



Dave Yost • Auditor of State



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Clermont County Soil and Water Conservation District
Clermont County
1000 Locust St
P.O. Box 549
Owensville, OH 45160

We have performed the procedures enumerated below, with which the Board of Supervisors (the Board) and the management of the Clermont 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, 2012 through 2016, 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. 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, 2012 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 recomputed 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 Sage 50 ledger to the corresponding *Fund Cash Balances* on page 3B of the Reports. The amounts agreed except that the cash fund balance at December 31, 2013 reported in the Sage 50 ledger was \$15.02 less than the amount on page 3B. We recommend that the amounts recorded in the Sage 50 ledger be agreed to page 3B of the Reports.

We also applied the following procedures to the *Combined Statement of Receipts, Disbursements and Changes in Fund Balances* in the *Cash Basis Annual Financial Report* filed in the Hinkle System (the Report) at December 31, 2016:

6. We footed and cross-footed the amounts on the *Combined Statement of Receipts, Disbursements and Changes in Fund Balances*. We found no exceptions.

Corporate Centre of Blue Ash, 11117 Kenwood Road, Blue Ash, Ohio 45242
Phone: 513-361-8550 or 800-368-7419 Fax: 513-361-8577

www.ohioauditor.gov

7. We compared the *Disbursements plus Other Financing Uses* for the Special Fund on the *Combined Statement of Receipts, Disbursements and Changes in Fund Balances* to the Budgetary Expenditures in the Special Fund Budgetary Activity footnote. The amounts agreed.
8. We compared the *Receipts plus Other Financing Sources* for the Special Fund on the *Combined Statement of Receipts, Disbursements and Changes in Fund Balances* to the Actual Receipts in the Special Fund Budgetary Activity footnote. The amounts agreed.
9. We agreed the January 1 and December 31 fund cash balances reported in the District's Sage 50 ledger to the corresponding *Fund Cash Balances* on the *Combined Statement of Receipts, Disbursements and Changes in Fund Balances*. The amounts agreed.
10. We observed the December 31, 2016 balance for the District Fund on the financial institution's website. The balance agreed.
11. We compared the December 31, 2016 Special Fund depository balance from the *Report* to the amount reported in Munis ledger. We found no exceptions.
12. 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 cash 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 found no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

We applied the following procedures for the years ended December 31, 2012 through December 31, 2016:

1. We agreed the total of the receipts from the 2016 State Distribution Transaction Lists (DTL) to the total amounts recorded in the respective receipt classification in the Special Fund in the Receipt Register Report. The amounts agreed. There was no DTL for 2012-2015 and no County Auditor DTL due to the County being the fiscal agent. As an alternative procedure, we haphazardly selected five intergovernmental receipts from the year ended December 31, 2016 and three intergovernmental receipts from each of the years ended December 31 2012 through 2015 in the Receipt Register Report from the Special Fund.
 - a. We confirmed or agreed to supporting documentation the amounts paid from the vendors to the District. We found no exceptions.
 - b. We inspected the Munis Receipt Register Report to determine whether these receipts were allocated to the proper fund. We found no exceptions
2. We haphazardly selected five other confirmable receipts from the year ended December 31, 2016 and three other confirmable receipts from each of the years ended December 31 2012 through 2015 in the Sage 50 Receipt Register Report from funds other than the Special Fund such as grants, municipal and township funds.

- a. We confirmed or agreed to supporting documentation the amounts paid from the vendors to the District. We found no exceptions.
- b. We inspected the Sage 50 ledger to determine whether these receipts were allocated to the proper fund. We found no exceptions

All Other Cash Receipts

We haphazardly selected 10 other cash receipts from the year ended December 31, 2016 and five other cash receipts from each of the years ended 2012 through 2015 recorded in the duplicate cash receipts book and determined whether the:

