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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Lawrence-Scioto County Solid Waste Management District
Lawrence County
101 North 3rd Street
Ironton, OH 45638

We have performed the procedures enumerated below, with which the Board of Directors and the management of the Lawrence-Scioto County Solid Waste Management District, Lawrence County, Ohio (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, 2015 and 2014, 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. Scioto 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, 2015 Financial Statement to the balances reported in Scioto County's accounting records, Cash Accounts Transaction Ledger Report. The amounts agreed.
2. We agreed the January 1, 2014 beginning fund balances recorded in the Cash Accounts Transaction Ledger Report to the December 31, 2013 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2015 beginning fund balances recorded in the Cash Accounts Transaction Ledger Report to the December 31, 2014 balances in the Cash Accounts Transaction Ledger Report. We found no exceptions.

Other Confirmable Cash Receipts (e.g. Charges for Services)

1. We confirmed the amounts paid from the Lawrence and Scioto Counties to the District during 2015 and 2014 with the Lawrence and Scioto County Auditors Vendor Audit Trail Reports. We found no exceptions.
 - a. We determined whether these receipts were allocated to the proper fund(s). We found no exceptions.
 - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Payroll Cash Disbursements

1. We haphazardly selected two payroll checks for one employee and one payroll check for each of the remaining three employees from 2015 and two payroll checks for one employee and one payroll check for each of the remaining three employees from 2014 from the Distribution Reports and:
 - a. We compared the hours and pay rate, or salary amount recorded in the Distribution Reports to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. We determined whether the fund and account code(s) to which the check was posted were reasonable based on the employees' duties as documented in the Employees Listing Report. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2015 to determine whether remittances were timely charged by the fiscal agent (Scioto County), and if the amounts charged agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding, period of 2015. 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, 2016	December 11, 2015 and December 23, 2015	\$1,205	\$1,205
Medicare	January 31, 2016	December 11, 2015 and December 23, 2015	\$375	\$375
State income taxes	January 15, 2016	December 11, 2015 and December 23, 2015	\$155	\$155
OPERS retirement	January 30, 2016	January 15, 2016	\$3,119	\$3,119
Ironton City Tax	January 31, 2016	December 23, 2015	\$138	\$138
Portsmouth City Tax	January 15, 2016	December 23, 2015	\$29	\$29

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Expense Audit Trail Reports for the year ended December 31, 2015 and ten from the year ended 2014 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 Audit Trail Reports 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), and 5705.41(D). We found six 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 Sections [5705.28(B)(2) and 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 test all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.
- 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, if there was an amendment, required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.36(A)(1), to the amounts recorded in the Revenue Audit Trail Reports for the General, Ohio EPA Grant 14-CG-013, and Ohio EPA Grant 14-CG-014 Funds for the years ended December 31, 2015 and 2014. The amounts agreed.
2. We scanned the appropriation measures adopted for 2015 and 2014 to determine whether, for the General, Ohio EPA Grant 14-CG-013, and Ohio EPA Grant 14-CG-014 Funds, 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 Expense Audit Trail Reports for 2015 and 2014 for the General, Ohio EPA Grant 14-CG-013, and Ohio EPA Grant 14-CG-014 Funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Expense Audit Trail Reports.
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, Ohio EPA Grant 14-CG-013, and Ohio EPA Grant 14-CG-014 funds for the years ended December 31, 2015 and 2014. We noted that Ohio EPA Grant 14-CG-013 and Ohio EPA Grant 14-CG-014 Funds appropriations for 2014 exceeded estimated revenue by \$10,000 and \$16,264, respectively, contrary to Ohio Rev. Code Section 5705.28(B)(2)(c). The Directors should not pass appropriations exceeding estimated revenue. Allowing this to occur could cause the District to incur fund balance deficits.
5. Ohio Rev. Code Sections 5705.28(B)(2) and 5705.41(B) prohibit expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2015 and 2014 for the General, Ohio EPA Grant 14-CG-013, and Ohio EPA Grant 14-CG-014 funds, as recorded in the Expense Account Reports. We noted that expenditures did not exceed appropriations.

6. We scanned the 2015 and 2014 Revenue Audit Trail Reports and Expense Audit Trail Reports for evidence of interfund transfers exceeding \$5,000 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 and Court of Common Pleas.
7. We scanned the Cash Accounts Transaction Ledger Reports for the years ended December 31, 2015 and 2014 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.

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 and the HINKLE system to verify the District filed their financial information within the allotted timeframe for the years ended December 31, 2015 and 2014. 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 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

August 2, 2016



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LAWRENCE SCIOTO COUNTY SOLID WASTE MANAGEMENT DISTRICT

LAWRENCE 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
AUGUST 18, 2016**