



OHIO AUDITOR OF STATE
KEITH FABER



OHIO AUDITOR OF STATE KEITH FABER



One First National Plaza
130 West Second Street, Suite 2040
Dayton, Ohio 45402-1502
(937) 285-6677 or (800) 443-9274
WestRegion@ohioauditor.gov

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

North Central Ohio Solid Waste District
Allen County
815 Shawnee Road, Suite D
Lima, Ohio 45805

We have performed the procedures enumerated below, which were agreed to by the Board of Directors and the management of the North Central Ohio Solid Waste District, Allen County (the District), on the receipts, disbursements and balances recorded in the Districts cash basis accounting records for the years ended December 31, 2018 and 2017 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the District. The District is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2018 and 2017 and certain compliance requirements related to these transactions and balances included in the information provided to us by the District. 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. Allen County is custodian for the District's deposits, and therefore the County's deposit and investment pool holds the Districts assets. We compared the District's fund balances reported on its December 31, 2018 Annual Financial Report to the balances reported in Allen County's accounting records. The amounts agreed.
2. We agreed the January 1, 2017 beginning fund balances recorded in the Year to Date Fund Balance Report to the December 31, 2016 balances in the prior year audited statements. The General Fund and OH EPA Glass Grant Fund beginning balance as of January 1, 2017 per the Year to Date Fund Balance Report were \$2,195,328 and \$0, respectively. The prior year audited statements as of December 31, 2016 for the General Fund and OH EPA Glass Fund were \$2,158,878 and \$36,450, respectively. Based on documentation provided by the District, this exception was due to an error by the Fiscal Agent and will not be considered an exception. We also agreed the January 1, 2018 beginning fund balances recorded in the Year to Date Fund Balance Report to the December 31, 2017 balances in the Year to Date Fund Balance Report. We found no exceptions.

Tipping Fees and Other Confirmable Cash Receipts

1. We confirmed the amounts paid from Republic Service – Wyandot, Republic Service – Cherokee Run, Rumpke, and Wright – Allen County Refuse, to the District during 2018 and 2017. They confirmed payment of the following amounts to the District:

Efficient

Effective

Transparent

Tipping Fees and Other Confirmable Cash Receipts (Continued)

Company	2018 Payments	2017 Payments
Republic Service - Wyandot	279,015.85	158,309.55
Republic Service – Cherokee Run	421,451.50	362,874.05
Rumpke	201,292.35	193,193.65
Wright – Allen County Refuse	195,095.00	209,220.95

- a. We compared the amount confirmed with the amount the District recorded in its receipt records. We found no exceptions.
 - b. We inspected the YTD Detail Revenue Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
 - c. We inspected the YTD Detail Revenue Report to determine whether the receipts were recorded in the proper year. We found no exceptions.
2. We obtained the March 2017 and June 2018 total tonnage reports from the landfills in procedure 1.
 - a. 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 Districts ledgers. We observed no exceptions.

Other Over-The-Counter Cash Receipts

We selected a sample (agreed upon) of 10 over-the-counter cash receipts from the year ended 2017 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the YTD Detail Revenue Report. The amounts agreed.
- b. Confirmed the amounts charged complied with rates in force during the audit period. We found one receipt for route pick-up where \$10 per route was charged and the route charge was not approved by the Board of Directors. Also, we found two receipts for the processing fee where \$0.52 per home was charged and the processing fee rate was not approved by the Board of Directors. However, because we did not inspect all receipts, our report provides no assurance regarding whether or not other similar errors occurred. Rates charged by the District for services should be approved by the Board of Directors. The lack of approval by the Board of Directors approval increases the risk of errors and/or irregularities since the amount actually charged may not be what is turned into the District and this error will not be detected. The Board of Directors should approve all rates and fees and include the approval in the Minutes.
- c. Inspected the YTD Detail Revenue Report 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 audit documentation disclosed no debt outstanding as of December 31, 2016
2. We inquired of management, and inspected the YTD Detail Revenue Report and YTD Detailed Expenditure Report for evidence of debt issued during 2018 or 2017 or debt payment activity during 2018 or 2017. There were no new debt issuances, nor any debt payment activity during 2018 or 2017.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2018 and one payroll check for five employees from 2017 from the Allen County Earn & Ded Detailed Proof Report and:
 - a. We compared the hours and pay rate, or salary amount recorded in the Allen County Earn & Ded Detailed Proof Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. We inspected the fund and account codes to which the check was posted to determine if they were reasonable based on the employees' duties as documented in the employees' personnel files. We also confirmed the payment was posted to the proper year. We found no exceptions.

