



Dave Yost • Auditor of State

THE EMPLOYMENT CONNECTION
HOCKING COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

The Employment Connection
Hocking County
1369 E. Front Street
Logan, Ohio 43138

We have performed the procedures enumerated below, which were agreed to by the Council Board and the management of The Employment Connection, Hocking County, Ohio (the Council), on the receipts, disbursements and balances recorded in the Council's cash basis accounting records for the years ended March 31, 2017 and 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 years ended March 31, 2017 and 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 March 31, 2017 and December 31, 2016 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2016 beginning balances recorded in the General Ledger to the December 31, 2015 balance in the prior year audited statement. We found no exceptions. We also agreed the January 1, 2017 beginning balance recorded in the General Ledger to the December 31, 2016 balance in the General Ledger. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the March 31, 2017 and December 31, 2016 cash balance reported in the General Ledger. The amounts agreed.
4. We confirmed the March 31, 2017 bank account balance with the Council's financial institution. We found no exceptions. We also agreed the confirmed balance to the amount appearing in the March 31, 2017 bank reconciliation without exception.

Cash (Continued)

5. We selected all three reconciling debits (such as outstanding checks) haphazardly from the March 31, 2017 bank reconciliation:
 - a. We traced the amounts and dates to the check register, to determine the debits were dated prior to March 31. There were no exceptions.
 - b. We reviewed the bank statements from January 2016 through December 2017 and noted the payments did not clear the bank. The Council of Government removed them from their outstanding check listing in December 2017. Therefore, the reconciling debits were properly included at March 31, 2017.

Intergovernmental and Other Confirmable Cash Receipts

We haphazardly selected all three receipts from the State Distribution Transaction Lists (DTL) from 2017 and five from 2016. We also selected the only receipt from the County Auditor's Appropriation History or Vendor Invoice List reports from 2017 and five from 2016.

- a. We compared the amount from the above reports to the amount recorded in the General Ledger. The amounts agreed.
- b. We inspected the General Ledger to determine that these receipts were allocated to the proper fund. We found no exceptions.
- c. We inspected the General Ledger to confirm whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. The prior audit documentation disclosed an outstanding loan due to Perry County Board of Developmental Disabilities in the amount of \$38,000 as of December 31, 2015.
2. We inquired of management, and inspected the General Ledger for evidence of debt issued during 2017 or 2016 or debt payment activity during 2017 or 2016. No new debt issuances were noted. However, payments totaling \$10,000 were noted to have been paid to Perry County on the prior period outstanding debt obligation during 2016. No debt payment activity was found during 2017. There is no written agreement outlining the terms and conditions of the loan.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2017 and one payroll check for five employees from 2016 from the Payroll Journal and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Journal to supporting documentation (timecard, legislatively approved rate or salary). We found no exceptions.
 - b. We inspected the General Ledger to determine whether the account code to which the check was posted was reasonable based on the minute record. We also inspected the General Ledger to determine whether the payment was posted to the proper year. We found no exceptions.

Payroll Cash Disbursements (Continued)

2. We inspected the last remittance of tax and retirement withholdings for the closeout date of March 31, 2017 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 2017. We observed the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	July 31, 2017	April 7, 2017	\$197	\$197
State income taxes	July 31, 2017	April 7, 2017	\$55	\$55
Local income tax	May 15, 2017	April 7, 2017	\$33	\$33
OPERS retirement	May 31, 2017	May 1, 2017	\$410	\$410

Non-Payroll Cash Disbursements

We haphazardly selected five disbursements from the Checking – Distribution Detail report for the year ended March 31, 2017 and ten from 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 Checking – Distribution Detail 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

Ohio Rev. Code § 117.38 requires councils 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, in addition to filing extensions granted for extenuating circumstances, allow for refile complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System for December 31, 2017 and 2016 fiscal year ends included in 2015-2016 or 2016-2017 agreed up on procedure engagements, subsequent to the Council's deadline where the initial filing was filed on time but incomplete. We confirmed the Council filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended March 31, 2017 and 2016 in the Hinkle system. There were no exceptions for 2016. However, financial information for 2017 was filed on March 13, 2018 which was not within the allotted timeframe.

Closeout Procedures

1. We inspected the minutes for the March 22, 2017 Board meeting, Resolution 2017:3-2, and Board correspondence to determine the dissolution of the Council was approved by a two-thirds (2/3) vote of the Board and each member received the required 45 days written notice prior to the required vote as required by Article X of the Council's by-laws. An exception was noted as the minutes documented only that the motion to dissolve was approved but did not document the details of voting action in order to support that the motion was approved by a two-thirds (2/3) vote. Required communications were completed, as required.

Closeout Procedures (Continued)

2. A listing of all transactions subsequent to the closeout date of March 31, 2017 was obtained from Management.

We selected all cash receipts received after the closeout date of March 31, 2017:

Date	Source	Amount	Purpose
April 3, 2017	Hocking County	\$10,000	Hocking Close-out Funding
June 6, 2017	Bureau of Workers Compensation	217	Employer Refund
July 7, 2017	Fairfield County	1,793	Unemployment
February 1, 2018	Bureau of Workers Compensation	816	Employer Refund
April 18, 2018	Hocking County	2,852	Unemployment for Director
May 3, 2018	Perry County	2,852	Unemployment for Director
September 17, 2018	Bureau of Workers Compensation	51	Employer Refund

For these receipts we:

- a. Agreed the receipt amount to the amount recorded in the General Ledger and Transaction List Report. The amounts agreed.
- b. Inspected the Transaction List Report to determine the receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

We selected all disbursements from the General Ledger and Transaction List Reports paid after the closeout date of March 31, 2017.

