

CLEARWATER COUNCIL OF GOVERNMENTS

OTTAWA COUNTY, OHIO

Agreed Upon Procedures

For the Years Ended December 31, 2019





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Columbus, Ohio 43215
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Council Board
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, 2019 through December 31, 2019. 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 "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

June 17, 2020

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Clearwater Council of Governments
Ottawa County
For the Years Ended December 31, 2019

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

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, which were agreed to by the Council Board and the management of the Clearwater Council of Governments (the Council) and the Auditor of State, on the receipts, disbursements and balances recorded in the Council's cash basis accounting records for the year ended December 31, 2019 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, 2019 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 and Investments

1. We recalculated the December 31, 2019 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2019 beginning fund balances recorded in the General Ledger to the December 31, 2018 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, 2019 fund cash balances reported in the General Ledger and the financial statements filed by the Council in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2019 bank account balances with the Council of Government's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2019 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2019 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. There were 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, 2019 to the investments the by-laws permit. We found no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

1. We selected a total of five receipts from the State Distribution Transaction Lists (DTL) from 2019:
 - a. We compared the amount from the above report 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 funds. 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.
2. We confirmed the total amount paid from the Marion County Board of Developmental Disabilities to the Council of Government during 2019 with the Board. We found no exceptions.
 - a. We inspected the General Ledger to determine whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We inspected the General Ledger to determine whether the receipts were recorded in the proper year. We found no exceptions.

Member Contributions

We selected five member contribution cash receipts from the year ended December 31, 2019 recorded in the Deposit Detail Report and:

- a. Agreed the receipt amount to the amount recorded in the General Ledger. The amounts agreed.
- b. Inspected the General Ledger 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, 2018.
2. We inquired of management, and inspected the General Ledger for evidence of debt issued during 2019 or debt payment activity during 2019. No new debt issuances, nor any debt payment activity during 2019 was found.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2019 from the Employee Expense Detail Sorted by Name Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Employee Expense Detail Sorted by Name Report to supporting documentation (timecard, legislatively approved rate or salary). We found no exceptions.
 - b. We inspected the Employee Expense Detail Sorted by Name Report to determine whether the fund and account codes to which the check was posted were reasonable based on the employees' personnel files and/or minute records. We also inspected the Employee Expense Detail Sorted by Name 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, 2019 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 2019. We observed the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2020	December 27, 2019	\$3,186.50	\$3,186.50
State income taxes	January 15, 2020	December 27, 2019	\$689.39	\$689.39
Oak Harbor City Income Tax	January 31, 2020	December 27, 2019	\$20.91	\$20.91
Village of Sycamore Income Tax	January 31, 2020	December 27, 2019	\$12.05	\$12.05
Village of New London Income Tax	January 31, 2020	December 27, 2019	\$28.75	\$28.75
OPERS retirement	January 30, 2020	December 27, 2019	\$4,883.36	\$4,883.36

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the General Ledger for the year ended December 31, 2019 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.

Sunshine Law Compliance

1. We obtained and inspected the Council'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. We found no exceptions.
2. We inquired with Council management and noted that the Council did not have any public records requests during the engagement period.
3. We inquired with Council management and noted that the Council did not have any denied public records requests during the engagement period.
4. We inquired with Council management and noted that the Council did not have any public records requests with redactions during the engagement period.

5. We inquired whether the Council has a records retention policy, and observed that it is readily available to the public. We found no exceptions.
6. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager. We found no exceptions.
7. We inspected the Council's policy manual and determined the public records policy was included. We found no exceptions.
8. We observed that the Council's poster describing their Public Records Policy was displayed conspicuously in all branches of the Council. We found no exceptions.
9. We inquired with Council management and determined that the Council did not have any applications for records disposals submitted to the Records Commission for the engagement period.
10. We inquired with Council management and noted no elected official (or his/her designee) that were subject to Public Records Training during the engagement period.
11. We inspected the public notices for the public meetings held during the engagement period and determined the Council notified the general public and news media of when and where meetings during the engagement period are to be held. We found no exceptions.
12. 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.
13. 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

Ohio Rev. Code Section 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. The 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 Council filed their complete financial statements, as defined by AOS Bulletin 2015-007 and the Auditor of State established policy within the allotted timeframe for the year ended December 31, 2019 in the Hinkle system. There were 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 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 year ended December 31, 2019, 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 "Charles E. Harris". The signature is written in a cursive, slightly slanted style.

Charles E. Harris & Associates, Inc.
May 15, 2020

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OHIO AUDITOR OF STATE KEITH FABER



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
JUNE 30, 2020**