



**UNION SOIL AND WATER CONSERVATION DISTRICT  
UNION COUNTY**

**AGREED-UPON PROCEDURES**

**FOR THE YEARS ENDED DECEMBER 31, 2010 THROUGH 2015**



**Dave Yost • Auditor of State**





# Dave Yost • Auditor of State

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

Union Soil and Water Conservation District  
Union County  
18000 SR 4, Suite B  
Marysville, OH 43040

We have performed the procedures enumerated below, with which the Board of Supervisors (the Board) and the management of the Union 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, 2010 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 and Fund Balances

We applied the following procedures to each *Cash Basis Annual Financial Report* (the Reports) for the fiscal years ending December 31, 2010 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. We noted the amounts agreed, except in 2010 where the *Fund Balance* on page 2 was \$12 more than the *Fund Cash Balance, December 31* on pages 3A and 3B of the Report.
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, except in 2012 where the *Disbursements plus Other Financing Uses* on pages 3A and 3B exceeded Disbursements on page 4 by \$324,818 due to the District not reporting any disbursements on page 4.
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. The District did not complete all components of the reconciliation on page 2; rather, reconciliations were completed on the Account Reconciliation Report in the Peachtree accounting system. We tested the mathematical accuracy of the Account Reconciliation Reports for the years ending December 31, 2010 through December 31, 2015. We found no exceptions.

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

5. We agreed the January 1 and December 31 fund cash balances reported in the District's General Ledger to the corresponding *Fund Cash Balances* on page 3B of the Reports. We noted that beginning with the December 31, 2011 fund cash balances, the District Fund balances reported in the District's General Ledgers were approximately \$44 less each year than the District Fund balances reported on page 3B of the Reports. These differences are partially due to the District's change fund balance being included on page 3B of the Reports, but not being included in the District's General Ledgers.

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

6. The District did not complete all components of the reconciliation on page 2; rather, reconciliations were completed on the Account Reconciliation Report in the Peachtree accounting system. We confirmed the December 31 bank account depository balances for the District and Rockenbaugh Scholarship funds as reported on the Account Reconciliation Report with the District's financial institution. The balances agreed.
7. We compared the December 31 Special Fund depository balance from the *Report* to the amount reported in the Account Summary Report. We found no exceptions.
8. The District did not complete all components of the reconciliation on page 2; rather, reconciliations were completed on the Account Reconciliation Report in the Peachtree accounting system. For the checks comprising the Outstanding Checks on the Account Reconciliation Report, we applied the following procedures:
  - a. We footed the supporting outstanding check list and compared it to the Totals on the Account Reconciliation. We found no exceptions.
  - b. We traced each check to the subsequent January bank statement. We found no exceptions.
  - c. We traced the amounts and dates of each check to the check register, to determine the check was recorded for the same amount and dated and recorded prior to December 31. We noted no exceptions.

### **Intergovernmental Receipts**

We applied the following procedure for the years ended December 31, 2010 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 Union County Expense Detail Reports to the total amounts recorded in the respective receipt classification in the Special Fund in the annual income statements. The amounts agreed.

### **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 2010 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.

### All Other Cash Receipts (Other)

3. Receipt was posted to the proper fund(s), 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 2015 and one payroll check for two employees for each of the years ended December 31, 2010 through 2014 from the Payroll Register and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Register to timecards and salary authorization forms. 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 five employees tested in step 1 from 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 & 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, 2010 [oldest year] and December 31, 2015, and agreed the computation to the amount paid as recorded in the Payroll Register:
  - a. Accumulated leave records
  - b. The employee's pay rate in effect as of the termination date
  - c. The District's payout policy

The amount paid was consistent with the information recorded in a. through 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 Account Register 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 2010 through 2014 and determined whether:

- a. The disbursements were for a proper public purpose. We noted that warrant #3433 on 08/12/10 in the amount of \$1,254.50 to Crowbar & Grill for catering an annual meeting held by the District was not supported by a detailed receipt. Additionally, contrary to guidance contained in Auditor of State Bulletin 2003-005, prior authorization was not obtained for this disbursement. We recommend that the District obtain detailed invoices for all disbursements. We further recommend the District adopt a proper public purpose policy in accordance with Auditor of State Bulletin 2003-005 regarding the purchases of meals, coffee, refreshments or other amenities. However, because we did not test all non-payroll disbursements, our report provides no assurance regarding whether or not other similar errors occurred.

### Non-Payroll Cash Disbursements (Continued)

- 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 Check Register Report 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 invoice submitted to the County Auditor agreed to the payee name and amount recorded in the Account Register and County Detail Expense Report. We found no exceptions.
  - ii. The invoice was signed by the fiscal officer 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 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*, required by Ohio Rev. Code Section 5705.36(A)(1), and to the amounts recorded in the Revenue Detail Report for the Special Fund. The amounts agreed.
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 Expense Detail 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 Annual Cash Basis Financial 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 General Ledger 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. 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

November 1, 2016

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# Dave Yost • Auditor of State

**UNION COUNTY SOIL AND WATER CONSERVATION DISTRICT**

**UNION 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  
NOVEMBER 29, 2016**