



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Wood County Soil and Water Conservation District
Wood County
1616 East Wooster Street, Suite 32
Bowling Green, Ohio 43402

We have performed the procedures enumerated below, with which the Board of Supervisors (the Board) and the management of Wood County Soil and Water Conservation District, Wood 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, 2012 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, 2012 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. We noted the following variances:
 - FY 2012: The Cash Balance on Page 3B exceeded the Fund Balance on Page 2 in the District Fund by \$229.70, in the CREP Fund by \$7,280, and in the PRWC Special Fund by \$12,070.04. The Cash Balance on Page 3B was less than the Fund Balance on Page 2 in the Special Fund by \$4,711.59, in the STAR Ohio – CREP Fund by \$5,000, in the STAR Ohio – District Fund by \$32,500, in the WLEB Special Fund by \$15,515.96, and in the SWAT Special and STAR Ohio Fund by \$41,322.71. The net effect was an overall understatement in Cash Balances, when compared to total Fund Balance, of \$79,470.52. The variances were due to posting errors on the annual report, such as interest being recorded twice, transfers being included as both transfers in or out and as an operating receipt or disbursement, activity that was tracked by the District and occurred in one of the District's STAR Ohio accounts for funds maintained by the County which resulted in the activity not being run through the County's books and the activity not being picked up on the annual report, and the incorrect beginning balances being used.
 - FY 2013: The Cash Balance on Page 3B exceeded the Fund Balance on Page 2 in the PRWC Special Fund by \$26,070.04. The Cash Balance on Page 3B was less than the Fund Balance on Page 2 in the District Fund by \$6,270.85, in the Special Fund by \$13,861.59, in the STAR Ohio – District Fund by \$64,573.85, in the WLEB Special Fund by \$53,089.96, and in the SWAT Special and STAR Ohio Fund by \$9,824.23. The net effect was an overall understatement in Cash Balances, when compared to total Fund

Balance, of \$121,550.44. The variances were due to posting errors on the annual report, such as receipts and disbursements being overstated, transfers being included as both transfers in or out and as an operating receipt or disbursement, activity that was tracked by the District and occurred in one of the District's STAR Ohio accounts for funds maintained by the County which resulted in the activity not being run through the County's books and the activity not being picked up on the annual report, and the incorrect beginning balances being used due to issues in the prior year that carried over.

- FY 2014: The Cash Balance on Page 3B exceeded the Fund Balance on Page 2 in the Ditch Account by \$17,038 and in the PRWC Special Fund by \$38,070.04. The Cash Balance on Page 3B was less than the Fund Balance on Page 2 in the District Fund by \$1,901.03, in the Special Fund by \$20,861.59, in the STAR Ohio – District Fund by \$64,576.77, and in the SWAT Special and STAR Ohio Fund by \$19,152.23. The net effect was an overall understatement in Cash Balances, when compared to total Fund Balance, of \$51,383.58. The variances were due to posting errors on the annual report, such as transfers being included as both transfers in or out and as an operating receipt or disbursement, activity being recorded in the incorrect fund, and the incorrect beginning balances being used due to issues in the prior year that carried over.
- FY 2015: The Cash Balance on Page 3B exceeded the Fund Balance on Page 2 in the Ditch Account by \$17,038 and in the PRWC Special Fund by \$54,820.04. The Cash Balance on Page 3B was less than the Fund Balance on Page 2 in the District Fund by \$2,779.03, in the Special Fund by \$31,171.25, in the STAR Ohio – District Fund by \$63,698.77, and in the SWAT Special and STAR Ohio Fund by \$6,730.98. The net effect was an overall understatement in Cash Balances, when compared to total Fund Balance, of \$32,521.99. The variances were due to posting errors on the annual report, such as an incorrect fund balances being used, transfers and other non-operating disbursements being included as an operating receipt or disbursement, and the incorrect beginning balances being used due to issues in the prior year that carried over.

We recommend the District Administrator carefully review the classification of all receipts and disbursements prior to recording the amounts on the annual report. We also recommend the District Administrator ensure that only amounts transferred between funds externally, and not within a fund, be presented on the financial statements as transfers, and only be presented as transfers and not as part of operating receipts and disbursements as well. Lastly, we recommend the Fiscal Agent review the annual report and agree the amounts presented to underlying supporting documentation prior to submitting the report to the State.

