



**MIDLAND COUNCIL OF GOVERNMENTS
WAYNE COUNTY**

AGREED-UPON PROCEDURES

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street, 5th Floor
Columbus, Ohio 43215-3506
(614) 466-3402 or (800) 443-9275
CentralRegion@ohioauditor.gov

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the Council Board and the management of the Midland Council of Governments (the Council), on the receipts, disbursements and balances recorded in the Councils cash basis accounting records for the years ended June 30, 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 Council. The Council is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended June 30, 2019 and 2018 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 June 30, 2019 and June 30, 2018 bank reconciliations. We found no exceptions.
2. We agreed the July 1, 2017 beginning fund balance recorded in the Cash Position Report to the June 30, 2017 balances in the prior year audited statements. We found no exceptions. We also agreed the July 1, 2018 beginning fund balances recorded in the Cash Position Report to the June 30, 2018 balances in the Cash Position Report. We found no exceptions.
3. We agreed the totals per the bank reconciliation to the total of the June 30, 2019 and 2018 fund cash balance reported in the Cash Position Report. The amounts agreed.
4. We observed the year-end bank balances on the financial institutions website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the June 30, 2019 bank reconciliation without exception.
5. We selected a sample (agreed upon) of five reconciling debits (such as outstanding checks) from the June 30, 2019 bank reconciliation:
 - a. We traced each debit to the subsequent July bank statement. We found no exceptions.
 - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to June 30. There were no exceptions.

Cash (continued)

6. We traced interbank account transfers occurring in June 2019 and 2018 to the accounting records 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 June 30, 2019 and June 30, 2018 to the investments the by-laws permit. We found no exceptions.

Member Contributions

We selected a sample (agreed upon) of five member contribution cash receipts from the year ended June 30, 2019, and five member contribution cash receipts from the year ended 2018 recorded in the Revenue Audit Trail Report and:

- a. Agreed the invoice amount to the amount recorded in the Revenue Audit Trail 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 Audit Trail Report 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 audit documentation, we observed the following loans and leases were outstanding as of June 30, 2017. These amounts agreed to the Council's July 1, 2018 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of June 30, 2017:
Building Loan	\$373,751
Lease-Purchase Agreement: Equipment	\$119,208
Lease-Purchase Agreement: Network Equipment	\$156,651

2. We inquired of management, and inspected the Revenue Audit Trail Report and Expenditure Audit Trail Report for evidence of debt issued during 2019 or 2018 or debt payment activity during 2019 or 2018. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of loans and leases debt activity for 2019 and 2018 and agreed principal and interest payments from the related debt amortization schedules 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 2019 and one payroll check for five employees from 2018 from the Concise Check History Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Concise Check History Report to supporting documentation (timecard, legislatively approved rate or salary). We found no exceptions.
 - b. We inspected the Expenditure Audit Trail Report to determine whether the fund and account code to which the check was posted were reasonable based on the employees' personnel files and/or minute record. We also inspected the Expenditure Audit Trail Report to determine whether the payment was posted to the proper year. We found no exceptions.

Payroll Cash Disbursements (continued)

2. We inspected the last remittance of tax and retirement withholdings for the year ended June 30, 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)	July 31, 2019	June 20, 2019	\$9,460.09	\$9,460.09
State income taxes	July 15, 2019	June 21, 2019	\$1,904.46	\$1,904.46
Local income tax	July 31, 2019	June 21, 2019	\$2,019.03	\$2,019.03
STRS retirement	July 31, 2019	June 20, 2019	\$3,559.52	\$3,559.52
SERS retirement	July 31, 2019	June 20, 2019	\$14,462.17	\$14,462.17

3. We 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 Concise Check History 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 selected a sample (agreed upon) of 10 disbursements from the Expenditure Audit Trail Report for the year ended June 30, 2019 and 10 from the year ended 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 Expenditure Audit Trail 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.

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 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, 2019 and 2018 in the Hinkle system. There were no exceptions.
2. For all credit card accounts we obtained:
 - a list(s) of authorized users, and
 - a list of all credit card account transactions.
 - a. We selected 3 credit card transactions 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.

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 June 30, 2019 and 2018 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

December 19, 2019

OHIO AUDITOR OF STATE KEITH FABER



MIDLAND COUNCIL OF GOVERNMENTS

WAYNE 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
JANUARY 23, 2020**