



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Southern Ohio Council of Governments
Ross County
27 West Second Street
Chillicothe, Ohio 45601

We have performed the procedures enumerated below, which were agreed to by the Council Board and the management of Southern Ohio 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 and Investments

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 General Ledger to the December 31, 2015 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, 2017 beginning fund balances recorded in the General Ledger to the December 31, 2016 balances in the General 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 General Ledger. The amounts agreed.
4. We observed the year-end bank balances on the financial institution's website. The balances agreed. 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 statement. We found no exceptions.
 - b. We traced the amounts and dates to the General Ledger, to determine the debits were dated prior to December 31. There were no exceptions.

6. We traced interbank account transfers occurring in December of 2017 and 2016 to the general ledger and bank statements to determine if they were properly recorded. We found no exceptions.
7. 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, 2017 and December 31, 2016 to the investments the by-laws permit. We found no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

1. We haphazardly selected all five receipts from the State Distribution Transaction Lists (DTL) from 2017 and five from 2016.
 - a. We compared the amount from the above report to the amount recorded in the General Ledger. The amounts agreed.
 - b. We inspected the General Ledger to determine that these receipts were allocated to the proper fund. We found no exceptions.
 - c. We inspected the General Ledger to confirm whether the receipts were recorded in the proper year. 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 2016 recorded in the income spreadsheet and:

- a. Agreed the receipt amount to the amount recorded in the General Ledger. The amounts agreed.
- b. Agreed the amounts charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the General Ledger to determine the receipt was posted to the proper fund(s), and was recorded in the proper year. We found no exceptions.

Charges for Services Cash Receipts

We haphazardly selected 10 charges for services cash receipts from the year ended December 31, 2017 and 10 charges for services cash receipts from the year ended 2016 recorded in the income spreadsheet and:

- a. Agreed the receipt amount to the amount recorded in the General Ledger. The amounts agreed.
- b. Confirmed the amounts charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the General Ledger to determine the receipt was posted to the proper funds, and was recorded in the proper year. We found no exceptions.

Investments of Funds from Members Cash Receipts

We haphazardly selected all five county board contributions for additional services cash receipts from the year ended December 31, 2017 and all two county board contributions for additional services cash receipts from the year ended 2016 recorded in the income spreadsheet and:

- a. Agreed the receipt amount to the amount recorded in the General Ledger. The amounts agreed.
- b. Confirmed the amounts charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the General Ledger to determine the receipt was posted to the proper fund(s), and was recorded in the proper year. We found no exceptions.

Debt

1. The agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2015.
2. We inquired of management, and inspected the General 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.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2017 and one payroll check for five employees from 2016 from the Payroll Details Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Earnings Record to supporting documentation (timecard, legislatively approved rate or salary). We found no exceptions.
 - b. We inspected the General Ledger to determine whether the fund and account code(s) to which the check was posted were reasonable based on the employees' personnel files and/or minute record. We also inspected the General Ledger to determine whether the payment was posted to the proper year. We found no exceptions.
2. For any new employees selected in procedure 1 we compared the following information in the employees' personnel files and/or minute record was consistent with the information used to compute gross and net pay related to this check:
 - a. Name
 - b. Authorized salary or pay rate
 - c. Department(s) and fund(s) to which the check should be charged
 - d. Retirement system participation and payroll withholding
 - e. Federal, State & Local income tax withholding authorization and withholding
 - f. Any other deduction authorizations (deferred compensation, etc.)

We found no exceptions related to procedures a. – f. above.

3. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2017 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 2017. 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, 2018	January 4, 2018	\$6,211.99	\$6,211.99
State income taxes	January 15, 2018	January 12, 2018	3,141.37	3,141.37
Local income tax	January 31, 2018	January 9, 2018	2,347.39	2,347.39
OPERS retirement	January 30, 2018	January 16, 2018	19,395.43	19,395.43

4. 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 Payroll Details Report:
- a. Accumulated leave records
 - b. The employee's pay rate in effect as of the termination date
 - c. The Council of Government's payout policy.

The amount paid was consistent with the information recorded in a. through c. above.

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the General Ledger for the year ended December 31, 2017 and ten from the year ended 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 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.

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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

June 4, 2018

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SOUTHERN OHIO COUNCIL

ROSS 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
JUNE 28, 2018**