



**RICHLAND COUNTY SOIL AND WATER CONSERVATION DISTRICT  
RICHLAND COUNTY**

**AGREED-UPON PROCEDURES**

**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**



**Dave Yost • Auditor of State**





# Dave Yost • Auditor of State

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

Richland County Soil and Water Conservation District  
Richland County  
1495 West Longview Avenue, Suite 205B  
Mansfield, Ohio 44906

We have performed the procedures enumerated below, which were agreed to by the Board of Supervisors (the Board) and the management of the Richland 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 Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Combined Statement) to the December 31, 2015 balances 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 Combined Statement to the December 31, 2016 balances in the District's Combined Statement. We found no exceptions.
3. We agreed the totals per the District Fund bank reconciliations to the total of the December 31, 2017 and 2016 fund cash balances reported in the District's Combined Statement of Receipts, Disbursements, and Changes in Fund Balances for the District Fund. The amounts agreed.
4. We confirmed the December 31, 2017 bank account depository balances for the District Fund 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 reconciliation. The amounts agreed with the exception of the District's PayPal account. The December 31, 2017 bank reconciliation included a \$25 balance for the PayPal account, while the confirmed balance for the account was \$0.

### **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 Richland County Fund Balances report. We found no exceptions.
6. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2017 bank reconciliation:
  - 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 and February bank statements. We noted check #4797 dated 12/13/16 was still outstanding as of February 28, 2018.
  - 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 noted no exceptions.

### **Intergovernmental Receipts**

We applied the following procedure 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 Richland County Expense Detail report to the total amounts recorded in the respective receipt classification in the Special Fund in the Revenue Detail 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 YTD District Fund Activity Report. The amounts agreed.
2. Confirmed the amount charged complied with rates in force during the period, if applicable. We noted three instances in 2016 (receipt #'s 313129, 313224, and 313238) where the amount charged for Site/Plan Review & Permit fees did not comply with the rates in force. We also noted that for receipt #313136 dated 04/04/16 for soil testing, the District does not have a fee schedule. No exceptions noted for 2017.
3. Inspected the YTD District Fund Activity Report to determine the 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 2017 and one payroll check for all employees from 2016 from the Detail Check History and:
  - a. We compared the hours and pay rate, or salary recorded in the Detail Check History to supporting documentation (timecard, legislatively or statutorily-approved rate or salary.) We found no exceptions.
  - b. We inspected the Detail Expense 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 Detail Expense Report to determine whether the check was classified as *salaries* and was posted to the proper year. We found no exceptions.
2. For any new employees selected in procedure 1, we inspected the following information in the employees' personnel file 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 procedures a. – e. above.

3. We selected and recomputed all termination payments (unused vacation, etc.) using the following information, and agreed the computation to the amount paid as recorded in the Pay History – Check Detail 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 amounts paid were 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 Detail Expense and YTD District Fund Activity reports for the year ended December 31, 2017 and five from the *Special Fund* and five from the *District Fund* 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* 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 YTD Fund Activity report and to the names and amounts on the supporting invoices. We found one returned canceled check (#4774) was not dated. No other exceptions noted.
  - 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 Detail Expense report. We found no exceptions.

### Non-Payroll Cash Disbursements (Continued)

- ii. The invoice was signed by the fiscal officer and approved by a majority of the Board of Supervisors. We noted all of the *Special Fund* invoices selected were neither authorized by a majority of the Board of Supervisors prior to presentation to the County Auditor nor were signed by the fiscal officer. Invoice summary listings were approved by the Board of Supervisors and signed by the fiscal officer; however, these were completed after the presentation of the invoices to the County Auditor.

### 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 Budget Request recorded appropriations for the Special Fund of \$337,584 for 2017. However, the Budgetary Activity footnote reflected \$334,099. The fiscal officer should compare amounts recorded on the Budget Request to the amounts recorded in the footnote to assure they agree. The amounts agreed for 2016.
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 Revenue Detail Report for the Special Fund for the years ended December 31, 2017 and 2016. The amounts agreed.
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 Expense Detail 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. The Budget Request recorded appropriations for the Special Fund of \$337,584 for 2017. However, the Detail Expense Report and Special Fund Budgetary Activity footnote reflected \$334,099. The fiscal officer should periodically compare amounts recorded in the Detail Expense Report to amounts recorded on the Budget Request and Budgetary Activity footnote to assure they agree. If the amounts do not agree, the Board of Supervisors may be using inaccurate information for budgeting and monitoring purposes. The amounts agreed for 2016.
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.

### **Special Fund Budgetary Compliance (Continued)**

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 Detail Expense Report 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 Expense Detail and YTD Fund Activity 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-upon 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. There were no exceptions.

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.

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

August 21, 2018





# Dave Yost • Auditor of State

**RICHLAND COUNTY SOIL AND WATER CONSERVATION DISTRICT**

**RICHLAND 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, 11 2018**