2. We compared the *Disbursements plus Other Financing Uses* for the Special Fund, the WLEB Special Fund (2012 only), the SWAT Special Fund, and the PRWC Special Fund, on pages 3A and 3B of the Reports to the Disbursements reported on page 4. The amounts agreed, with the following exceptions:

- FY 2012: The disbursements reported on pages 3A and 3B of the Report exceeded the Disbursements presented on Page 4 in the WLEB Special Fund by \$27,232.88 and in the SWAT Special Fund by \$27,488.49. This was because the amounts presented on Page 4 agreed to the year-to-date expenses for those funds per the County; however, both funds have separate STAR Ohio accounts and had activity that is not run through the County's books. Upon further examination, both STAR accounts included activity that was internal (from the STAR account to the County account) and should not have been reported as a disbursement for either fund. A portion of the variance noted for each fund should have been reported, as they were true disbursements from the respective fund's STAR Ohio account. We recommend the District records only those amounts that are actual disbursements, and not internal activity within a fund, on their annual report, and ensure

that any activity related to the Special funds that is not run through the County's books, be included as applicable.

- FY 2013: The disbursements reported on pages 3A and 3B of the Report exceeded the Disbursements presented on Page 4 in the Special Fund by \$9,000. Variance was due to transfers being recorded as an Other Disbursement and as a Transfer Out.
- FY 2014: The disbursements reported on pages 3A and 3B of the Report exceeded the Disbursements presented on Page 4 in the Special Fund by \$7,000 and in the SWAT Special Fund by \$18,656. In both cases, the variances were due to transfers being recorded as an Other Disbursement and as a Transfer Out; however, in the case of the SWAT Fund neither the Other Disbursement nor Transfer Out was reported as part of total disbursements on page 4 because the activity only related to the STAR Ohio account and not to County activity.
- FY 2015: The disbursements reported on pages 3A and 3B of the Report exceeded the Disbursements presented on Page 4 in the Special Fund by \$39,171.25 and in the PRWC Special Fund by \$8,000. In the Special Fund, the variance was due to both Transfers and Advances Out also being recorded as Other Disbursements; the variance in the PRWC Special Fund was due to transfers being recorded as an Other Disbursement and as a Transfer Out.

We recommend the District Administrator ensure that only amounts transferred between funds externally, and not within a fund, be presented on the financial statements as transfers, and only be presented as transfers, or advances, if applicable, and not as part of operating disbursements as well.

3. We compared the *Receipts plus Other Financing Sources* for the Special Fund, the WLEB Special Fund (2012 only), the SWAT Special Fund, and the PRWC Special Fund, on pages 3A and 3B of the Reports to the Actual Receipts reported on page 5. The amounts agreed, with the following exceptions:
 - FY 2012: The receipts reported on pages 3A and 3B of the Report exceeded the Receipts presented on Page 4 in the WLEB Special Fund by \$15,022.61. The variance was due to a payment from NRCS that was deposited directly into the WLEB STAR Ohio account, plus interest earned on the STAR Ohio account, that was not paid in to the County.
 - FY 2013: The receipts reported on pages 3A and 3B of the Report exceeded the Receipts presented on Page 4 in the SWAT Special Fund by \$24,500 and in the PRWC Special fund by \$14,000. Variances were due to transfers being recorded as both Grant Revenues and as Transfers In.
 - FY 2014: The receipts reported on pages 3A and 3B of the Report exceeded the Receipts presented on Page 4 in the SWAT Special Fund by \$6,367.70 and in the PRWC Special Fund by \$12,000. The variance in the SWAT Fund was due to NRCS monies that were deposited directly into the SWAT STAR Ohio Fund, then transferred to the District's STAR account to reimburse the fund, however the activity was not run through the County. The variance in the PRWC Special Fund was due to transfers being recorded as both Grant Revenues and as Transfers In.
 - FY 2015: The receipts reported on pages 3A and 3B of the Report exceeded the Receipts presented on Page 4 in the Special Fund by \$8,000, in the SWAT Special Fund by \$12,874.27, and in the PRWC Special Fund by \$26,750. The variance in the Special Fund was due to transfers being recorded as both Other Revenues and as Transfers In. The variance in the SWAT Special Fund was due to transfers being recorded as both Other Revenues and as Transfers In and from interest earned on the STAR Ohio account that was posted to the District's books that was not paid in to the County and recorded on the

County's books. The variance in the PRWC Special Fund was due to transfers and advances being recorded as both Grant Revenues and as Transfers In/Advances In.

