



Dave Yost • Auditor of State



HARRISON COUNTY SOIL AND WATER CONSERVATION DISTRICT  
HARRISON COUNTY

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Independent Accountants' Report on Applying Agreed-Upon Procedures.....	1

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

Harrison County Soil and Water Conservation District  
Harrison County  
538 North Main Street  
Cadiz, Ohio 43907

We have performed the procedures enumerated below, with which the Board of Supervisors (the Board) and the management of the Harrison County Soil and Water Conservation District, Harrison 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 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, 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, except for the 2011 *Fund Cash Balances, December 31* in the District Fund and Total Memorandum Only columns, which both differed by \$240 from the recalculated amount.
2. We compared the *Disbursements* for the Special Fund on page 3A of the Reports to the Disbursements reported on page 4. The amounts agreed, except the 2015 Disbursements reported on page 4 were \$4,280 lower than the Disbursements reported on page 3A.
3. We compared the *Receipts* for the Special Fund on page 3A of the Reports to the Actual Receipts reported on page 5. The amounts agreed, except the 2015 Receipts reported on page 5 were \$4,280 lower than the Receipts reported on page 3A.
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 Cash Flow Report to the corresponding *Fund Cash Balances* on page 3B of the Reports. The amounts agreed, except for the following variances in the District Fund:

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

<b>Date</b>	<b>Cash Flow Report</b>	<b>Page 3B</b>	<b>Variance</b>
December 31, 2013	\$33,768	\$33,705	\$63
January 1, 2013	30,059	29,996	63
December 31, 2012	30,059	29,996	63
January 1, 2012	19,302	19,239	63
December 31, 2011	19,302	19,239	63
January 1, 2011	14,744	14,704	40

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*. The Total Cash Receipts recalculated amount was \$204,995, but the Report showed \$159,315, a difference of \$45,680. Also, the Excess of Receipts Over (Under) Disbursements recalculated amount was \$8,153, but the report showed (\$37,527), a difference of \$45,680.
7. We compared the *Disbursements* 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* 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 Quickbooks Cash Flow Report 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 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 the County Monthly Financial Report. We found no exceptions.

**Intergovernmental and Other Confirmable Cash Receipts**

We applied the following procedure for the years ended December 31, 2011 through December 31, 2016:

We agreed the total of the receipts from the State Distribution Transaction Lists (DTL) and the total of the local receipts from Special Fund Annual Report to the total amounts recorded in the respective receipt classification in the Special Fund in the County's Transaction History Report and the District Fund in the District's Custom Transaction Detail Report. The amounts agreed, except in 2014, \$400 of State Grant money was posted to the Special Fund rather than the District Fund. Also, in 2013, \$2,800 of State Grant money was posted to the Special Fund rather than the District Fund.

### 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 2011 through 2015 recorded in the duplicate cash receipts book and determined whether the:

1. Receipt amount agreed to the amount recorded in the Custom Transaction Detail Report, except in 2012 where we could not test two receipts and in 2011 where we could not test any receipts as duplicate receipts for most of 2012 and all of 2011 could not be located. The District should maintain all supporting documentation such as duplicate receipts to ensure monies collected are properly deposited and recorded.
2. Amount charged complied with rates in force during the period, if applicable. We found no exceptions other than the exceptions noted in step 1 above.
3. Receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions other than the exceptions noted step 1 above.

### 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, 2011 through 2015 from the County's Payroll Distribution Reports and:
  - a. We compared the hours and pay rate, or salary recorded in the County's Payroll Distribution Reports to supporting documentation (timecard and legislatively approved rate). We found no exceptions other than one employee in 2016, two employees in 2014 and two employees in 2013 whose pay rates could not be substantiated either by legislative approval or other valid support. We also found one instance where an employee's time sheet indicated 16 sick leave hours were used; however, these hours were not processed in the payroll system. We brought this to management's attention, and they made the adjustment. Because we did not compare all timecards, our report provides no assurance whether or not other similar errors occurred. Finally, 2011 County's Payroll Distribution Reports were unattainable as they could not be located. This is a violation of Ohio Rev. Code § 149.351, which states all records are the property of the public office concerned and shall not be removed except as provided by law or under the rules adopted by the records commission.
  - b. We inspected the County's Payroll Distribution Reports 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, other than 2011 County's Payroll Distribution Reports were unattainable as they could not be located as noted in step 1a above.
  - c. We inspected the County's Transaction History Report to determine whether the check was classified as *salaries* and was posted to the proper year. We found no exceptions, other than 2011 County's Payroll Distribution Reports were unattainable as they could not be located as noted in step 1a above.
2. For the five employees selected in step 1 from 2016, we inspected the following information in the employees' personnel files and minute record 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; and
  - e. Any other deduction authorizations (deferred compensation, etc.).

