



Dave Yost • Auditor of State

**MEIGS COUNTY SOIL AND WATER CONSERVATION DISTRICT
MEIGS COUNTY
DECEMBER 31, 2017 AND 2016**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Meigs County Soil and Water Conservation District
Meigs County
113 East Memorial Drive, Ste. D
Pomeroy, Ohio 45769

We have performed the procedures enumerated below, which were agreed to by the Board of Supervisors (the Board) and the management of the Meigs County Soil and Water Conservation District, Meigs County, Ohio (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 General Ledger Report to the December 31, 2015 balances in the 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 General Ledger Report to the December 31, 2016 balances in the District's General Ledger Report. We found no exceptions.
3. We agreed the totals per the District Fund and Leading Creek Fund bank reconciliations to the total of the December 31, 2017 and 2016 fund cash balances reported in the District's General Ledger Report for the District Fund and Leading Creek Fund. The amounts agreed. The District also holds a Petty Cash Fund and Change Fund balance on hand. We compared the balances on hand for these funds to the amounts recorded in the Cash Basis Annual Financial Report as of December 31, 2017 and 2016. The amounts agreed at December 31, 2017. At December 31, 2016, the Change Fund amounts agreed while the Petty Cash Fund balance on Hand was \$73 less than the amount recorded in the Cash Basis Annual Financial Report.
4. We confirmed the December 31, 2017 bank account depository balances for the District Fund and Leading Creek Fund with the District's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2017 bank reconciliation without exception.

Cash and Investments (Continued)

5. We compared the December 31, 2017 Special Fund and Special Fund-Recycling Fund depository balance from the Cash Basis Annual Financial Report to the amount reported in the Meigs County Fund History Report. We found no exceptions.
6. 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 §§ 135.13, 135.14 or 135.144. We found no exceptions.
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code § 135.13 or 135.14. We noted no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

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

1. 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 Appropriation History Report to the total amounts recorded in the respective receipt classification in the Special Fund Revenue History Report or District Fund General Ledger Report. The amounts agreed.
2. We also selected the other confirmable receipts from the year ended December 31, 2017 and December 31 2016 in the General Ledger from the Special Fund. We inspected the amounts paid from the Gallia, Jackson, Meigs, Vinton Waste Management District of \$25,000 to the District during 2017 and 2016, respectively, with the Gallia, Jackson, Meigs, Vinton Waste Management District. We found no exceptions.
 - a. We confirmed the amounts paid from the Gallia, Jackson, Meigs, Vinton Waste Management District to the District. We found no exceptions.
 - b. We inspected the General 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, 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 Deposit Detail Report. The amounts agreed.
2. Confirmed the amount charged complied with rates in force during the period, if applicable. We found no exceptions.
3. Inspected the General Ledger Report to determine the 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 2017 and one payroll check for five employees from 2016 from the Payroll Register and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Worksheet and Payroll register to supporting documentation (timecard, legislatively approved rate). We found no exceptions.

Payroll Cash Disbursements (Continued)

- b. We inspected the Payroll 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 Register to determine whether the check was classified as *salaries* and was posted to the proper year. We found no exceptions.
 2. We inspected the following information in the 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.
 - e. Any other deduction authorizations (deferred compensation, etc.).

We found no exceptions related to procedures a. – e. above.

Non-Payroll Cash Disbursements

We haphazardly selected five disbursements from the *Special Fund* and five disbursements from the *District Fund* and other funds from the General Ledger Report and Appropriation History Report 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 Check 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 voucher submitted to the County Auditor agreed to the payee name and amount recorded in the Appropriation History Report. We found no exceptions.
 - ii. The names and amounts on the voucher agreed to supporting invoices. We found no exceptions.
 - iii. The voucher *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 District's Special Fund Budget Request submitted to the County Commissioners for the year ended December 31, 2017 included estimated receipts of \$194,500. The Special Fund Budgetary Activity footnote on the Cash Basis Annual Financial Report showed estimated receipts of \$187,000. The District's Special Fund Budget Request submitted to the County Commissioners for the year ended December 31, 2017 included appropriations of \$194,500. The Special Fund Budgetary Activity footnote on the Cash Basis Annual Financial Report showed appropriation authority of \$185,000.

Special Fund Budgetary Compliance (Continued)

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 Revenue History Report for the Special Fund for the years ended December 31, 2017 and 2016. The Special Fund Budgetary Activity footnote of the Cash Basis Annual Financial Report recorded budgeted (i.e. certified) resources for the Special fund of \$187,000 for 2017. However, the final *Amended Official Certificate of Estimated Resources* reflected \$173,369. The Special Fund Budgetary Activity footnote of the Cash Basis Annual Financial Report recorded budgeted (i.e. certified) resources for the Special fund of \$200,600 for 2016. However, the final *Amended Official Certificate of Estimated Resources* reflected \$167,891. Amounts in the Revenue History Report agreed to the *Amended Official Certificate of Estimated Resources*.
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 § 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 Appropriation History 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 amounts agreed for 2016. Appropriations reported on the Special Fund Budgetary Activity footnote of the Cash Basis Annual Financial Report totaled 185,000 while appropriations required by Ohio Rev. Code §§ 5705.38 and 5705.40 totaled \$194,500 in 2017.
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, 2017 and 2016. Special Fund appropriations for 2017 and 2016 exceeded estimated resources by \$11,320 and \$2,226, respectively, contrary to the aforementioned Ohio Rev. Code Sections. The Supervisors should not pass appropriations exceeding estimated resources. Allowing this to occur could cause the District to incur fund balance deficits.
6. 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, 2017 and 2016 for the “Special” Fund, as recorded in the Combined Statement of Receipts, Disbursements, and Changes in Fund Balance (Regulatory Cash Basis) Report. Expenditures did not exceed appropriations for the Special Fund.
7. We inspected the Reconciliation Detail Reports for the years ended December 31, 2017 and 2016 for negative cash fund balances. Ohio Rev. Code § 5705.10(l) 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.

Compliance – Contracts & Expenditures

We inquired of management and inspected the General Ledger Report, Check Detail Report, and Appropriation History Report 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 § 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 refileing 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. 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.



Dave Yost
Auditor of State
Columbus, Ohio

June 6, 2018

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MEIGS COUNTY SOIL AND WATER CONSERVATION DISTRICT

MEIGS 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
JUNE 26, 2018**