



**CENTRAL OHIO YOUTH CENTER
UNION COUNTY**

AGREED-UPON PROCEDURES

FOR THE YEARS ENDED DECEMBER 31, 2019-2018

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street, 5th Floor
Columbus, Ohio 43215-3506
(614) 466-3402 or (800) 443-9275
CentralRegion@ohioauditor.gov

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Central Ohio Youth Center
Union County
18100 State Route 4
Marysville, Ohio 43040

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Central Ohio Youth Center, Union County, Ohio, (the Center), on the receipts, disbursements and balances recorded in the Center's cash basis accounting records for the years ended December 31, 2019 and 2018 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Center. The Center is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2019 and 2018 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Center. 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. Other than for the Center's GED Fund bank account, Union County is custodian for the Center's deposits, and therefore the County's deposit and investment pool holds the Centers assets. We compared the Center's fund balances reported on its December 31, 2019 Finance Report to the balances reported in Union County's accounting records. The amounts agreed.
2. For the Center's GED Fund bank account, we recalculated the December 31, 2019 and December 31, 2018 bank reconciliations. We found no exceptions.
3. We agreed the January 1, 2018 beginning fund balances recorded in the Account Trial Balance Report to the December 31, 2017 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2019 beginning fund balances recorded in the Account Trial Balance Report to the December 31, 2018 balances in the Account Trial Balance Report. We found no exceptions.
4. We agreed the totals per the GED Fund bank balance plus the total of the December 31, 2019 and 2018 fund cash balances reported in the Account Trial Balance Report (Union County) to the Hinkle-filed Financial Statements.
5. We confirmed the December 31, 2019 GED Fund bank account balance with the Center's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2019 bank reconciliation without exception.

Cash (Continued)

6. We inspected the Revenue Detail Reports to determine whether the Finding For Adjustment identified in the prior audit report, due from the General Fund, payable to the Special Revenue Fund, was properly posted to the report. We found no exceptions.

Other Confirmable Cash Receipts

1. We confirmed the individual amounts paid from Champaign, Delaware, Madison, and Union Counties to the Center during 2019 and 2018 with the Counties. We found no exceptions.
 - a. We inspected the Revenue Detail Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We inspected the Revenue Detail Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Over-The-Counter Cash Receipts

We selected 10 over-the-counter cash receipts from the year ended December 31, 2019 and 10 over-the-counter cash receipts from the year ended 2018 recorded in the duplicate cash receipts book and:

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

Debt

1. From the prior audit documentation, we observed the following notes were outstanding as of December 31, 2017. These amounts agreed to the Center's January 1, 2018 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2017:
Facility Improvement Notes	\$200,000

2. We inquired of management, and inspected the Revenue Detail Report and Expense Detail Report for evidence of debt issued during 2019 or 2018 or debt payment activity during 2019 or 2018. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of notes debt activity for 2019 and 2018 and agreed principal and interest payments from the related debt amortization schedule to debt service fund payments reported in the Expense Detail Report. We also compared the date the debt service payments were due to the date the Center made the payments. The 2018 principal and interest was due on August 9, 2018; however, the payment was not made until October 11, 2018. The 2019 principle and interest payment was made prior to the due date.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2019 and one payroll check for five employees from 2018 from the Detail Payroll History Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Detail Payroll History 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 reasonable based on the employees' duties as documented in the employees' personnel files. We also confirmed the payment was posted to the proper year. We found no exceptions.
 - c. For any new employees selected, we compared employees' personnel files was consistent with the information used to compute gross and net pay related to this check:
 - i. Name
 - ii. Authorized salary or pay rate and department and fund to which the check should be charged
 - iii. Retirement system, Federal, State & Local income tax withholding authorization and withholding

We found no exceptions related to procedures i. – iii. above.