### Payroll Cash Disbursements (Continued)

We found no exceptions related to steps a. – e. above, other than one employee whose pay rate could not be traced to legislative approval as noted in step 1a.

3. We haphazardly selected and recomputed one termination payment (unused vacation, etc.) occurring between January 1, 2011 and December 31, 2016, and agreed the computation to the amount paid as recorded in the Payroll Distribution Report to:
  - a. Accumulated leave records;
  - b. The employee's pay rate in effect as of the termination date; and
  - 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* from the County's Transaction History Report and the District's Custom Transaction Detail Report for the year ended December 31, 2016 and two from the *Special Fund* and three from the *District Fund* for each of the years ended 2011 through 2015 and determined whether:

- a. The disbursements were for a proper public purpose, except in 2016 a \$25 late fee was paid by the District, which is not considered a proper public purpose. Also, for one selected disbursement in 2015, one selected disbursement in 2012, and all of the selected disbursements in 2011, invoices were unattainable to substantiate the proper public purpose of the disbursements selected. This is a violation of Ohio Rev. Code § 149.351, which states all records are the property of the public office concerned and shall not be removed except as provided by law or under the rules adopted by the records commission.
- 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 District's Custom Transaction Detail Report and to the names and amounts on the supporting invoices. We found no exceptions, other than the years 2011 through 2015 where canceled checks were not provided, and where invoices were not provided as noted in step 1a above.
  - 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 County's Transaction History Report. We found no exceptions, other than for 2011, vouchers were unattainable to verify the payee name and amount recorded. This is a violation of Ohio Rev. Code § 149.351, which states all records are the property of the public office concerned and shall not be removed except as provided by law or under the rules adopted by the records commission.
  - ii. The names and amounts on the voucher agreed to supporting invoices. We found no exceptions, other than for 2011, where vouchers and invoices were unattainable to verify the names and amounts as noted in step 1ci above.
  - iii. The voucher was signed by the Administrator and approved by a majority of the Board of Supervisors. We found no exceptions, other than for 2011 where vouchers were unattainable as noted in steps 1ci and 1cii above.



### 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 *Amended Official Certificate of Estimated Resources*, required by Ohio Rev. Code § 5705.36(A)(1), and to the amounts recorded in the County's Transaction History 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 § 5705.38(C). We found no exceptions.
4. We compared total appropriations required by Ohio Rev. Code §§ 5705.38 and 5705.40, to the amounts recorded in the County's Transaction History 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 §§ 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 § 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. Special Fund expenditures for 2016 exceeded total appropriations by \$24,633, contrary to Ohio Rev. Code § 5705.41(B). The Administrator should deny payment requests exceeding appropriations. The Administrator may request the Supervisors to approve increased expenditure levels by increasing appropriations and amending estimated revenue, if necessary, and if resources are available.
7. We inspected the Annual Cash Basis Financial Report for the year ended December 31, 2016 for negative cash fund balances. Ohio Rev. Code § 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 County's Transaction History Report and District's Custom Transaction Detail Report for the year ended December 31, 2016 to determine if the District purchased equipment and services allowed by Ohio Rev. Code § 1515.09 or purchased goods or services allowed by Ohio Rev. Code § 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 § 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, 2011 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

August 31, 2017



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HARRISON COUNTY SOIL AND WATER CONSERVATION DISTRICT

HARRISON 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  
SEPTEMBER 14, 2017