

LEADING CREEK CONSERVANCY DISTRICT
MEIGS COUNTY

AGREED-UPON PROCEDURES

Years Ended December 31, 2014 and 2013





Dave Yost • Auditor of State

Board of Directors
Leading Creek Conservancy District
34481 Corn Hollow Road
Rutland, Ohio 45775

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Leading Creek Conservancy District, Meigs County, prepared by Charles E. Harris & Associates, Inc., for the period January 1, 2013 through December 31, 2014. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Leading Creek Conservancy District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

October 8, 2015

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LEADING CREEK CONSERVANCY DISTRICT
MEIGS COUNTY

For the Years Ended December 31, 2014 and 2013

TABLE OF CONTENTS

<u>Title</u>	<u>Page</u>
Independent Accountants' Report on Applying Agreed-Upon Procedures	1

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Leading Creek Conservancy District
Meigs County
34481 Corn Hollow Road
Rutland, Ohio 45775

We have performed the procedures enumerated below, with which the Board of Directors and the management of Leading Creek Conservancy District (the District) and the Auditor of State 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, 2014 and 2013, 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, 2014 and December 31, 2013 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2013 beginning fund balances recorded in January 2013 Monthly Report of Income & Expenses to the to the December 31, 2012 balances in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2014 beginning fund balances recorded in the January 2014 Monthly Report of Income & Expenses to the December 31, 2013 balances in the December 2013 Report of Monthly Income & Expenses. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2014 and 2013 fund cash balances reported in the December Monthly Income & Expense. The amounts agreed.
4. We confirmed the December 31, 2014 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, 2014 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2014 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 check register, to determine the debits were dated prior to December 31. We noted no exceptions.
6. We tested investments held at December 31, 2014 and December 31, 2013 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.

Over-The-Counter Cash Receipts

We haphazardly selected 10 over-the-counter cash receipts from the year ended December 31, 2014 and 10 over-the-counter cash receipts from the year ended 2013 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Receipt Journal. The amounts agreed.
- b. Amount charged complied with rates in force during the audit period. We found no exceptions.
- c. Receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

Debt

1. From the prior agreed-upon procedures documentation, we noted the following notes and loans outstanding as of December 31, 2012. These amounts agreed to the District's January 1, 2013 balances on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2012:
OWDA General Obligation Note (2035)	\$173,170
OWDA General Obligation Note (3186)	155,533
OWDA General Obligation Note (3774)	108,244
Vinton County National Bank	123,687

2. We inquired of management, and scanned the Receipt Journal and AP Payment History View Report for evidence of debt issued during 2014 or 2013 or debt payment activity during 2014 or 2013. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of note debt activity for 2014 and 2013 and agreed principal and interest payments from the related debt amortization schedules to debt service fund payments reported in the AP Payment History View Report. We also compared the date the debt service payments were due to the date the District made the payments. We found no exceptions.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2014 and one payroll check for five employees from 2013 from the AP Check History View Report and:
 - a. We compared the hours and pay rate, or salary recorded in the AP Check History View Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. We determined whether the fund and account code to which the check was posted were reasonable based on the employees' duties as documented in the employees' personnel files and minute records. We also determined whether the payment was posted to the proper year. We found no exceptions.

2. For any new employees selected in step 1 determined whether the following information in the employees' personnel 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 and fund 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 steps a. – f. above.

3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2014 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 2014. We noted 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, 2015	December 23, 2014	\$ 1,971.74	\$ 1,971.74
State income taxes	January 15, 2015	January 12, 2015	\$ 903.09	\$ 903.09
OPERS retirement	January 30, 2015	January 29, 2015	\$ 7,571.95	\$ 7,571.95

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the AP Payment History View Report for the year ended December 31, 2014 and ten from the year ended 2013 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 AP Payment History View 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.
 - 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 estimated receipts from the Board Approved Budget, required by Ohio Rev. Code Section [(s) 5705.28(B)(2) and 5705.36(A)(1)], to the amounts recorded in the Income Statement Budget Comparison report for the O&M fund for the years ended December 31, 2014 and 2013. The amounts agreed.

2. We scanned the appropriation measures adopted for 2014 and 2013 to determine whether, for the O&M fund, 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, to the amounts recorded in the Income Statement Budget Comparison Report for 2014 and 2013 for the O&M fund. The amounts on the Board Approved Budget agreed to the amounts recorded in the Income Statement Budget Comparison 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 O&M fund for the years ended December 31, 2014 and 2013. We noted that 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, 2014 and 2013 for the O&M fund, as recorded in the Income Statement Budget Comparison Report. We noted O&M fund expenditures for 2013 exceeded total appropriation by \$44,458, contrary to Ohio Rev. Code Section 6101.44. The Fiscal Officer should not certify the availability of funds and should deny payment requests exceeding appropriations. The Treasurer may request the Directors to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary, and if resources are available.
6. Ohio Rev. Code Section 6101.44 requires establishing separate funds to segregate externally-restricted resources. We scanned the Receipt Ledger for evidence of new restricted receipts requiring a new fund during December 31, 2014 and 2013. 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 Cash Summary by Fund Report for the years ended December 31, 2014 and 2013 for negative cash fund balance. Ohio Rev. Code Section 5705.10 (I) provides that money paid into a fund must be used for the purposes for which such fund is established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another. We noted the District did not have a negative cash fund balance.

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, 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.



Charles E. Harris & Associates, Inc.
July 22, 2015



Dave Yost • Auditor of State

LEADING CREEK CONSERVANCY DISTRICT

MEIGS 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
OCTOBER 20, 2015**