

CLEARWATER COUNCIL OF GOVERNMENTS

OTTAWA COUNTY, OHIO

AGREED-UPON PROCEDURES

For the Year Ended December 31, 2016





Dave Yost • Auditor of State

Council Members
Clearwater Council of Governments
235 N. Toussaint South Road
Oak Harbor, Ohio 43449

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Clearwater Council of Governments, Ottawa County, prepared by Charles E. Harris & Associates, Inc., for the period January 1, 2016 to December 31, 2016. 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 Clearwater Council of Governments is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

June 22, 2017

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**CLEARWATER COUNCIL OF GOVERNMENTS
OTTAWA COUNTY
Agreed-Upon Procedures
For the Year Ended December 31, 2016**

TABLE OF CONTENTS

<u>Title</u>	<u>Page</u>
Independent Accountants' Report on Applying Agreed-Upon Procedures	1

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, with which the Council members and the management of Clearwater Council of Governments (the Council of Governments) and the Auditor of State 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, 2016, 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, 2016 bank reconciliation. We found no exceptions.
2. We agreed the January 1, 2016 beginning fund balances recorded in the General Ledger to the December 31, 2015 balances in the prior year audited statements. 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 General Ledger. The amounts agreed.
4. We confirmed the December 31, 2016 bank account balances with the Council of Government's financial institutions. We found no exceptions.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2016 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, 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, 2016 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 2016. We also selected five receipts from the various member County Auditor's DTLs from 2016.
 - a. We compared the amount from the above reports 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 amounts paid from the Marion County Board of Developmental Disabilities to the Council of Governments during 2016 with the Board. We found no exceptions.
 - a. We determined whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Member Contributions

We haphazardly selected five member contribution cash receipts from the year ended December 31, 2016 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. 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 scanned the General Ledger for evidence of debt issued during 2016 or debt payment activity during 2016. We noted no new debt issuances, nor any debt payment activity during 2016.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2016 from the 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 codes 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, 2016 to determine whether remittances were timely paid for the final withholding period of 2016. We found no exceptions. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2016 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 2016. We found no exceptions.
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 General Ledger:
 - c. Accumulated leave records
 - d. The employee's pay rate in effect as of the termination date
 - e. 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

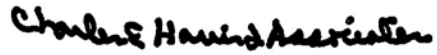
1. We haphazardly selected ten disbursements from the General Ledger for the year ended December 31, 2016 and determined whether:
 - a. The disbursements were for a proper public purpose. We found no exceptions.
 - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the 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.

Other Compliance

1. Ohio Rev. Code Section 117.38 requires entities 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 Council of Governments filed their financial information within the allotted timeframe for the year ended December 31, 2016. No exceptions noted.

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 of Government'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, the Board of Directors, the Auditor of State, and others within the Council of Governments, 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 "Charles Harris Associates". The signature is written in a cursive, slightly slanted style.

Charles E. Harris & Associates, Inc.
April 17, 2017

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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
JULY 6, 2017**