



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

DKMM Solid Waste District
Knox County
117 East High Street, Suite 257
Mt. Vernon, Ohio 43050

We have performed the procedures enumerated below, with which the Board of Directors and the management of DKMM Solid Waste District (the District) agreed, solely to assist the Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2013 and 2012, 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

1. Marion County is custodian for the District's deposits and therefore the County's deposit and investment pool holds the District's assets. We compared the District's fund balances reported on its December 31, 2013 Fund History Report to the balances reported in Marion County's accounting records. The amounts agreed.
2. We agreed the January 1, 2012 beginning fund balances recorded in the Statement of Cash Position Report to the December 31, 2011 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2013 beginning fund balances recorded in the Statement of Cash Position Report to the December 31, 2012 balances in the Statement of Cash Position Report. We found no exceptions.

Tipping Fees and Other Confirmable Cash Receipts

1. We confirmed the amounts paid from the Delaware Transfer Station and Suburban Landfill to the District during 2013 and 2012. They confirmed payment of the following amounts to the District:

Company	2013 Payments	2012 Payments
Delaware Transfer Station	\$245,937	\$240,195
Suburban Landfill	\$15,914	\$17,846

- a. We compared the amount confirmed with the amount the District recorded in its receipt records. We found no exceptions.

Tipping Fees and Other Confirmable Cash Receipts (Continued)

- 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 obtained the October 2013 and March 2012 total tonnage reports from the landfill in step 1.
 - a. We recalculated the dollar amount sent to the District based on the rates in force during the period and agreed to the amounts posted to the Districts ledgers. We found no exceptions.
 3. We selected all the receipts from the Distribution Transaction Detail Report (State DTL) for 2013 and 2012. We selected all receipts (one for each year) from the County Auditor's Fund History Report from 2013 and 2012.
 - a. We compared the amount from the above report to the amount recorded in the Receipt Ledger. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper account code. We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Other Over-The-Counter Cash Receipts

We haphazardly selected 10 over-the-counter cash receipts from the year ended December 31, 2013 and 10 over-the-counter cash receipts from the year ended 2012 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Revenue History Report. The amounts agreed.
 - b. Receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for three employees from 2013 and one payroll check for three employees from 2012 from the Payroll Check Register and:
 - a. We compared the hours and pay rate, or salary amount recorded in the Payroll Check Register to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. We determined whether the fund and account code 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. For any new employees selected in step 1, we determined whether the following information in the employees' personnel files was consistent with the information used to compute gross and net pay related to this check:
 - a. Name
 - b. Authorized salary or pay rate
 - c. Department(s) and fund(s) to which the check should be charged
 - d. Retirement system participation and payroll withholding
 - e. Federal, State & Local income tax withholding authorization and withholding
 - f. Any other deduction authorizations (deferred compensation, etc.)

We found no exceptions related to steps a. – f. above.

Payroll Cash Disbursements (Continued)

3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2013 to determine whether remittances were timely charged by the fiscal agent (Marion County), and if the amounts charged agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding, period of 2013. We noted 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, 2014	January 16, 2014	\$80,067	\$80,067
State income taxes	January 15, 2014	January 16, 2014	\$20,807	\$20,807
Local income tax	January 15, 2014	January 9, 2014	\$22,799	\$22,799
OPERS retirement	January 30, 2014	January 28, 2014	\$347,072	\$347,072

4. 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 Payroll Check Register:
- a. Accumulated leave records
 - b. The employee's pay rate in effect as of the termination date
 - c. The District'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 Appropriation History Report for the year ended December 31, 2013 and ten from the year ended 2012 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 Appropriation History 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 Sections 5705.28(B)(2). We found no exceptions.
 - e. The disbursement was allowable under Ohio Rev. Code Section 3734.57(G), and the Districts policies and procedures. We found no exceptions.

Compliance – Budgetary

1. We compared the total estimated receipts from the *Amended Official Certificate of Estimated Resources*, required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.36(A)(1), to the amounts recorded in the Revenue History Report for the Operating and Grant fund for the years ended December 31, 2013 and 2012. The amounts agreed.

Compliance – Budgetary (Continued)

2. We scanned the appropriation measures adopted for 2013 and 2012 to determine whether, for the General and Grant fund, the Directors appropriated separately for “each office, department, and division, and within each, the amount appropriated for personal services,” as is required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Rev. Code Sections 5705.28(B)(2), 5705.38 and 5705.40, to the amounts recorded in the Appropriation History Report for 2013 and 2012 for the operating fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation History report.
4. Ohio Rev. Code Section 5705.28(B)(2)(c) prohibits appropriations from exceeding the estimated revenue available for expenditure (receipts plus beginning unencumbered cash). We compared total appropriations to total estimated revenue for the General and N funds for the years ended December 31, 2013 and 2012. We noted no funds for which appropriations exceeded estimated revenue.
5. Ohio Rev. Code Sections 5705.28(B)(2) and 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2013 and 2012 for the Operating fund, as recorded in the Appropriation History Report. We noted that expenditures did not exceed appropriations.
6. We scanned the Cash Summary by Fund Report for the years December 31, 2013 and 2012 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. We noted no funds having a negative cash fund balance.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the District'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, those charged with governance, and others within the District, and is not intended to be, and should not be used by anyone other than these specified parties.



Dave Yost
Auditor of State

Columbus, Ohio

July 8, 2014



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DKMM SOLID WASTE DISTRICT

KNOX 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 31, 2014**