



Dave Yost • Auditor of State





# Dave Yost • Auditor of State

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

Clearwater Council of Governments  
Ottawa County  
235 N. Toussaint South Road  
Oak Harbor, Ohio 43449-9086

We have performed the procedures enumerated below, with which the Council members and the management of Clearwater Council of Governments, Ottawa County, Ohio (the Council) agreed, solely to assist the Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the year ended December 31, 2014, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management and the Board 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, 2014 bank reconciliation. We found no exceptions.
2. We compared the January 1, 2014, beginning fund balances recorded in the General Ledger to the December 31, 2013 balances in the documentation in the prior year agreed-upon procedures working papers. The balances did not agree. The January 1, 2014 balance exceeded the December 31, 2013 by \$4,497. The excess consists of \$366 representing checks issued in 2013 that were subsequently voided in 2014 and a \$4,131 adjustment to increase the carrying value of an investment during 2014.
3. We agreed the totals per the bank reconciliation to the total of the December 31, 2014 fund cash balances reported in the General Ledger. The amounts agreed.
4. We confirmed the December 31, 2014 bank account balances with the Council's financial institutions. We found one exception. The confirmed balance for an investment account was \$4,131 less than the carrying amount per the Trial Balance. This excess was due to a posted adjustment incorrectly increasing the carrying amount of the investment. This excess was corrected through an adjustment to the General Ledger on July 9, 2015.

### **Cash and Investments (Continued)**

5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2014 bank reconciliation:
  - a. We traced each debit to the subsequent January bank statements. We found no exceptions.
  - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. We noted no exceptions.
6. Pursuant to Ohio Rev. Code Section 167.04 (B), the Council appointed a fiscal officer and prescribed allowable investments. We compared investments held at December 31, 2014 to the investments the Investment policy permits. We found no exceptions.

### **Intergovernmental and Other Confirmable Cash Receipts**

1. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2014.
  - a. We compared the amount from the above report to the amount recorded in the General Ledger. The amounts agreed.
  - b. We determined whether these receipts were allocated to the proper fund. We found no exceptions.
  - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.
2. We confirmed the amount paid from the Marion County Board of Developmental Disabilities (the Board) to the Council during 2014 with the Board. We found no exceptions.
  - a. We determined whether the receipt was allocated to the proper fund. We found no exceptions.
  - b. We determined whether the receipt was recorded in the proper year. We found no exceptions.

### **Over-The-Counter Cash Receipts**

We haphazardly selected 10 over-the-counter cash receipts from the year ended December 31, 2014 recorded in the Deposit Detail Report and determined whether the:

- a. Receipt amount agreed to the amount recorded in the General Ledger. The amounts agreed.
- b. Amount charged complied with rates in force during the period. We found no exceptions.
- c. Receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

### **Debt**

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2013.
2. We inquired of management, and scanned the General Ledger and for evidence of debt issued during 2014 or debt payment activity during 2014. We noted no new debt issuances, nor any debt payment activity during 2014.

### **Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from the 2014 Expense Detail Sorted by Name Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Expense Detail Sorted by Name Report to supporting documentation (timecard, legislatively approved rate or salary). We found no exceptions.
  - b. We determined whether the fund and account code to which the check was posted were reasonable based on the employees' duties as documented in the employees' personnel files. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. Marion County processes payroll, including the withholding and subsequent remittances of Federal and Medicare, State, Local and Ohio Public Employees Retirement System (OPERS), on behalf of the Council. We scanned Marion County's last remittance of tax and retirement withholdings for the year ended December 31, 2014 to determine whether remittances were timely paid for the final withholding period of 2014. We found no exceptions. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2014 to determine whether remittances were timely charged, and if the amounts charged agreed to the amounts withheld, plus the employer's share, where applicable, during the final withholding period of 2014. We found no exceptions.

### **Non-Payroll Cash Disbursements**

We haphazardly selected ten disbursements from the General Ledger for the year ended December 31, 2014 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 General Ledger and to the names and amounts on the supporting invoices. We found 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.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the Council'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, those charged with governance, and others within the Council , and is not intended to be, and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

Columbus, Ohio

July 10, 2015



# Dave Yost • Auditor of State

**CLEARWATER COUNCIL OF GOVERNMENTS**

**OTTAWA 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 6, 2015**