2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2019 to determine whether remittances were timely charged by the fiscal agent (Union County), and if the amounts charged agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding, period of 2019. We found the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2020	December 27, 2019	\$109,122	\$109,122
State income taxes	January 15, 2020	December 27, 2019	\$22,571	\$22,571
OPERS retirement	January 30, 2020	December 17, 2019	\$730,820	\$730,820
STRS retirement	January 31, 2020	December 27, 2019	\$2,285	\$2,285

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Expense Detail Report for the year ended December 31, 2019 and 10 from the year ended 2018 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 Expense 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.
 - d. The fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code Section 5705.41(D). We found eight instances where the certification date was after the vendor invoice date, and there was also no evidence that a *Then and Now Certificate* was issued. Ohio Rev. Code Section 5705.41(D) requires certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used. Because we did not inspect all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

Compliance – Budgetary

1. Ohio Rev. Code Section 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total approved appropriations (Ohio Rev. Code Section 5705.38 and 5705.40) plus any carryover appropriations for the years ended December 31, 2019 and 2018 for the General and Food Service fund. There were no funds for which expenditures exceeded appropriations.
2. We inspected the 2019 and 2018 Revenue Detail Reports and Expense Detail Reports for evidence of interfund transfers exceeding \$100 which Ohio Rev. Code Sections 5705.14 - .16 restrict. We found no evidence of transfers these Sections prohibit, or for which Section 5705.16 would require approval by the Tax Commissioner (effective after June 30, 2017) or Court of Common Pleas (effective through June 30, 2017).
3. We inspected the Account Trial Balance Report for the years ended December 31, 2019 and 2018 for negative cash fund balance. Ohio Rev. Code Section 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 requested the Center's Public Records Policy to determine the policy 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. The Center did not implement a Public Records Policy until November 14, 2019.
2. We requested evidence of public records requests from the engagement period to determine if the Center was compliant and responded to the request in accordance with their adopted policy, provided an explanation which included the legal authority for denied requests, and was properly redacting records and making the redactions visible with provided legal authority explanation. The Center did not have any public records requests during 2019 or 2018.

Sunshine Law Compliance (Continued)

3. We inquired whether the Center has a records retention policy, and observed that it is readily available to the public. We found no exceptions.
4. We requested written evidence that the Public Records Policy was provided to the records custodian/manager. The Center did not obtain acknowledgement from the records custodian/manager of receipt of the Public Records Policy.
5. We requested the Center's policy manual to determine if the public records policy was included. The Center did not implement a Public Records Policy until November 14, 2019.
6. We requested to observe that the Center's poster describing their Public Records Policy was displayed conspicuously in all branches of the Center. The Center did not implement a Public Records Policy until November 14, 2019.
7. We requested applications submitted to the Records Commission for one-time disposal of obsolete records, and management's review of the schedules of records retention and dispositions for the engagement period. There was no disposal of public records during 2019 or 2018.
8. We inspected the public notices for the public meetings held during the engagement period and determined the Center notified the general public and news media of when and where meetings during the engagement period are to be held. We found no exceptions.
9. We inspected the minutes of public meetings during the engagement period 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
 - d. Open to public inspection – available for public viewing or request.We found no exceptions.
10. We inspected the minutes from the engagement period 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) correlated with one of the matters listed in Ohio Rev. Code Section 121.22(G).
 - c. Formal governing board actions were adopted in open meetings.We found no exceptions.

Other Compliance

1. Ohio Rev. Code Section 117.38 requires Centers 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, as defined in AOS Bulletin 2015-007 in the Hinkle System. We confirmed the Center 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 December 31, 2019 and 2018 in the Hinkle system. There were no exceptions.

Other Compliance (Continued)

2. For all credit card accounts we obtained:
 - copies of existing internal control policies,
 - a list(s) of authorized users, and
 - a list of all credit card account transactions.
- a. We selected 1 credit card transaction from each credit card account for testing. For selected transactions we inspected documentation to determine that:
 - i. Each transaction was supported with original invoices and for a proper public purpose.We found no exceptions.
- b. We selected 3 credit card statements from each credit card account for testing. For selected statements, we inspected documentation to determine that:
 - i. No unpaid beginning balance was carried forward to the current billing cycle,
 - ii. Ending statement balance was paid in full, and
 - iii. Statement contained no interest or late fees.We found no exceptions.

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 Center'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 the evaluation of the Center's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2019 and 2018, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

May 6, 2020

OHIO AUDITOR OF STATE KEITH FABER



CENTRAL OHIO YOUTH CENTER

UNION 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
JUNE 9, 2020**