



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Reno Beach/Howard Farms Conservancy District
Lucas County
643 Donovan Road
Curtice, Ohio 43412-9433

We have performed the procedures enumerated below, with which the Board of Directors and the management of Reno Beach/Howard Farms Conservancy District, Lucas 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, 2011 and 2010, 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

1. We tested the mathematical accuracy of the December 31, 2011 and December 31, 2010 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2010 beginning fund balance for the general checking account recorded in the Check and Deposit Register and the January 1, 2010 beginning fund balance for Star Ohio recorded in the Star Ohio Register Reports to the December 31, 2009 balances in the prior year Agreed-Upon Procedures working papers. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2011 and 2010 fund cash balances reported for the general checking account recorded in the Check and Deposit Register, and the December 31, 2011 and 2010 fund cash balance for Star Ohio from the Star Ohio Register Reports. The amounts agreed.
4. We confirmed the December 31, 2011 bank account balance with the District's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2011 bank reconciliation without exception.
5. We selected the only outstanding check from the December 31, 2011 bank reconciliation:
 - a. We traced the check to the subsequent January bank statement. We found no exceptions.
 - b. We traced the amount and date to the check register, to determine the debit was dated prior to December 31. We noted no exceptions.

6. We tested investments held at December 31, 2011 and December 31, 2010 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

1. We selected a special assessment receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2011 and one from 2010:
 - a. We traced the amount from the *Statement* to the amount recorded in the Check and Deposit Register. 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.

Debt

1. The prior Agreed-Upon Procedures documentation disclosed no debt outstanding as of December 31, 2009.
2. We inquired of management, and scanned the Check and Deposit Register for evidence of debt issued during 2011 or 2010 or debt payment activity during 2011 or 2010. We noted no new debt issuances, nor any debt payment activity during 2011 or 2010.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for the four employees from 2011 and one payroll check for the four employees from 2010 from the Check and Deposit Register and:
 - a. We compared salary amount used in computing gross pay to supporting documentation (legislatively approved salary). We found no exceptions.
 - b. We recomputed gross and net pay and agreed it to the amount recorded in the Check and Deposit Register. We found no exceptions.
 - c. We determined whether the fund and account code to which the check was posted was reasonable based on the employees' duties as documented in the minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.

2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2011 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 2011. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes and Medicare	January 31, 2012	December 12, 2011	\$43.50	\$43.50
OPERS retirement	January 30, 2012	December 12, 2011	120.00	120.00

Non-Payroll Cash Disbursements

1. From the Check and Deposit Register, we re-footed checks recorded as General Fund disbursements for *supplies and materials*, and checks recorded as *utilities* for 2011. We found no exceptions.
2. We haphazardly selected ten disbursements from the Check and Deposit Register for the year ended December 31, 2011 and ten from the year ended December 31, 2010 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 Check and Deposit Register 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 Resolution certifying the Annual Maintenance Assessment as provided in Section 6101.53 of the Ohio Revised Code for 2011 and 2010 to the Permanent Appropriations Report that serves as an operating budget, as required by Ohio Rev. Code 5705.28(B)(2). The amounts agreed for 2010, however, the amounts did not agree for 2011. The Resolution certifying the Annual Maintenance Assessment reported \$65,000 and the Permanent Appropriations Report reported \$62,000. The fiscal officer should compare the amount recorded in the Resolution certifying the Annual Maintenance Assessment to the amount recorded in the Permanent Appropriations Report to assure they agree. If the amounts do not agree, the Directors may be using inaccurate information for budgeting and monitoring purposes.
2. We scanned the appropriation measures adopted for 2011 and 2010 to determine whether 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 Section 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 from the permanent appropriations resolution, to the amounts recorded in the Appropriations Balance Sheet for 2011 and 2010. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriations Balance Sheet report.
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 years ended December 31, 2011 and 2010. We noted appropriations did not exceed 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, 2011 and 2010 as recorded in the Appropriation Balance Sheet. We noted expenditures did not exceed appropriations.
6. Ohio Rev. Code Section 6101.44 requires establishing separate funds to segregate externally-restricted resources. We scanned the Cash Flow Report for evidence of new restricted receipts requiring a new fund during December 31, 2011 and 2010. 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.

Compliance – Contracts and Expenditures

1. We inquired of management and scanned the Check and Deposit Register for the years ended December 31, 2011 and 2010 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 a pump replacement project exceeding \$25,000, subject to Ohio Rev. Code Section 6101.16. For this project, we noted the Board advertised the project in a local newspaper and selected the lowest responsible bidder.

2. For the pump replacement project described in step 1 above, we read the contract and noted that it required the contractor to pay prevailing wages to their employees as required by Ohio Rev. Code Sections 4115.04 and 4115.05. The contract included the Ohio Department of Commerce's schedule of prevailing rates, and also required the contractor to incorporate the prevailing wage requirements into its subcontracts.

Officials' Response:

The District Official stated the wrong amount for the Annual Maintenance Assessment was accidentally input into the system.

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.

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This report is intended solely for the information and use of management, those charged with governance, and others within the District, 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 initial "D".

Dave Yost
Auditor of State

August 31, 2012

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RENO BEACH HOWARD FARMS CONSERVANCY DISTRICT

LUCAS 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
SEPTEMBER 20, 2012**