



Dave Yost • Auditor of State





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

Ottawa-Sandusky-Seneca Joint Solid Waste Management District  
Sandusky County  
1875 East State Street  
Fremont, Ohio 43420-2534

We have performed the procedures enumerated below, with which the Board of Directors and the management of Ottawa, Sandusky, Seneca, Joint Solid Waste District, Sandusky 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, 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. Sandusky 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 Cross Fund Report to the balances reported in Sandusky County's accounting records. The amounts agreed.
2. We agreed the January 1, 2012 beginning fund balances recorded in the Cross Fund 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 Cross Fund Report to the December 31, 2012 balances in the Cross Fund Report. We found no exceptions.

### Tipping Fees

1. We confirmed the amounts paid from Sunny Farms Landfill, Ottawa County Landfill, and Wyandot County Landfill to the District during 2013 and 2012. They confirmed payment of the following amounts to the District:

Company	2013 Payments	2012 Payments
Sunny Farms Landfill	\$985,429	\$987,195
Ottawa County Landfill	133,930	138,243
Wyandot County Landfill	16,691	15,560

### **Tipping Fees (Continued)**

- a. We compared the amount confirmed with the amount the District recorded in its receipt records. The only differences were Sunny Farms Landfill confirmed \$71,632 more than the District recorded during 2013. The District recorded this amount as receipts on January 3, 2014 and January 24, 2014. Ottawa County Landfill confirmed \$8,358 more than the District recorded during 2013. The District recorded this amount as a receipt on January 8, 2014.
  - b. We determined whether these receipts were allocated to the proper funds. We found no exceptions.
  - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.
2. We obtained the May 2012 and September 2013 total tonnage reports from the landfills in step 1. 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 District's ledgers. We found no exceptions.

### **Debt**

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2011.
2. We inquired of management, and scanned the Receipt Transaction Report and Accounts Payable by General Ledger Distribution Report for evidence of debt issued during 2013 or 2012 or debt payment activity during 2013 or 2012. We noted no new debt issuances, nor any debt payment activity during 2013 or 2012.

### **Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2013 and one payroll check for five employees from 2012 from the Payment History Report and:
  - a. We compared the hours and pay rate, or salary amount recorded in the Payment History Report to supporting documentation (timecard, legislatively 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 minutes. 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, 2013 to determine whether remittances were timely charged by the fiscal agent, the Sandusky County Auditor, 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:

**Payroll Cash Disbursements (Continued)**

<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 and Medicare	January 31, 2014	December 27, 2013	\$9,533.00	\$9,533.00
State income taxes	January 15, 2014	December 27, 2013	1,613.32	1,613.32
Local income taxes (Fremont City)	January 31, 2014	December 27, 2013	66.47	66.47
Local income taxes (Port Clinton City)	January 31, 2014	December 27, 2013	72.42	72.42
Local income taxes (Tiffin City)	January 31, 2014	December 27, 2013	73.89	73.89
Local income taxes (Fremont Schools)	January 31, 2014	December 27, 2013	155.40	155.40
OPERS retirement	January 31, 2014	January 31, 2014	5,459.96	5,459.96

3. We haphazardly selected and recomputed one termination payment (unused sick leave.) using the following information, and agreed the computation to the amount paid as recorded in the Earnings History Report:
- 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**

We haphazardly selected ten disbursements from the Accounts Payable by G/L Distribution Report for the year ended December 31, 2013 and ten from the year ended December 31, 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 Accounts Payable by G/L Distribution 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) and 5705.41(D). We found one instance 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. We recommend the Fiscal Officer certify expenditures in accordance with the Ohio Revised Code. 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 District's 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 Budget by Fund Category Report for the General and EPA Grant funds for the years ended December 31, 2013 and 2012. The amounts agreed.
2. We scanned the appropriation measures adopted for 2013 and 2012 to determine whether, for the General and EPA Grant 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 Budget by Fund Category Report for 2013 and 2012 for the General and EPA Grant Funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Budget by Fund Category 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 EPA Grant funds for the years ended December 31, 2013 and 2012. We noted that EPA Grant fund appropriations for 2013 exceeded estimated revenue by \$125,000, contrary to Ohio Rev. Code Section 5705.28(B)(2)(c). The Trustees 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, 2013 and 2012 for the General fund and EPA Grant fund, as recorded in the Budget by Fund Category Report. We noted that expenditures did not exceed appropriations.
6. We scanned the Cross Fund Report for the years ended 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

Columbus, Ohio

May 2, 2014

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OTTAWA-SANDUSKY-SENECA JOINT SOLID WASTE MANAGEMENT DISTRICT

SANDUSKY 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 12, 2014