



Dave Yost • Auditor of State





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

Ashland Area Council for Economic Development  
Ashland County  
1123 State Route 96  
Ashland, OH 44805

We have performed the procedures enumerated below, which were agreed to by the Council and the management of the Ashland Area Council for Economic Development, Ashland County, Ohio (the Council), on the receipts, disbursements and balances recorded in the Council's cash basis accounting records for the year ended December 31, 2016 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Council. The Council is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the year ended December 31, 2016 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Council. 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

1. We recalculated the December 31, 2016 bank reconciliation. We found no exceptions.
2. We agreed the January 1, 2016 beginning fund balances recorded in the Balance Sheet to the December 31, 2015 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2016 beginning fund balances recorded in the Account Quick Report to the December 31, 2015 balances in the Account Quick Report. We found no exceptions.
3. We agreed the totals per the bank reconciliation to the total of the December 31, 2016 fund cash balances reported in the Reconciliation Detail. The amounts agreed.
4. We observed the year-end bank balance on the financial institution's website. The balance agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2016 bank reconciliation without exception.
5. We selected all reconciling debits (such as outstanding checks) haphazardly from the December 31, 2016 bank reconciliation:
  - a. We traced each debit to the subsequent March 2017 bank statement. 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. There were no exceptions.

### **Cash (Continued)**

6. We selected all reconciling credits (such as deposits in transit) haphazardly from the December 31, 2016 bank reconciliation:
  - a. We traced each credit to the credit appearing in the subsequent January bank statement. We found no exceptions.
  - b. We agreed the credit amounts to the Receipts Register. Each credit was recorded as a December receipt for the same amount recorded in the reconciliation.

### **Member Contributions**

We haphazardly selected five member contribution cash receipts from the year ended December 31, 2016 recorded in the Account Quick Report and:

- a. Agreed the receipt amount to the amount recorded in the Account Quick Report. The amounts agreed.
- b. Agreed the amount charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the Account Quick Report to determine the receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

### **Debt**

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2015.
2. We inquired of management, and inspected the Account Quick Report for evidence of debt issued during 2016 or debt payment activity during 2016. No new debt issuances, nor any debt payment activity during 2016 was found.

### **Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for all employees from 2016 from the Account Quick Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Transaction Detail Report to supporting documentation (timecard, legislatively approved rate or salary). We found no exceptions.
  - b. We inspected the Payroll Transaction Summary Report to determine whether the fund and account codes to which the check was posted were reasonable based on the employees' duties as documented in the employees' personnel files. We also inspected the Payroll Transaction Summary Report to determine whether the payment was posted to the proper year. We found no exceptions.
2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2016 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 of 2016. We observed the following:

**Payroll Cash Disbursements (Continued)**

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare	January 31, 2017	January 11, 2017	\$1,550.60	\$1,550.60
State income taxes	January 31, 2017	January 17, 2017	341.73	341.73
Local income tax	January 31, 2017	January 20, 2017	199.31	199.31
OPERS retirement	January 30, 2017	February 28, 2017	3,149.00	3,149.00

As stated above, the Council did not pay OPERS the amount due as required by Ohio Rev. Code Sections 145.47 and 145.48 by January 30, 2017.

3. We haphazardly selected and recomputed one termination payment (unused vacation, etc.) using the following information, and agreed the computation to the amount paid as recorded in the Employee Detail Report:
  - a. Accumulated leave records
  - b. The employee's pay rate in effect as of the termination date
  - c. The Council of Government's payout policy.

The amount paid was consistent with the information recorded in a. through c. above.

**Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the Account Quick Report for the year ended December 31, 2016 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 Account Quick Report 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.

**Other Compliance**

1. Ohio Rev. Code Section 117.38 requires entities to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. We confirmed the Council filed their complete financial statements for the year ended December 31, 2016, as defined by AOS Bulletin 2015-007, but were filed on June 20, 2017 which was not within the allotted timeframe.

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*. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Council of Government'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.

This report is for the use of the Council to assist in evaluating its receipts, disbursements and balances recorded in their cash-basis accounting records for the year ended December 31, 2016, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

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

**Dave Yost**  
Auditor of State

Columbus, Ohio

July 12, 2017



# Dave Yost • Auditor of State

**ASHLAND AREA COUNCIL FOR ECONOMIC DEVELOPMENT**

**ASHLAND 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 24, 2017**