



Dave Yost • Auditor of State





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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Mahoning County Soil & Water Conservation District  
Mahoning County  
850 Industrial Rd.  
Youngstown, OH 44509

We have performed the procedures enumerated below, with which the Board of Supervisors (the Board) and the management of the Mahoning County Soil and Water Conservation District (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 through 2015, 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 followed 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.

### Depository Balances, Investments and Fund Balances

We applied the following procedures to each *Cash Basis Annual Financial Report* (the Reports) for the fiscal years ending December 31, 2011 through December 31, 2015:

1. We footed and cross-footed the amounts on pages 3A and 3B of the Reports, and compared the *Fund Cash Balances, December 31* to the *Fund Balances* on page 2. The amounts agreed.
2. We compared the *Disbursements plus Other Financing Uses* for the Special Fund on pages 3A and 3B of the Reports to the Disbursements reported on page 4. The amounts agreed.
3. We compared the *Receipts plus Other Financing Sources* for the Special Fund on pages 3A and 3B of the Reports to the Actual Receipts reported on page 5. The amounts agreed.
4. We tested the mathematical accuracy of the reconciliation on page 2. We found no exceptions.
5. We agreed the January 1 and December 31 fund cash balances reported in the Mahoning County Annual Report for the Special Fund and the District's Peachtree Accounting General Ledger Report for all other funds to the corresponding *Fund Cash Balances* on page 3B of the Reports. The amounts agreed.

We also applied the following procedures to the *Subtotals* and *Totals* reported on page 2 of the December 31, 2015 Report:

6. We confirmed the December 31 bank account depository balances for the District Fund, Special Fund, STAR Ohio 319 Fund, STAR Ohio Cost Share Fund and the STAR Ohio Water Shed 2 Fund with the District's financial institutions. The amounts agreed except the Administrative Assistant reduced the amount reflected for depository balances on page 2 for the District Fund and Star Ohio by the amount of outstanding checks. The amounts of outstanding checks for 2011, 2012, 2013, 2014 and 2015 were \$1,085.08, \$514.00, \$725.35, \$113.95, and \$386.10, respectively. The system reconciliations were all correct, only page 2 of the Annual Report was filled out incorrectly.
7. We compared the December 31 Special Fund depository balance from the *Report* to the amount reported in the Mahoning County Soil and Water Conservation District. We found no exceptions.

For the two outstanding checks comprising the Outstanding Checks, we applied the following procedures:

- a. We footed the supporting outstanding check list and compared it to the Totals on the Report. We found no exceptions.
  - b. We traced each check to the subsequent January bank statement. We found no exceptions.
  - a. We traced the amounts and dates of each check to the Peachtree Account Register, to determine the check was recorded for the same amount and dated and recorded prior to December 31. We noted no exceptions.
9. We tested investments held at December 31 to determine that they:
    - b. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We found no exceptions
    - c. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. We noted no exceptions.

### **Intergovernmental and Other Confirmable Cash Receipts**

We applied the following procedures for the years ended December 31, 2011 through December 31, 2015:

We agreed the total of the receipts from the State Distribution Transaction Lists (DTL) and the total of the receipts from the County Auditor's Journal Detail Report to the total amounts recorded in the respective receipt classification in the Special Fund in the County Auditor's Journal Detail Report. We noted the following exceptions: During 2012 the County posted \$548 received from a local government to the State receipt classification. During 2013 the County posted \$5,000 received from a local government to the State receipt classification. During 2015 the County posted \$2,162.25 received from a local government to the State receipt classification. In these instances, the County posted local receipts incorrectly to state receipt classifications and the SWCD just reported the amount the County reflected in the Fund Report. We recommend the SWCD monitor its receipts more closely to make sure the County is posting to the proper receipt classifications during the year.

### All Other Cash Receipts

We haphazardly selected 10 other cash receipts from the year ended December 31, 2015 and five other cash receipts from each of the years ended 2011 through 2014 recorded in the duplicate cash receipts book and determined whether the:

1. Receipt amount agreed to the amount recorded in the Peachtree Cash Receipts Journal. The amounts agreed.
2. Amount charged complied with rates in force during the period, if applicable. We found no exceptions.
3. Receipt was posted to the proper funds, and was recorded in the proper year. We found no exceptions.

### Payroll Cash Disbursements

1. We haphazardly selected one payroll check for all four employees from 2015 and one payroll check for two employees for each of the years ended December 31, 2011 through 2014 from the Employee Detail Check History Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Employee Detail Check History Report to supporting documentation (timesheet, and legislatively approved rate and/or salary). We found no exceptions.
  - b. We determined whether salaries and benefits were paid only from the *Special Fund*, as required by the SWCD Administrative Handbook Chapter 5. We noted no exceptions.
  - c. We determined whether the check was classified as *salaries*. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. For the four employees tested in step 1 from 2015, we determined whether the following information in the employees' personnel files and minute record was consistent with the information used to compute gross and net pay related to the check:
  - a. Name
  - b. Authorized salary or pay rate
  - c. Retirement system participation and payroll withholding
  - d. Federal, State & Local income tax withholding authorization and withholding
  - e. Any other deduction authorizations (deferred compensation, etc.)

