



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Champaign County Soil and Water Conservation District
Champaign County
1512 South US Highway 68, Suite E-100
Urbana, OH 43078

We have performed the procedures enumerated below, which were agreed to by the Board of Supervisors (the Board) and the management of the Champaign County Soil and Water Conservation District (the District) on the receipts, disbursements and balances recorded in the District's cash-basis accounting records for the years ended December 31, 2017 and 2016, and certain compliance requirements related to these transactions and balances, included in the information provided to us by the management of the District. The District is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2017 and 2016 and certain compliance requirements related to these transactions and balances included in the information provided to us by the District. 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.

Cash and Investments

1. We recalculated the December 31, 2017 and December 31, 2016 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2016 beginning fund balances recorded in the District's financial report to the December 31, 2015 documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2017 beginning fund balances recorded in the District's financial report to the December 31, 2016 balances in the District's financial report. We found no exceptions.
3. We agreed the totals per the District Fund, including the Lintner and Stewardship funds, bank reconciliations to the total of the December 31, 2017 and 2016 fund cash balances reported in the District's Account Register Report for the District Fund, including the Lintner and Stewardship funds. The amounts agreed; however the District did not complete a total District fund reconciliation that included certificates of deposit. We reconciled the total fund balances of the District funds from the balance sheet to the annual financial report. The totals reconciled. The District should include a total fund reconciliation for all District funds to ensure fund balances are accurately reported.
4. We confirmed the December 31, 2017 bank account depository balances for the District Fund, including the Lintner and Stewardship funds, with the District's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2017 bank reconciliations and/or balance sheet without exception.

Cash and Investments (Continued)

5. We compared the December 31, 2017 Special Fund depository balance from the *Cash Basis Annual Financial Report* to the amount reported in the County Transaction History Listing Report. We found no exceptions.
6. We selected all reconciling debits (such as outstanding checks) from the December 31, 2017 bank reconciliations:
 - a. We noted one outstanding check listed and compared it to the cash reconciliation. We found no exceptions.
 - b. We traced the check to the subsequent January bank statement. We found no exceptions.
 - c. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. There were no exceptions.
7. We inspected investments held at December 31, 2017 and 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 found no exceptions.

Intergovernmental Cash Receipts

We applied the following procedures for the years ended December 31, 2017 and 2016:

We traced the total of the receipts from the State Distribution Transaction Lists (DTL) and the total of the receipts from the County Auditor's Detailed Account Listing History Report to the total amounts recorded in the respective receipt classification in the Special Fund in the General Ledger Report. The amounts agreed.

All Other Cash Receipts

We haphazardly selected 10 other cash receipts from the year ended December 31, 2017 and 10 other cash receipts from the year ended 2016 recorded in the duplicate cash receipts book and:

1. Agreed the receipt amount to the amount recorded in the General Ledger or Account Register Report. The amounts agreed.
2. Confirmed the amount charged complied with rates in force during the period. We found no exceptions.
3. Inspected the General Ledger and Account Register Reports to determine the receipt was posted to the proper funds, and was recorded in the proper year. We found no exceptions.

Payroll Cash Disbursements

We haphazardly selected one payroll check for both employees from 2017 and one payroll check for both employees from 2016 from the County Payroll Transmittal Report and:

1. We compared the hours and pay rate, or salary recorded in the County Payroll Transmittal Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary. We found no exceptions.

Payroll Cash Disbursements (Continued)

2. We inspected the County Payroll Transmittal and Transaction History Listing 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.
3. We inspected the County Payroll Transmittal and Transaction History Listing Reports to determine whether the check was classified as *salaries* and was posted to the proper year. We found no exceptions.

Non-Payroll Cash Disbursements

1. From the General Ledger Report, we re-footed checks recorded as *District Fund* disbursements for *contract services* and *other expenses* for 2017. 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 County Detail Expense and Account Register Reports for the year ended December 31, 2017 and five from the *Special Fund* and five from the *District Fund* and other funds for the year ended 2016 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 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 or invoice submitted to the County Auditor agreed to the payee name and amount recorded in the County Detail Expense Report. We found no exceptions.
 - ii. The names and amounts on the voucher agreed to supporting invoices. We found no exceptions.
 - iii. The voucher or invoice was signed by the fiscal officer and approved by a majority of the Board of Supervisors. We found no exceptions.

Special Fund Budgetary Compliance

1. We inspected the District's Special Fund Budget Request submitted to the County Commissioners for the years ended December 31, 2017 and 2016. 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 in 2016. In 2017, the budgeted revenue was \$158,631; however the footnote reported \$162,756. To improve monitoring, the District should ensure the footnotes agree to budgeted amounts.
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 Certificate of Estimated Resources*, required by Ohio Rev. Code Section 5705.36(A)(1), and to the amounts recorded in the County Expense Account Report for the Special Fund for the years ended December 31, 2017 and 2016. The total estimated receipts in 2017 and 2016 agreed to the County Expense Account Report; however the amounts did not agree to the footnotes. The certificate and report included estimated receipts of \$175,413 and \$166,470, in 2017 and 2016, respectively, but the footnotes reported \$162,756 and \$159,739 in 2017 and 2016, respectively. To improve monitoring and financial reporting, the District should ensure estimated revenue agrees between the certificate of estimated resources, accounting reports, and financial statement notes.

Special Fund Budgetary Compliance (Continued)

3. We inspected the appropriation measures adopted for 2017 and 2016 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 Expense Account Report for the Special Fund for 2017 and 2016, and to the appropriations reported on the Special Fund Budgetary Activity footnote of the Cash Basis Annual Financial Report. All of the amounts agreed in 2017. The appropriations and report agreed in 2016; however the amounts did not agree to the footnote. The footnote reported \$159,739; however the appropriations and report showed \$189,239. To improve monitoring and financial reporting, the District should ensure appropriations, accounting reports, and footnotes agree to final budgeted amounts.
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, 2017 and 2016. Appropriations did not exceed estimated resources 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, 2017 and 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 years ended December 31, 2017 and 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.
8. We inquired of management and inspected the County Transaction History Listing Reports to determine whether the District elected to establish a contingency, not designated for any particular purpose (contingency reserve balance - spending reserve) permitted by Ohio Rev. Code Section 5705.29(A)(1). The District did not establish these reserves.

Compliance – Contracts & Expenditures

We inquired of management and inspected the Account Register and Transaction History Listing Reports for the years ended December 31, 2017 and 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.

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. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies, in addition to filing extensions granted for extenuating circumstances, allow for refiling complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System for December 31, 2017 and 2016 fiscal year ends included in 2015-2016 or 2016-2017 agreed up on procedure engagements, subsequent to the District's deadline where the initial filing was filed on time but incomplete. We confirmed the District filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy, within the allotted timeframe for the years ended December 31, 2017 and 2016 in the Hinkle system.

This agreed-upon procedures engagement was conducted in accordance with 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 to provide assistance in the evaluation of the District's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2017 and 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 16, 2018

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CHAMPAIGN COUNTY SOIL AND WATER CONSERVATION DISTRICT

CHAMPAIGN 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, 7 2018