2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2018 to confirm remittances were timely charged by the fiscal agent Allen County, and if the amounts charged agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding, period of 2018. We observed the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2019	January 4, 2019	\$1,381.72	\$1,381.72
State income taxes	January 15, 2019	January 15, 2019	\$316.59	\$316.59
Local income tax	January 30, 2019	January 2, 2019	\$43.34	\$43.34
OPERS retirement	January 30, 2019	January 16, 2019	\$9,513.31	\$9,513.31

Non-Payroll Cash Disbursements

1. We selected a sample (agreed upon) of 10 disbursements from the YTD Detail Expenditure Report for the year ended December 31, 2018 and 10 from the year ended 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 YTD Detail Expenditure 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 no exceptions.
 - 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 Budgets for the General Fund, from the Shelby County Recycling Budgets, and from the EPA Market Development Grant Agreements, required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.36(A)(1), to the amounts recorded in the YTD Detail Revenue Report for the General Fund, Shelby County Recycling Fund, and the EPA Market Development Grant Fund for the years ended December 31, 2018 and 2017.

Compliance – Budgetary (Continued)

The amounts above agreed to the amount recorded in the accounting system, except for the General Fund and EPA Market Development Grant Fund in 2018. The YTD Detail Revenue Report recorded budgeted receipts for the General Fund and the EPA Market Development Grant funds of \$1,677,000 and \$78,627, respectively for 2018. However, the final budgets reflected \$1,532,000 and \$216,426, respectively. The Administrative Assistant should periodically compare amounts recorded in the YTD Detail Revenue Report to amounts recorded on the budget to assure they agree. If the amounts do not agree, the Board of Directors may be using inaccurate information for budgeting and monitoring purposes.

Also, only the Executive Director approved the budget for the Shelby County Recycling Fund. The approval of the budgets for all funds under the control of the District should be done by the Board of Directors.

2. We inspected the appropriation measures adopted for 2018 and 2017 to determine whether, for the General, Shelby County Recycling and EPA Market Development 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 YTD Detail Expenditure Report for 2018 and 2017 for the general fund. The YTD Detail Expenditure Report reported appropriations for the General Fund of \$1,559,562 and \$1,548,584 in 2018 and 2017 respectively. However, the approved budget, supplemental appropriations and carry over encumbrances reflected \$1,572,379 and \$1,533,424 for 2018 and 2017 respectively. The Administrative Assistant should periodically compare amounts recorded in the YTD Detail Expenditure Report to amounts recorded on the budget, supplemental appropriations and carry over encumbrances to assure they agree. If the amounts do not agree, the Directors may be using inaccurate information for budgeting and monitoring purposes.
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, Shelby County Recycling and EPA Market Development Grant funds for the years ended December 31, 2018 and 2017. We observed no funds for which appropriations exceeded estimated revenue.
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, 2018 and 2017 for the General, Shelby County Recycling and EPA Market Development Grant fund, as recorded in the YTD Detail Expenditure Report. We observed that expenditures did not exceed appropriations.
6. For funds existing in prior years, we inspected the fund activity to determine whether the fund is still being used for the statutorily approved purpose and that all the required funds were established. All the required funds were established and no funds for which the statutorily approved purpose was no longer valid were included on the accounting records.
7. We inspected the Year to Date Fund Balance Report for the years ended December 31, 2018 and 2017 for negative cash fund balances. 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 observed no funds having negative cash fund balances.

Other Compliance

1. Ohio Rev. Code Section 117.38 requires these districts 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 confirmed the District filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended December 31, 2018 and 2017 in the Hinkle system. There were no exceptions.
2. For all credit card accounts we obtained:
 - copies of existing internal control policies,
 - a list(s) of authorized users, and
 - a list of all credit card account transactions.
 - a. We inspected the established policy obtained above and determined it is:
 - i. in compliance with the HB 312 statutory requirements, and
 - ii. implemented by the entity.We found no exceptions.
 - b. We selected 3 credit card transactions for testing. For selected transactions we inspected documentation to determine that:
 - i. Use was by an authorized user within the guidelines established in the policy, and
 - ii. 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 District'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 District's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2018 and 2017, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

July 18, 2019

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



NORTH CENTRAL OHIO SOLID WASTE DISTRICT

ALLEN 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 8, 2019**