



OHIO AUDITOR OF STATE
KEITH FABER



OHIO AUDITOR OF STATE KEITH FABER



Lausche Building, 12th Floor
615 Superior Avenue, NW
Cleveland, Ohio 44113-1801
(216) 787-3665 or (800) 626-2297
NortheastRegion@ohioauditor.gov

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Heights-Hillcrest Communications Center
Cuyahoga County
88 Center Road, Suite B100
Bedford, Ohio 44146

We have performed the procedures enumerated below, which were agreed to by the Center Board and the management of the Heights-Hillcrest Communications Center (the Center) on the receipts, disbursements and balances recorded in the Center's cash basis accounting records for the years ended December 31, 2019 and 2018 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 years ended December 31, 2019 and 2018 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 December 31, 2019 and December 31, 2018 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2018 beginning fund balances recorded in the Cash Summary by Fund Report to the December 31, 2017 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2019 beginning fund balances recorded in the Cash Summary by Fund Report to the December 31, 2018 balances in the Cash Summary by Fund Report. We found fund balances on the January 1, 2019 report exceeded those at December 31, 2018 by \$150.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2019 and 2018 fund cash balances reported in the Cash Summary by Fund reports and the financial statements filed by the Center in the Hinkle System. The reconciled balance in 2019 exceeded the Center's financial statement balances by \$105,861 due to misstatements in posting activity from the Center's clearing account. The reconciled balance in 2018 did not agree to the Center's Cash Summary by Fund report or financial statements, with bank balances exceeding book balances by \$150.
4. We confirmed the December 31, 2019 bank account balance on the Ohio Pooled Collateral System. The balance agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2019 bank reconciliation without exception.

Cash (Continued)

5. We traced interbank account transfers occurring in December of 2018 to the accounting records and bank statements to determine if they were properly recorded. We found no exceptions.

Member Contributions

We selected five member contribution cash receipts from the year ended December 31, 2019 and five member contribution cash receipts from the year ended 2018 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. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2017.
2. We inquired of management, and inspected the Revenue Ledger Report and Appropriation Ledger Report for evidence of debt issued during 2019 or 2018 or debt payment activity during 2019 or 2018. No new debt issuances, nor any debt payment activity during 2019 or 2018 was found.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2019 and one payroll check for five employees from 2018 from the Employee History Register Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Employee History Register Report to supporting documentation (timecard, legislatively approved rate or salary). We found no exceptions.
 - b. We inspected the Employee History Register Report to determine whether the fund and account code to which the check was posted were reasonable based on the employees' personnel files. We also inspected the Employee History Register Report to determine whether the payment was posted to the proper year. We found no exceptions.
 - c. For any new employees selected, 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:
 - i. Name
 - ii. Authorized salary or pay rate and department and fund to which the check should be charged
 - iii. Retirement system, Federal, State & Local income tax withholding authorization and withholding

We found no exceptions related to procedures i. – iii. above, except the retirement system and tax enrollment forms were not maintained for two employees. However, the Employee History Register Report did disclose retirement and tax withholdings for these employees. We recommend the Center maintain all documentation to support wages paid and deductions withheld.

Payroll Cash Disbursements (Continued)

2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 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:

| Withholding (plus employer share, where applicable) | Date Due | Date Paid | Amount Due | Amount Paid |
|--|---------------------|----------------------|-----------------------|------------------------|
| Federal income taxes & Medicare (and social security, for employees not enrolled in pension system) | January 31, 2020 | December 20, 2019 | \$5,386 | \$5,386 |
| State income taxes | January 15, 2020 | December 20, 2019 | 1,511 | 1,511 |
| OPERS retirement | January 30, 2020 | January 23, 2020 | 18,513 | 18,513 |

Non-Payroll Cash Disbursements

We selected 10 disbursements from the Payment Register for the year ended December 31, 2019 and 10 from the year ended December 31, 2018 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 Payment Register and to the names and amounts on the supporting invoices. We found four of the 10 disbursements for the year ended December 31, 2018 did not maintain the canceled check.
- 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.

