



OHIO AUDITOR OF STATE
KEITH FABER



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88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Midland Council of Government
Wayne County
2125 Eagle Pass
Wooster, Ohio 44691

We have performed the procedures enumerated below on the Midland Council of Government's (the Council) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended June 30, 2021 and 2020 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Council. The Council is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended June 30, 2021 and 2020 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Council.

The Council Board and the management of the Council have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing assistance in the evaluation of the Council's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended June 30, 2021 and 2020, and certain compliance requirements related to these transactions and balances. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the 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.

For the purposes of performing these procedures, this report only describes exceptions exceeding \$10.

The procedures and the associated findings are as follows:

Cash

1. We recalculated the June 30, 2021 and June 30, 2020 bank reconciliations. We found no exceptions.
2. We agreed the July 1, 2020 beginning fund balances recorded in the OH Cash Position Report to the June 30, 2019 balances in the documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the July 1, 2020 beginning fund balances for each fund recorded in the OH Cash Position Report to the June 30, 2020 balances in the Cash Position Report. We found no exceptions.

3. We agreed the totals per the bank reconciliations to the total of the June 30, 2021 and 2020 fund cash balances reported in the OH Cash Position Report and the financial statements filed by the Council in the Hinkle System. 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, 2021 bank reconciliation without exception.
5. We selected all reconciling debits (such as outstanding checks) from the June 30, 2021 bank reconciliation:
 - a. We traced each debit to the subsequent July 2021 bank statement. We found no exceptions.
 - b. We traced the amounts and dates to the check register, and determined the debits were dated prior to June 30. There were no exceptions.
6. We traced interbank account transfers occurring in June of 2021 and 2020 to the accounting records and bank statements to determine if they were properly recorded. We found no exceptions.
7. Pursuant to Ohio Rev. Code § 167.04 (B), the Council appointed a fiscal officer and prescribed allowable investments. We compared investments held at June 30, 2021 and June 30, 2020 to the investments the by-laws permit. We found no exceptions.

Member Contributions

We selected five member contribution cash receipts from the year ended June 30, 2021 and five member contribution cash receipts from the year ended 2020 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the Revenue Audit Trail. The amounts agreed.
- b. Agreed the amount charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the Revenue Audit Trail 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 agreed-upon procedures documentation, we observed the following loans were outstanding as of June 30, 2019. These amounts agreed to the Council's July 1, 2019 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of June 30, 2019:
Building Loan	\$243,751

2. We inquired of management, and inspected the Revenue Audit Trail and Expenditure Audit Trail for evidence of debt issued during fiscal year 2021 or fiscal year 2020 or debt payment activity during fiscal year 2021 or fiscal year 2020. There were no new debt issuances, nor any debt payment activity during fiscal year 2021 or fiscal year 2020.
3. We obtained a summary of loan debt activity for fiscal years 2021 and 2020 and agreed principal and interest payments from the related debt amortization schedule to debt service fund payments reported in the Expenditure Audit Trail Report. We also compared the date the debt service payments were due to the date the Council made the payments. We found no exceptions.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2021 and one payroll check for five employees from 2020 from the Concise Check Register and:
 - a. We compared the hours and pay rate, or salary recorded in the Concise Check Register to supporting documentation (timecard, legislatively or statutorily-approved rate or salary).
 - i. We inspected the employees' personnel files for the Retirement system, Federal, State & Local income tax withholding authorization.
 - ii. We agreed these items to the information used to compute gross and net pay related to this check.
We found no exceptions.
 - b. We inspected the fund and account codes to which the check was posted to determine the posting was allowable based on the employees' duties as documented in the employees' personnel files. We found no exceptions.
 - c. We 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 June 30, 2021 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 2021. We observed the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	July 31, 2021	June 21, 2021	\$10,236.21	\$10,236.21
State income taxes	July 15, 2021	June 21, 2021	\$2,026.30	\$2,026.30
Local income tax	July 15, 2021	June 21, 2021	\$1,954.25	\$1,954.25
STRS retirement	July 30, 2021	July 2, 2021	\$2,151.58	\$2,151.58
SERS retirement	July 31, 2021	July 2, 2021	\$9,087.32	\$9,087.32

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Expenditure Audit Trail for the year ended June 30, 2021 and 10 from the year ended 2020 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 Expenditure Audit Trail 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.

Sunshine Law Compliance

1. We obtained and inspected the Council's Public Records Policy to determine the policy was in accordance with Ohio Rev. Code §§ 149.43(E)(2) and 149.43(B)(7)(c) and 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 inquired with Council management and determined that the Council did not have any completed, denied, or redacted public records requests during the engagement period.
3. We inquired whether the Council had a records retention schedule, and observed that it was readily available to the public as required by Ohio Rev. Code § 149.43(B)(2). We found no exceptions
4. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions
5. We inspected the Council's policy manual and determined the public records policy was not included as required by Ohio Rev. Code § 149.43(E)(2).
6. We observed that the Council's poster describing their Public Records Policy was displayed conspicuously in all branches of the Council as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions
7. We inquired with Council management and determined that the Council did not have any applications for record disposal submitted to the Records Commission during the engagement period.
8. We inquired with Council management and determined that the Council 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).
9. We attempted to inspect the public notices for the public meetings held during the engagement period and determine if the Council notified the general public and news media of when and where meetings during the engagement period were to be held as required by Ohio Rev. Code § 121.22(F). We found the Council failed to properly notify the public for all public meetings held during the engagement period as statutorily required.
10. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Rev. Code § 121.22(C) and determine 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
11. We inspected the minutes from the engagement period in accordance with Ohio Rev. Code § 121.22(G) 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 § 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 Council 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 June 30, 2021 and 2020 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 selected 1 credit card transaction from each credit card account 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.
 - b. 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 one exception where the Council paid a late fee on a credit card statement.

We were engaged by the Council to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Council of Government'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.

We are required to be independent of the Council and to meet our ethical responsibilities, in accordance with the ethical requirements established by the Comptroller General of the United States' *Government Auditing Standards* related to our agreed upon procedures engagement.



Keith Faber
Auditor of State
Columbus, Ohio

March 31, 2022

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OHIO AUDITOR OF STATE KEITH FABER



MIDLAND COUNCIL OF GOVERNMENTS

WAYNE 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 5/5/2022

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
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