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

### Non-Payroll Cash Disbursements

1. We haphazardly selected five disbursements from the *Special Fund* and five disbursements from the *District Fund* and other funds from the Internal Spreadsheet for the Special Fund and Peachtree Cash Account Register for the District Fund for the year ended December 31, 2015 and two from the *Special Fund* and three from the *District Fund* for each of the years ended 2011 through 2014 and determined whether:
  - a. The disbursements were for a proper public purpose. We found no exceptions.
  - b. For *District Fund* disbursements, we determined whether:
    - i. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the similar data recorded in the Peachtree Cash Account Register and to the names and amounts on the supporting invoices. We found no exceptions.
    - ii. The payment was posted to a fund consistent with the purpose for which the fund's cash can be used. We found no exceptions.
  - c. For *Special Fund* disbursements, we determined whether:

- i. The payee name and amount recorded on the voucher and invoice submitted to the County Auditor agreed to the payee name and amount recorded in the District's Internal Spreadsheet and the County's Munis General Ledger Inquiry Report. We found no exceptions.
- ii. The names and amounts on the voucher agreed to supporting invoices. We found no exceptions.
- iii. The voucher and invoice was signed by the District Administrator or her designee and approved by a majority of the Board of Supervisors. We found no exceptions.

### **2015 Special Fund Budgetary Compliance**

1. We read the District's Special Fund Budget Request submitted to the County Commissioners. We noted the request included the Special Fund's *Needs, Income* and *Balances* anticipated for carry over from the current year, as required by the SWCD Administrative Handbook, Chapter 5. We also compared the budget amounts to the budgetary schedules on pages 4 and 5 of the Cash Basis Annual Financial Report. The Appropriations on page 4 of the Cash Basis Annual Financial Report were understated by \$91,139 compared to the District's Special Fund Budget Request submitted to the County Commissioners. Also, the Estimated Receipts on page 5 of the Cash Basis Annual Financial Report were understated by \$112,329 as compared to the District's Special Fund Budget Request submitted to the County Commissioners.
2. We compared the total estimated receipts reported on Page 5 of the Report to the Amended *Certificate*, required by Ohio Rev. Code Section 5705.36(A)(1), and to the amounts recorded in the 2015 Expense and Revenue Report for the Special Fund. The 2015 Expense and Revenue Report for the Special Fund recorded budgeted (i.e. certified) resources for the Special fund of \$140,000 for 2015. However, the final *Amended Official Certificate of Estimated Resources* reflected \$252,329. The fiscal officer should periodically compare amounts recorded in the Revenue Status Report to amounts recorded on the *Amended Official Certificate of Estimated Resources* to assure they agree. If the amounts do not agree, the Board of Supervisors may be using inaccurate information for budgeting and monitoring purposes.
3. We scanned the appropriation measures to determine whether the Supervisors appropriated separate amounts within the Special Fund for "each office, department, and division, and within each, the amount appropriated for personal services," as is required by Ohio Rev. Code Section 5705.38(C). We found no exceptions.
4. We compared total appropriations required by Ohio Rev. Code Sections 5705.38 and 5705.40, to the amounts recorded in the 2015 Expense and Revenue Report for the Special Fund, and to the appropriations reported on Page 4 of the Report. The 2015 Expense and Revenue Report for the Special Fund recorded appropriations for the Special fund of \$150,000. However, the Final Approved appropriations were \$241,149. The fiscal officer should ensure the amounts recorded in the Annual Report agree with the appropriations actually approved by the Commissioners.
5. Ohio Rev. Code Sections 5705.36(A)(5) and 5705.28(B)(2)(C) prohibit appropriations from exceeding estimated revenue. We compared total appropriations to total estimated revenue for the Special Fund for the year ended December 31, 2015. We noted appropriations did not exceed estimated revenues for the Special Fund.
6. Ohio Rev. Code Section 5705.41(B) prohibits expenditures (disbursements plus year-end certified commitments (i.e. encumbrances)) from exceeding appropriations. We compared total disbursements plus outstanding year-end encumbrances to total appropriations for the year ended December 31, 2015 for the "Special" Fund, as recorded in the 2015 Expense and Revenue Report. We noted expenditures did not exceed appropriations for the Special Fund.

7. We scanned the Annual Cash Basis Financial Report for the year ended December 31, 2015 for negative cash fund balances. 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 no funds having a negative cash fund balance.

### **2015 Compliance – Contracts & Expenditures**

We inquired of management and scanned the Peachtree Cash Account Register for the year ended December 31, 2015 to determine if the SWCD purchased equipment and services allowed by ORC 1515.09 or purchased goods or services allowed by ORC 1515.08(H)(1) whose cost, other than personal service compensation or office space rent, exceeded \$50,000. We noted no purchases exceeding \$50,000.

### **2015 Other Compliance**

Ohio Rev. Code Section 117.38 requires Districts to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. We reviewed the HINKLE system and noted the District filed their financial information within the allotted timeframe for the year ended December 31, 2015.

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.



**Dave Yost**  
Auditor of State

Columbus, Ohio

December 19, 2016

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# Dave Yost • Auditor of State

**MAHONING COUNTY SOIL AND WATER CONSERVATION DISTRICT**

**MAHONING 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  
DECEMBER 29, 2016**