



Dave Yost • Auditor of State

HOCKING CONSERVANCY DISTRICT
ATHENS COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Hocking Conservancy District
Athens County
560 West Union Street
Athens, Ohio 45701

We have performed the procedures enumerated below, with which the Board of Directors and the management of Hocking Conservancy District, Athens County, Ohio (the District), agreed, solely to assist the Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2010 and 2009, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management and the Board are responsible for complying with the compliance requirements. 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*. 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 tested the mathematical accuracy of the December 31, 2010 and December 31, 2009 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2009 beginning fund balances recorded in the Annual Financial Report to the December 31, 2008 balances in the prior year audited statements. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2010 and 2009 fund cash balances reported in the Annual Financial Report. The amounts agreed.
4. We confirmed the December 31, 2010 bank account balances with the District's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2010 bank reconciliation without exception.
5. We selected five outstanding checks haphazardly from the December 31, 2010 bank reconciliation:
 - a. We traced each check to the debit appearing in the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and date written to the check register, to determine the checks were dated prior to December 31. We noted no exceptions.

Cash and Investments (Continued)

6. We tested investments held at December 31, 2010 and December 31, 2009 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We found no exceptions.
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. We noted no exceptions.

Special Assessments, Intergovernmental and Other Confirmable Cash Receipts

1. We selected a special assessment receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2010 and one from 2009:
 - a. We traced the amount from the Statement to the amount recorded in the Cashbook. The amounts agreed.
 - b. We determined whether the receipt was allocated to the proper fund as required by Ohio Rev. Code Sections 6101.44, 5705.05-.06 and 5705.10. We found no exceptions.
 - c. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We confirmed the amount of interest received during 2010 and 2009. We found no exceptions.
 - a. We determined whether these receipts were allocated to the proper funds. We found no exceptions.
 - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. We inquired of management, and scanned the Cashbook for evidence of bonded or note debt issued during 2010 or 2009 or outstanding as of December 31, 2010 or 2009. We noted no new debt issuances, nor any debt payment activity during 2010 or 2009.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2010 and one payroll check for five employees from 2009 from the Payroll Spreadsheet and determined whether the following information in the employees' personnel files 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.

We found no exceptions related to steps a. – e. above.

Payroll Cash Disbursements (Continued)

2. We tested the checks we selected in step 1, as follows:
 - a. We compared the hours and pay rate, or salary amount used in computing gross pay to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
 - c. We determined whether the fund and account codes to which the check was posted was reasonable based on the employees' duties as documented in the employees' personnel files. We also determined whether the payment was posted to the proper year. We found no exceptions.

3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2010 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld, plus the employer's share where applicable during the final withholding period during 2010. We noted the following:

| Withholding | Date Due | Date Paid | Amount Withheld | Amount Paid |
|--|-----------------|------------------|------------------------|--------------------|
| Federal income taxes | 1/31/11 | 12/30/10 | \$3,919.62 | \$3,919.62 |
| State income taxes | 1/15/11 | 1/13/11 | \$1,010.82 | \$1,010.82 |
| School district tax | 1/18/11 | 12/29/10 | \$36.47 | \$36.47 |
| Local income tax | 1/31/11 | 12/29/10 | \$457.34 | \$457.34 |
| OPERS retirement (withholding plus employee share) | 1/31/11 | 1/03/11 | \$8,450.37 | \$8,450.37 |

Non-Payroll Cash Disbursements

1. For the Cashbook, we refooted checks recorded as General Fund disbursements for Legal Fees, and checks recorded as Operations in the Margaret Creek Subdivision Fund for 2010. We found no exceptions.

2. We agreed total disbursements (non-payroll and payroll) from the Cashbook for the years ended December 31, 2010 and 2009 to the total disbursements recorded in the check register. We found no exceptions.

3. We haphazardly selected ten disbursements from the Cashbook for the year ended December 31, 2010 and ten from the year ended 2009 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 Cashbook 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.
 - d. The fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code Sections 5705.28(B)(2), 5705.41(D) and 6101.44. We found no exceptions.

Compliance – Budgetary

1. We compared the total from the Estimated Revenue Resolution required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.36(A)(1), to the amounts recorded in the Annual Financial Report for the General, Margaret Creek Subdivision and Contingency Reserve Funds for the years ended December 31, 2010 and 2009. The amounts agreed.
2. We scanned the appropriation measures adopted for 2010 and 2009 to determine whether, for the General, Margaret Creek Subdivision and Contingency Reserve Funds, the Directors appropriated separately for "each office, department, and division, and within each, the amount appropriated for personal services," as is required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Rev. Code Section 6101.44, to the amounts recorded in the Appropriation Status Spreadsheet for 2010 and 2009 for the following funds: General, Margaret Creek Subdivision and Contingency Reserve Funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status spreadsheet.
4. Ohio Rev. Code Section 6101.44 prohibits appropriations from exceeding the unencumbered balance plus the amounts to be received during the year. We compared total appropriations to total estimated revenue for the General, Margaret Creek Subdivision and Contingency Reserve funds for the years ended December 31, 2010 and 2009. We noted no funds for which appropriations exceeded estimated revenue.
5. Ohio Rev. Code Section 6101.44 prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2010 and 2009 for the General, Margaret Creek Subdivision and Contingency Reserve Funds, as recorded in the Appropriation Status spreadsheet. We noted no funds for which expenditures exceeded appropriations.
6. Ohio Rev. Code Section 6101.44 requires establishing separate funds to segregate externally-restricted resources. We scanned the Cashbook for evidence of new restricted receipts requiring a new fund during December 31, 2010 and 2009. We also inquired of management regarding whether the District received new restricted receipts. We noted no evidence of new restricted receipts for which Ohio Rev. Code Section 6101.44 would require the District to establish a new fund.
7. We scanned the 2010 and 2009 Revenue Status Spreadsheet and Appropriation Status Spreadsheet for evidence of interfund transfers exceeding \$10,000 which Ohio Rev. Code Section 6101.44 restricts. We found no evidence of transfers this Section prohibits.

Compliance – Contracts & Expenditures

1. We inquired of management and scanned the Cashbook for the years ended December 31, 2010 and 2009 for procurements requiring competitive bidding for improvements for items which a conservancy district was established by contract, in excess of \$25,000, as required by Ohio Rev. Code Section 6101.16.

We identified no purchases subject to the aforementioned bidding requirements.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the District's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and those charged with governance and is not intended to be, and should not be used by anyone other than these specified parties.

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

May 5, 2011

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HOCKING CONSERVANCY DISTRICT

ATHENS 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
MAY 24, 2011**