



Dave Yost • Auditor of State



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Preble County Soil and Water Conservation District
Preble County
1651 North Barron Street
Eaton, Ohio 45320

We have performed the procedures enumerated below, with which the Board of Supervisors (the Board) and the management of the Preble 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, 2013 through December 31, 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, 2013 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. For December 31, 2015, the actual receipts plus Other Financing Uses reported on pages 3A and 3B were \$207,607; however, the actual receipts reported on page 5 were \$200,928. The District should implement procedures to ensure that all information contained in the annual financial report is accurate and agrees to the District's financial records.
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 Account Summary Report to the corresponding *Fund Cash Balances* on page 3B of the Reports. The amounts agreed.

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.

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 Account Summary Report to the corresponding *Fund Cash Balances* on the *Combined Statement of Receipts, Disbursements and Changes in Fund Balances*. The amounts agreed.
10. We confirmed the December 31, 2016 bank account depository balances for the District Fund Certificates of Deposit with the District's financial institution. We found that the balances differed by \$171. We observed the December 31, 2016 checking account balances for the District Fund and the PL566 Fund on the financial institution's website. The balances agreed.
11. We compared the December 31, 2016 Special Fund depository balance from the *Report* to the amount reported in the Fund Summary Display Report. We found no exceptions.
12. We inspected investments held at December 31, 2016 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 noted no exceptions.

Intergovernmental

We applied the following procedures for the years ended December 31, 2013 through December 31, 2016:

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 Detail Expense Reports to the total amounts recorded in the respective receipt classification in the Special Fund in the Account Register report. The amounts agreed.

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 December 31, 2013 through December 31, 2015 recorded in the duplicate cash receipts book and determined whether the:

1. Receipt amount agreed to the amount recorded in the Account Register Report. 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 all employees from 2016, one payroll check for all employees for each of the years ended December 31, 2013 and 2014, and one payroll check for two employees for the year ended December 31, 2015 from the Payroll Warrant Register and:
 - a. We compared the hours and pay rate recorded in the Payroll Warrant Register to supporting documentation (timesheets and legislatively approved rate). We found no exceptions.
 - b. We inspected the Payroll Warrant Register 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 Payroll Warrant Register to determine whether the check was classified as *salaries* and was posted to the proper year. We found no exceptions.
2. For all employees selected in step 1 from 2016, we inspected the following information in the employees' personnel files and the 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
 - 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, 2013 and December 31, 2016, and agreed the computation to the amount paid as recorded in the County Payroll Warrant 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

1. We haphazardly selected five disbursements from the *Special Fund* and five disbursements from the *District Fund* and other funds from the Account Register 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 December 31, 2013 through December 31, 2015 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 Account Register Report and to the names and amounts on the supporting invoices. We found one disbursement in 2016 that the date on the check did not agree to the date in the Account Register Report. For 2015, we found one check that did not have a date listed on the check.
 - 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 summary sheet submitted to the County Auditor agreed to the payee name and amount recorded in the

Account Register Report and County Detail Expense Report. We found no exceptions.

- ii. The names and amounts on the voucher summary sheet agreed to supporting invoices. We found no exceptions.
- iii. The voucher summary sheet was signed by the District Administrator and initialed by the fiscal agent, 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, plus amendments 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 *Final Amended Official Certificate of Estimated Resources*, required by Ohio Rev. Code Section 5705.36(A)(1), and to the amounts recorded in the Summary Revenue 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 County's Summary Expense 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 revenue. We compared total appropriations to total estimated revenue for the Special Fund for the year ended December 31, 2016. Appropriations did not exceed estimated revenues for the Special Fund.
4. 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 Account Register Reports 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 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, 2013 through December 31, 2016, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

Columbus, Ohio

September 5, 2017

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PREBLE COUNTY SOIL AND WATER CONSERVATION DISTRICT

PREBLE 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 26, 2017**