Date	Source	Amount	Purpose
April 30, 2017	TEC Payroll	\$1,197	April Payroll
April 11, 2017	MyPay Solutions	83	Payroll Processing Fee
April 11, 2017	MyPay Solutions	158	Payroll Processing W-2 and close-out fees
April 7, 2017	Federal, State, and Local Agencies	284	Payroll taxes
April 5, 2017	MEORC	959	Professional Services
April 5, 2017	Delage Landen Financial Services, Inc.	197	Copier Lease – March 2017
April 5, 2017	Wilging, Roush & Parsons CPA	1,025	Accounting Services
April 11, 2017	OnePak, Inc.	588	Copier Lease
April 17, 2017	Delage Landen Financial Services, Inc.	194	Copier Lease – April 2017
May 1, 2017	OPERS	820	March Retirement Contribution
May 1, 2017	OPERS	410	April Retirement Contribution
May 22, 2017	MEORC	958	March 2017 Administrative Services

Closeout Procedures (Continued)

Date	Source	Amount	Purpose
May 22, 2017	MEORC	958	April 2017 Administrative Services
May 22, 2017	Hocking Valley Industries	19	Administration fees – November 2016
June 1, 2017	Hocking Valley Industries	337	Participation fees – November 2016
June 1, 2017	Wilging, Roush & Parsons CPA	450	March and April Accounting
June 19, 2017	Ohio Dept. of Job & Family Services	467	Unemployment Benefits
June 19, 2017	MEORC	958	May 2017 Administrative Services
August 14, 2017	MEORC	958	June 2017 Administrative Services
August 14, 2017	MEORC	958	July 2017 Administrative Services
September 15, 2017	Wilging, Roush & Parsons CPA	300	June and July Accounting
September 15, 2017	MEORC	958	August 2017 Administrative Services
October 13, 2017	Wilging, Roush & Parsons CPA	150	August Accounting
November 6, 2017	Wilging, Roush & Parsons CPA	100	September Accounting
November 1, 2017	PNC Bank	12	Bank Account Maintenance Charge
December 1, 2017	PNC Bank	12	Bank Account Maintenance Charge
December 4, 2017	Wilging, Roush & Parsons CPA	50	October Accounting
January 5, 2018	Wilging, Roush & Parsons CPA	50	November Accounting
March 27, 2018	Wilging, Roush & Parsons CPA	450	December Accounting and Report preparation
May 21, 2018	Ohio Dept. of Job & Family Services	439	March 2018 Unemployment Benefits
June 4, 2018	Treasurer of State of Ohio	41	Audit Fees
September 5, 2018	Treasurer of State of Ohio	226	Audit Fees
August 30, 2018	Ohio Dept. of Job & Family Services	3,547	April – July Unemployment Benefits
October 10, 2018	Treasurer of State of Ohio	800	Audit Fees
October 1, 2018	PNC Bank	2	Bank Service Charge

Closeout Procedures (Continued)

For these disbursements we 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 Transaction List Report and to the names and amounts on the supporting invoices. We found no exceptions. All ACH transactions were agreed to the bank statement instead of the canceled check.
 - 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.
3. We obtained from management, inspected the Council's asset spreadsheet records and General Ledger, and inspected canceled checks from the Council's bank account to determine whether assets were distributed to Perry and Hocking Counties in accordance with Article X of the Council's by-laws which requires:
- a. Tangible personal property previously loaned or given to the Council that is identifiable be returned to the owner member;
 - b. All remaining tangible personal property sold at a public sale by sealed bid in accordance with Ohio Rev. Code § 307.12 with the proceeds equally provided amongst all members after all liabilities have been satisfied;
 - c. All unexpended moneys from federal, state and local sources for employment services that were not provided by the dissolution date were returned; and,
 - d. All remaining assets and other intangibles, including monies held by the Treasurer, are equally divided among all members after all liabilities, if any, have been satisfied.

Assets were distributed as required. The cash held by the Council at October 31, 2018 is committed for the payment to the Auditor of State of Ohio for completion of the close-out Agreed-Upon Procedures. The remaining balance and obligation are documented as follows.

Cash balance as of October 31, 2018	\$1,716
Remaining balance due to the Auditor of State for services provided / to be provided	1,907
Cash balance after payments	<u>(\$191)</u>

4. We inquired of management to determine if debt was forgiven. We verified with Perry County that the loan balance has been forgiven. However, we recommend the Perry County Board of Developmental Disabilities take formal action to forgive the debt balance outstanding.
5. We inquired of the Contract Business Manager's knowledge of and the nature of any outstanding, unpaid, obligation. There were no outstanding, unpaid obligations other than those due to the Auditor of State of Ohio for the close-out Agreed-Upon Procedures as identified above.

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 to provide assistance in in the evaluation of the Council's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended March 31, 2017 and 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, flowing style.

Dave Yost
Auditor of State
Columbus, Ohio

November 14, 2018

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THE EMPLOYMENT CONNECTION

HOCKING 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
NOVEMBER 27, 2018**