



Dave Yost • Auditor of State



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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 43449-9086

We have performed the procedures enumerated below, with which the Council members and the management of Clearwater Council of Governments, Ottawa County, Ohio (the Council) agreed, solely to assist the Council members in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the year ended December 31, 2013, 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 and Investments

1. We tested the mathematical accuracy of the December 31, 2013 bank reconciliation. We found no exceptions.
2. We agreed the January 1, 2013 beginning fund balances recorded in the General Ledger to the December 31, 2012 balances in the prior year audited statements. We found no exceptions.
3. We agreed the totals per the bank reconciliation to the total of the December 31, 2013 fund cash balances reported in the General Ledger. The amounts agreed.
4. We confirmed the December 31, 2013 bank account balances with the Council's financial institutions. We found no exceptions. We also compared the confirmed balances to the amounts appearing in the December 31, 2013 bank reconciliation. The carrying amount for three certificates of deposit did not agree to the confirmed balances. The carrying amounts were understated by \$16,561. The variance represented interest earned and reinvested upon maturity of prior certificates of deposit for which the updated carrying amounts were not properly reflected in the bank reconciliation. The Council recorded this adjustment to the accounting records on November 7, 2014. We recommend the Fiscal Officer record interest earnings on certificates of deposit in a timely manner.

5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2013 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, 2013 to the investments the by-laws permit. We found no exceptions.

Intergovernmental Cash Receipts

We selected all receipts from the State Distribution Transaction List (DTL) from 2013.

- a. We compared the amount from the above report to the amount recorded in the General Ledger. The amounts agreed.
- 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.

Over-The-Counter Cash Receipts

We haphazardly selected 10 over-the-counter cash receipts from the year ended December 31, 2013 recorded in the Deposit Detail report and determined whether the:

- a. Receipt amount agreed to the amount recorded in the General Ledger. The amounts agreed.
- b. Amount charged complied with rates in force during the period. We found no exceptions.
- c. Receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions

Debt

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2012.
2. We inquired of management, and scanned the General Ledger for evidence of debt issued or debt payment activity during the year. We noted no new debt issuances, nor any debt payment activity.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2013 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 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. Marion County processes payroll, including the withholding and subsequent remittance of Federal and Medicare, State, Local, and Ohio Public Employees Retirement System (OPERS), on behalf of the Council. We scanned Marion County's last remittance of tax and retirement withholdings for the year ended December 31, 2013 to determine whether remittances were timely paid for final withholding period of 2013 with no exceptions. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2013 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 2013. 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 Expense Detail Report:
 - a. Accumulated leave records
 - b. The employee's pay rate in effect as of the termination date
 - c. The Council'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 General Ledger for the year ended December 31, 2013 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.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the Council'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 Council of Governments, 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, flowing style.

Dave Yost
Auditor of State

Columbus, Ohio

November 10, 2014



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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
DECEMBER 2, 2014**