



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Eastern Suburban Regional Council of Governments
Cuyahoga County
6154 Mayfield Road
Mayfield Heights, Ohio 44124

We have performed the procedures enumerated below, which were agreed to by the Council and the management of the Eastern Suburban Regional Council of Governments (the Council), on the receipts, disbursements and balances recorded in the Council's cash basis accounting records for the years ended December 31, 2017 and 2016 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 December 31, 2017 and 2016 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Council. 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, 2017 and December 31, 2016 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2016 beginning fund balances recorded in the Transaction Ledger to the December 31, 2015 balances in the prior Basic Audit working papers. We found no exceptions. We also agreed the January 1, 2017 beginning fund balances recorded in the Transaction Ledger to the December 31, 2016 balances in the Transaction Ledger. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2017 and 2016 fund cash balances reported in the Transaction Ledger. The amounts agreed.
4. We confirmed the December 31, 2017 bank account balances with the Council's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2017 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2017 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statements. We found no exceptions.
 - b. We traced the amounts and dates to the Transaction Ledger, to determine the debits were dated prior to December 31. There were no exceptions.

6. We traced the interbank account transfer occurring in December of 2017 to the accounting records and bank statements to determine if they were properly recorded. We found no exceptions.

Member Contributions

We haphazardly selected five member contribution cash receipts from the year ended December 31, 2017 and five member contribution cash receipts from the year ended December 31, 2016 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the Transaction Ledger. The amounts agreed.
- b. Agreed the amount charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the Transaction Ledger to determine the receipt was posted to the proper fund, and was 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, 2017 and 10 over-the-counter cash receipts from the year ended December 31, 2016 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the Transaction Ledger. The amounts agreed.
- b. Inspected the Transaction Ledger 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 basic audit engagement documentation disclosed no debt outstanding as of December 31, 2015.
2. We inquired of management, and inspected the Transaction Ledger for evidence of debt issued during 2017 or 2016, or debt payment activity during 2017 or 2016. No new debt issuances, nor any debt payment activity during 2017 or 2016 was found.

Non-Payroll Cash Disbursements

1. From the Transaction Ledger, we re-footed checks recorded as General Fund disbursements for *Insurance* and checks recorded as *Training* in the Law Enforcement Trust fund for 2017. We found no exceptions.
2. We haphazardly selected ten disbursements from the Transaction Ledger for the year ended December 31, 2017 and ten from the year ended December 31, 2016 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 or voided check agreed to the check number, date, payee name and amount recorded in the Transaction 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.

Other Compliance

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, in addition to filing extensions granted for extenuating circumstances, allow for refiling complete financial statements, as defined in AOS Bulletin 2015-007 in the HINKLE System for December 31, 2017 and 2016 fiscal year ends included in 2015-2016 or 2016-2017 agreed up on procedure engagements, subsequent to the Council's deadline where the initial filing was filed on time but incomplete. 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 December 31, 2017 and 2016 in the HINKLE system. There were 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 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.

This report is to provide assistance in in the evaluation of the Council's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2017 and 2016, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

August 3, 2018

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EASTERN SUBURBAN REGIONAL COUNCIL OF GOVERNMENTS

CUYAHOGA 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 16, 2018**