1. Receipt amount agreed to the amount recorded in the Sage 50 or Munis ledger. The amounts agreed except that four cash receipts tested from the ledger were not recorded in the receipt book. These four receipts were for direct deposit and/or Paypal amounts for which the District does not record a receipt in the ledger. We recommend that all receipts be recorded in the ledger.
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 five employees from 2016 and one payroll check for two employees for each of the years ended December 31, 2012 through 2015 from the Munis Employee Detail Adjustment Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Munis Employee Detail Adjustment Report to supporting documentation (timecard and legislatively approved rate). We found no exceptions; however, HSA stipend authorization forms were not maintained for any employees. The stipends represent bi-weekly \$50 payments to employees for HAS accounts. We recommend the District maintain all documentation to support wages paid.
 - b. We inspected the Munis Employee Detail Adjustment Report to determine whether salaries and benefits were paid only from the *Special Fund*, as required by the SWCD Administrative Handbook Chapter 5. We found no exceptions.
 - c. We inspected the Munis Employee Detail Adjustment Report to determine whether the check was classified as *salaries* and was posted to the proper year. We found no exceptions.
2. For the five employees selected in step 1 from 2016, we inspected the following information in the Munis employees' personnel files to determine it 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 Any other deduction authorizations (deferred compensation, etc.)

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

- 3. We haphazardly selected and recomputed one termination payment (unused vacation, etc.) occurring between January 1, 2012 and December 31, 2016, and agreed the computation to the amount paid as recorded in the MUNIS Employee Detail Adjustment Report:
 - 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

- 1. From the Sage 50 Payment Register Detail Report, we re-footed checks recorded as *District Fund* disbursements for *contract services* and *supplies* for 2016. We found no exceptions.
- 2. We haphazardly selected five disbursements from the *Special Fund* and five disbursements from the *District Fund* and other funds from the Sage 50 Payment Register Detail Report for the year ended December 31, 2016 and two from the *Special Fund* and three from the *District Fund* and other funds for each of the years ended 2012 through 2015 and determined whether:
 - a. The disbursements were for a proper public purpose. We found no exceptions; however, the District issued a check payable to cash for \$475 from the District Fund. The funds were used to award cash prizes for the Spring Litter Clean-up event that was sponsored by the District. The District provided corroborating evidence to demonstrate the funds were used for a proper public purpose. We recommend for future events, that the District design and implement effective controls related to the distribution of these funds. The District should consider requiring winners of cash prize giveaways to sign a form acknowledging the receipt of cash. The District could maintain these logs or forms as supporting documentation.
 - 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 Sage 50 Payment Register Detail 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 Sage 50 Payment Register Detail Report and County Ledgers. 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.

2016 Special Fund Budgetary Compliance

1. We inspected the District's Special Fund Budget Request submitted to the County Commissioners. 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 Special Fund Budgetary Activity footnote of the Cash Basis Annual Financial Report. The amounts agreed.
2. We compared the total estimated receipts reported on the Special Fund Budgetary Activity footnote of the Cash Basis Annual Financial 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 MUNIS Revenue Status Report for the Special Fund. The amounts agreed.
3. We inspected 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 Appropriation Status Report for the Special Fund, and to the appropriations reported on the Special Fund Budgetary Activity footnote of the Cash Basis Annual Financial Report. The amounts agreed.
5. Ohio Rev. Code Sections 5705.36(A)(5) and 5705.28(B)(2)(C) prohibit appropriations from exceeding estimated resources. We compared total appropriations to total estimated resources for the Special Fund for the year ended December 31, 2016. Appropriations did not exceed estimated resources for the Special Fund.
5. 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, 2016 for the "Special" Fund, as recorded in the Annual Cash Basis Financial Report. Expenditures did not exceed appropriations for the Special Fund.
7. We inspected the Annual Cash Basis Financial Report for the year ended December 31, 2016 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. No funds had negative cash fund balances.

2016 Compliance – Contracts & Expenditures

We inquired of management and inspected the Payment Register Detail Report for the year ended December 31, 2016 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. There were no purchases exceeding \$50,000.

2016 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, 2016.

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*. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion respectively on the District's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is for the use of the District to assist in evaluating its receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2012 through 2016, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose



Dave Yost
Auditor of State

Columbus, Ohio

July 26, 2017



Dave Yost • Auditor of State

CLERMONT COUNTY SOIL AND WATER CONSERVATION DISTRICT

CLERMONT 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
AUGUST 10, 2017**