



Dave Yost • Auditor of State





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

Ottawa Soil and Water Conservation District  
Ottawa County  
240 West Lake Street, Unit B  
Oak Harbor, Ohio 43449

We have performed the procedures enumerated below, with which the Board of Supervisors (the Board) and the management of Ottawa Soil and Water Conservation District, Ottawa 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 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 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 District's General Ledger or detailed spreadsheets, as applicable, 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*.

### **Depository Balances, Investments and Fund Balances (Continued)**

6. We observed the December 31 balances for the District and CWMA checking accounts and the District and CWMA STAR Ohio accounts on the financial institutions' websites. The balances agreed.
7. We compared the December 31 *Special Fund* depository balance from the *Report* to the amount reported in the detailed spreadsheet. We found no exceptions.
8. For the 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 February bank statement, subsequent year QuickBooks accounting system void and reissuance, or October, 2016 Reconciliation Detail Report wherein we noted the checks were still listed as outstanding.. We found no exceptions.
  - c. We traced the amounts and dates of each check to the Reconciliation Detail Report, to determine the check was recorded for the same amount and dated and recorded prior to December 31. We found no exceptions.
9. We tested the interbank account transfer occurring in December to determine if it was properly recorded in the accounting records and on each bank statement. We found no exceptions.
10. We tested investments held at December 31 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 found no exceptions.

### **Intergovernmental Cash Receipts**

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

1. 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 DTLs to the total amounts recorded in the respective receipt classification in the *Special Fund* in the County Auditor's MTD/YTD Report. We found no exceptions.
2. We selected all other Intergovernmental receipts in the General Ledger from funds other than the *Special Fund* such as grants.
  - a. We agreed check stubs and bank statement EFT deposits the amounts paid from the grantors to the District. We found no exceptions.
  - b. We determined whether these receipts were allocated to the proper funds. We found no exceptions.

### All Other Cash Receipts

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

1. Receipt amount agreed to the amount recorded in the General Ledger. 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 fund, and was recorded in the proper year. We found no exceptions.

### Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from the year ended December 31, 2015 and one payroll check for two employees for each of the years ended December 31, 2011 through 2014 from the Payroll Worksheet and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Worksheet to supporting documentation (timecard, legislatively-approved rate or salary). We found no exceptions.
  - b. We determined whether salaries and benefits were paid only from the *Special Fund* or *GLRI Grant 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 five employees tested in step 1 from the year ended December 31, 2015, we determined whether the following information in the employees' personnel files 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 and 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.

3. We haphazardly selected and recomputed one termination payment (unused vacation, etc.) occurring between January 1, 2011 and December 31, 2015, and agreed the computation to the amount paid as recorded in the Detailed Payroll Ledger:
  - a. Accumulated leave records
  - b. The employee's pay rate in effect as of the termination date

### Payroll Cash Disbursements (Continued)

- c. The District's payout policy.

The amount paid was consistent with the information recorded in a – c above.

### Non-Payroll Cash Disbursements

We haphazardly selected five disbursements from the *Special Fund* and five disbursements from the *District Fund* and other funds from the General Ledger and Detailed Expense Transaction Report, as applicable, for the year ended December 31, 2015 and two from the *Special Fund* and three from the *District Fund* and other funds for each of the years ended December 31, 2011 through 2014 and determined whether:

- a. The disbursements were for a proper public purpose. We found no exceptions.
- b. For *District Fund* and other funds 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 General Ledger 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 submitted to the County Auditor agreed to the payee name and amount recorded in the Detailed Expense Transaction Report. We found no exceptions.
  - ii. The names and amounts on the voucher agreed to supporting invoices. We found no exceptions.
  - iii. The voucher was signed by the Fiscal Manager 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 *Report*. The amounts agreed.
2. We compared the total estimated receipts reported on Page 5 of the *Report* to the *Certificate of the Total Amount From All Sources Available For Expenditures and Balances* (the *Certificate*), required by Ohio Rev. Code Section 5705.36(A)(1), and to the amounts recorded in the County MTD/YTD Report for the *Special Fund*. Page 5 of the *Report* recorded estimated receipts for the *Special Fund* of \$463,706 for 2015. However, the *Certificate* reflected \$464,158. The District should request the County Auditor to compare amounts recorded in the *Report* to amounts recorded on the *Certificate* to assure they agree. If the amounts do not agree, the *Report* may be reporting inaccurate information for financial reporting purposes.

3. We scanned the appropriation measures to determine whether the Board 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 County Auditor's MTD/YTD Report for the *Special Fund*, and to the appropriations reported on Page 4 of the *Report*. The amounts agreed.
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 detailed spreadsheet. We noted expenditures did not exceed appropriations for the *Special Fund*.
7. We scanned the General Ledger and detailed spreadsheets 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 fund having a negative cash fund balance.

### **2015 Compliance – Contracts and Expenditures**

We inquired of management and scanned the General Ledger and detailed spreadsheets for the year ended December 31, 2015 to determine if the District 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. No such expenditures were noted.

### **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 its 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.

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

Columbus, Ohio

December 8, 2016





# Dave Yost • Auditor of State

OTTAWA COUNTY SOIL AND WATER CONSERVATION DISTRICT

OTTAWA 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 27, 2016