Sunshine Law Compliance

1. We obtained and inspected the Center's Public Records Policy to determine the policy did not limit the number of responses that may be made to a particular person, limit the number of responses during a specified period of time, or establish a fixed period of time before it will respond unless that period is less than eight hours. We found no exceptions.
2. We selected five public records requests from the engagement period and inspected each request to determine the Center was compliant and responded to the request in accordance with their adopted policy. We found no exceptions.
3. We inquired with the Center's management and determined that the Center did not have any denied public records requests during the engagement period.
4. We inquired with the Center's management and determined that the Center did not have any public records requests with redactions during the engagement period.
5. We inquired whether the Center has a records retention policy, and observed that it is readily available to the public. We found no exceptions.

Sunshine Law Compliance (Continued)

6. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager. We found no exceptions.
7. We inspected the Center's policy manual and determined the public records policy was included. We found no exceptions.
8. We observed that the Center's poster describing their Public Records Policy was displayed conspicuously in all branches of the Center. We found the policy is not displayed on the premises of the Center as required by Ohio Rev. Code § 149.43 (E)(2).
9. We inquired with the Center's management and determined the Center did not have any applications for the record disposal submitted to the Records Commission during the engagement period.
10. We inquired with the Center's management and determined that the Center did not have any elected officials subject to the Public Records Training requirements during the engagement period as required by Ohio Rev. Code § 149.43 (E)(1) and 109.43 (B).
11. We inspected the public notices for the public meetings held during the engagement period and determined the Center is not notifying the public of when and where meetings are held, as required by Ohio Rev. Code § 121.22 (F).
12. We inspected the minutes of public meetings during the engagement period and determined whether they were:
 - a. Prepared – a file is created following the date of the meeting
 - b. Filed – placed with similar documents in an organized manner
 - c. Maintained - retained, at a minimum, for the engagement period
 - d. Open to public inspection – available for public viewing or request.We found no exceptions.
13. We inspected the minutes from the engagement period and determined the following:
 - a. Executive sessions were only held at regular or special meetings.
 - b. The purpose for the meetings and going into an executive session (when applicable) correlated with one of the matters listed in Ohio Rev. Code Section 121.22(G).
 - c. Formal governing board actions were adopted in open meetings.We found no exceptions.

Other Compliance

1. Ohio Rev. Code Section 117.38 requires councils 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 Center filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy for the years ended December 31, 2019 and 2018 in the HINKLE system. However, the Center's financial information was filed on March 24, 2020 for the year ended December 31, 2019 which was not within the allotted timeframe. We found no exceptions with the timing of the financial filing for the year ended December 31, 2018.

Other Compliance (Continued)

2. For all credit card accounts we obtained:

- copies of existing internal control policies,
- a list 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 the policy did not include the following HB 312 requirements:

- Who the authorized, designated users are;
- A reasonable length of time the card is allowed to be out of the control of the treasurer or fiscal officer for the transaction(s) to be completed;
- The procedure for submitting itemized receipts to the fiscal officer or the fiscal officer's designee; and
- The procedure for credit card issuance, credit card reissuance, credit card cancellation and the process for reporting lost or stolen credit cards.

In addition, the Center did not adopt its policy until May 20, 2020, which was beyond the required February 2019 deadline.

b. We selected 1 credit card transaction from each credit card account 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.

c. We selected 3 credit card statements from each credit card account for testing. For selected statements we inspected documentation to determine that:
i. No unpaid beginning balance was carried forward to the current billing cycle,
ii. Ending statement balance was paid in full, and
iii. Statement contained no interest or late fees.

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.

Heights-Hillcrest Communications Center
Cuyahoga County
Independent Accountants' Report on
Applying Agreed-Upon Procedures
Page 6

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 years ended December 31, 2019 and 2018, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive style with a large, stylized 'K' and 'F'.

Keith Faber
Auditor of State

Columbus, Ohio

September 3, 2020

OHIO AUDITOR OF STATE KEITH FABER



HEIGHTS HILLCREST COMMUNICATIONS CENTER

CUYAHOGA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 9/15/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov