

CLEARWATER COUNCIL OF GOVERNMENTS

OTTAWA COUNTY, OHIO

AGREED-UPON PROCEDURES

For the Year Ended December 31, 2017





Dave Yost • Auditor of State

Council Members
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, 2017 to December 31, 2017. 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 "Dave Yost".

Dave Yost
Auditor of State

May 14, 2018

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**CLEARWATER COUNCIL OF GOVERNMENTS
OTTAWA COUNTY
Agreed-Upon Procedures
For the Year Ended December 31, 2017**

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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 Clearwater Council of Government (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, 2017 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, 2017 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, 2017 bank reconciliation. We found no exceptions.
2. We agreed the January 1, 2017, beginning fund balances recorded in the General Ledger to the December 31, 2016 balances as documented in the prior year agreed-upon procedures working papers. The balances did not agree. The January 1, 2017 balance exceeded the December 31, 2016 balance by \$2,852. The excess is due to \$2,852 in checks issued in 2015 and 2016 that were voided in 2017. This is not an exception.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2017 fund cash balances reported in the General Ledger. The amounts agreed.
4. We observed the year-end bank balances on the financial institutions' website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2017 bank reconciliations without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2017 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. 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. We noted 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, 2017 to the investments the investment policy permits. We found no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

1. We haphazardly selected five receipts from the State Distribution Transaction Lists (DTL) from 2017. We also selected five receipts from the various member County Auditor's DTLs from 2017.
 - 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.
2. We confirmed the amounts paid from the Marion County Board of Developmental Disabilities to the Council of Governments during 2017 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 haphazardly selected five member contribution cash receipts from the year ended December 31, 2017 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 agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2016.
2. We inquired of management, and inspected the General Ledger for evidence of debt issued during 2017 or debt payment activity during 2017. No new debt issuances, nor any debt payment activity during 2017 was found.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2017 from the Expense Detail Sorted by Name Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Expense Detail Sorted by Name Report to supporting documentation (timecard, legislatively approved rate or salary). We found no exceptions.
 - b. We inspected the 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. We also inspected the Expense Detail Sorted by Name Report to determine whether the payment was posted to the proper year. We found no exceptions.
2. Marion County processes payroll, including the withholding and subsequent remittances of Federal and Medicare, State, Local and Ohio Public Employees Retirement System (OPERS), on behalf of the Council. We inspected Marion County's last remittance of tax and retirement withholdings for the year ended December 31, 2017 to determine whether remittances were timely paid for the final withholding period of 2017. We found no exceptions. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2017 to determine whether remittances were timely charged, and if the amounts charged agreed to the amounts withheld, plus the employer's share, where applicable, during the final withholding period of 2017. We found no exceptions.
3. 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 General Ledger:
 - a. Accumulated leave records
 - b. The employee's pay rate in effect as of the termination date
 - c. The Council of Government'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 General Ledger for the year ended December 31, 2017 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.


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Other Compliance

Ohio Rev. Code Section 117.38 requires councils of governments 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, in addition to filing extensions granted for extenuating circumstances, allow for refiling 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 the Auditor of State established policy within the allotted timeframe for the year ended December 31, 2017 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 the evaluation of the Council's receipts, disbursements and balances recorded in their cash-basis accounting records for the year ended December 31, 2017, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
April 17, 2018

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Dave Yost • Auditor of State

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
MAY 24, 2018**