



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Shared Resource Center  
Montgomery County  
200 South Keowee Street  
Dayton, Ohio 45402

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Shared Resource Center (the Center), on the receipts, disbursements and balances recorded in the Center's cash basis accounting records for the year ended June 30, 2019 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 year ended June 30, 2019 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. We recalculated the June 30, 2019 bank reconciliation. We found no exceptions.
2. We agreed the July 1, 2018 beginning fund balances recorded in the Financial Report by Fund to the June 30, 2018 balance in the prior year audited statements. We found no exceptions.
3. We agreed the totals per the bank reconciliation to the total of the June 30, 2019 fund cash balances reported in the Financial Report by Fund. The amounts agreed.
4. We observed the year-end bank balance on the financial institution's website. The balance agreed. We also agreed the confirmed balances to the amounts appearing in the June 30, 2019 bank reconciliation without exception.
5. We selected a sample (agreed upon) of five reconciling debits (such as outstanding checks) from the June 30, 2019 bank reconciliation:
  - a. We traced each debit to the subsequent July 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 June 30. There were no exceptions.
6. We tested the two reconciling credits (such as deposits in transit) from the June 30, 2019 bank reconciliation:
  - a. The two reconciling credits did not clear the bank in July or August 2019.

- b. The credits were unable to be traced to the Receipts Register as they were refunds due to the Center for an overpayment issued to the Federal Government for Social Security and a W2 processing fee which was deducted twice from the bank.

**Charges for Services**

We selected a sample (agreed upon) of ten charges for services receipts from the year ended June 30, 2019 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the Revenue Ledger Report. The amounts agreed.
- b. Agreed the amount charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the Revenue Ledger 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 note was outstanding as of June 30, 2018. This amount agreed to the Center's July 1, 2018 balance on the summary we used in procedure 3.

Issue	Principal outstanding as of June 30, 2018:
Notes Payable to Montgomery County Educational Service Center	\$875,000

- 2. We inquired of management, and inspected the Revenue Ledger Report and Budget Account Information Report for evidence of debt issued during 2019 or debt payment activity during 2019. All debt agreed to the summary we used in procedure 3.
- 3. We obtained a summary of the note activity for 2019. The Center did not make principal or interest payments during 2019.
- 4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Enterprise fund per the Revenue Ledger Report. The amounts agreed.
- 5. For debt proceeds received during 2019, we inspected the debt legislation, which stated the Center must use the proceeds for initial operating costs. We inspected the Budget Account Information Report and observed the Center paid operating costs in 2019.

**Payroll Cash Disbursements**

- 1. We selected one payroll check for five employees from 2019 from the Payroll Journal Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Journal Report to supporting documentation (timecard, legislatively approved rate or salary). We found no exceptions.
  - b. We inspected the Payroll Journal 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 Payroll Journal Report to determine whether the payment was posted to the proper year. We found no exceptions.

Shared Resource Center  
Montgomery County  
Independent Accountants' Report on  
Applying Agreed-Upon Procedures  
Page 3

2. For any new employees selected in procedure 1 we compared 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 and fund 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 procedures a. – f. above.

3. We inspected the last remittance of tax and retirement withholdings for the year ended June 30, 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:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	July 31, 2019	July 6, 2019	\$34,440	\$34,440
State income taxes, Ohio	July 15, 2019	July 6, 2019	\$6,868	\$6,868
State income taxes, South Carolina	July 15, 2019	July 6, 2019	\$1,155	\$1,155
Local income tax, Germantown	July 15, 2019	July 6, 2019	\$369	\$369
Local income tax, Dayton	July 15, 2019	July 6, 2019	\$456	\$456
Local income tax, Kettering	July 15, 2019	July 6, 2019	\$663	\$663
Local income tax, Miamisburg	July 15, 2019	July 6, 2019	\$119	\$119
Local income tax, Preble Shawnee Local School District	July 15, 2019	July 6, 2019	\$79	\$79
Local income tax, Vandalia	July 15, 2019	July 6, 2019	\$2,913	\$2,913
SERS retirement	July 31, 2019	July 1, 2019	\$11,027	\$11,027

4. We 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 Paid Time Off and Payroll Reports:
  - a. Accumulated leave records
  - b. The employee's pay rate in effect as of the termination date
  - c. The Center's payout policy.

The amount paid was consistent with the information recorded in a. through c. above.

5. We obtained the Total Distributions from the Cash Requirement Summary reports provided to the Center for December 2018 and June 2019 submitted by Paycor, the agency responsible for processing payroll on behalf of the Center. We agreed the total gross payroll and withholdings per month to the Center's Budget Account Information Report. We found no exceptions.

#### **Non-Payroll Cash Disbursements**

1. We selected a sample (agreed upon) of 10 disbursements from the Check Register Report for the year ended June 30, 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 Check Register 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.

#### **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 determined whether 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 year ended June 30, 2019 in the Hinkle system. Financial information was filed on December 17, 2019 which was not within the allotted timeframe.
2. For all credit card accounts we obtained:
  - copies of existing internal control policies, and
  - a list of all credit card account transactions.
  - a. We selected 3 credit card transactions 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.

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.

Shared Resource Center  
Montgomery County  
Independent Accountants' Report on  
Applying Agreed-Upon Procedures  
Page 5

This report is to provide assistance in in the evaluation of the Center's receipts, disbursements and balances recorded in their cash-basis accounting records for the year ended June 30, 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, reading "Keith Faber". The signature is written in a cursive style with a large, stylized "K" and "F".

Keith Faber  
Auditor of State  
Columbus, Ohio

February 24, 2020

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# OHIO AUDITOR OF STATE KEITH FABER



**SHARED RESOURCE CENTER**

**MONTGOMERY 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  
MARCH 24, 2020**