:
 - a. Executive sessions were only held at regular or special meetings.
 - b. The purpose for the meetings and going into an executive session (when applicable) did not correlate with one of the matters listed in Ohio Rev. Code § 121.22(G) for two instances in which the Village entered into executive session. In both instances the Village failed to note the purpose in accordance with Ohio Rev. Code § 121.22(G).
 - c. Formal governing board actions were adopted in open meetings.

Contract Compliance:

1. We inspected the Minutes and identified the Village had expenditures subject to competitive bidding. We found no exceptions.
2. We selected one 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. There were no apparent interests in the contract by a public official.We found no exceptions.

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- 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 are as defined in AOS Bulletin 2015-007. We confirmed the Village filed 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.

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

December 16, 2024

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF ARLINGTON HEIGHTS

HAMILTON 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 12/31/2024

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This report is a matter of public record and is available online at
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