We recommend that all monies received related to a Special Fund maintained by the County, be posted to the County's books. We also recommend the District Administrator ensure that only amounts transferred between funds externally, and not within a fund, be presented on the financial statements as transfers, and only be presented as transfers, or advances, if applicable, and not as part of operating receipts as well.

4. We recomputed the mathematical accuracy of the reconciliation on page 2. The following exceptions were noted:
 - FY 2012: The total reconciled depository balances did not agree to total fund balance, resulting in the reconciled balances exceeding fund balances by \$7,457.62. The variance was due to an amount recorded as a deposit in transit and added to the depository balance total, which was not an actual deposit in transit at fiscal year-end. The receipt was not posted to the system until January 2, 2013 and was also not deposited until January 2013. We recommend the District only include amounts posted to the system, but not appearing on the bank statement at the end of the fiscal year, as deposits in transit on the reconciliation.
 - FY 2013: The total reconciled depository balances did not agree to total fund balance, resulting in the fund balances exceeding the reconciled balances by \$3,893.60. The variance was due to outstanding checks being deducted from the depository balance and being separately reported as outstanding checks, which resulted in the total amount being deducted twice.
 - FY 2014: The total reconciled depository balances did not agree to total fund balance, resulting in the fund balances exceeding the reconciled balances by \$1,905.50. The variance was due to outstanding checks being deducted from the depository balance and being separately reported as outstanding checks, which resulted in the total amount being deducted twice.
 - FY 2015: The total reconciled depository balances did not agree to total fund balance, resulting in the fund balances exceeding the reconciled balances by \$626.91. The variance was due to outstanding checks being deducted from the depository balance and being separately reported as outstanding checks, which resulted in the total amount being deducted twice.

We recommend the District only include outstanding checks as outstanding checks on the reconciliation, and not deduct them from the reported depository balance; depository balances should agree to the bank statements at fiscal year-end.

5. We agreed the January 1 and December 31 fund cash balances reported in the District's accounting ledgers to the corresponding *Fund Cash Balances* on page 3B of the Reports. The amounts agreed with the following exceptions:
 - FY 2012: The Beginning Cash Balance on Page 3B was less than the Cash Balance per the Accounting Ledgers in the Special Fund by \$4,861.59 and in the SWAT Special Fund by \$11,382.61. The Beginning Cash Balance on Page 3B exceeded the Cash Balance per the Accounting Ledgers in the WLEB Special Fund by \$24,314.53 and the PRWC Special Fund by \$12,070.04. The variances were due to the incorrect beginning balance being used, or the beginning balance not being used at all. The Ending Cash Balance on Page 3B exceeded the Cash Balance per the Accounting Ledgers in the District Fund by \$229.70, in the CREP Fund by \$7,280, and in the PRWC Special Fund by \$12,070.04.

The Ending Cash Balance on Page 3B was less than the Cash Balance per the Accounting Ledgers in the Special Fund by \$4,861.59, in the STAR Ohio – CREP Fund by \$5,000, in the STAR Ohio – District Fund by \$32,500, in the WLEB Special Fund by \$15,515.96, and in the SWAT Special and STAR Ohio Fund by \$41,322.71. The variances were due to posting errors on the annual report, such as interest being recorded twice, cash on hand being recorded as an encumbrance on the County's books and therefore included in fund balance but not recorded as part of fund balance in the report, transfers being included as both transfers in or out and as an operating receipt or disbursement, activity that was tracked by the District and occurred in one of the District's STAR Ohio accounts for funds maintained by the County which resulted in the activity not being run through the County's books and the activity not being picked up on the annual report, and the incorrect beginning balances being used.

- FY 2013: The Beginning Cash Balance on Page 3B was less than the Cash Balance per the Accounting Ledgers in the Special Fund by \$4,861.59, in the STAR Ohio – District Fund by \$32,500, in the WLEB Special Fund by \$15,515.96, and in the SWAT Special and STAR Ohio Fund by \$41,322.71. The Beginning Cash Balance on Page 3B exceeded the Cash Balance per the Accounting Ledgers in the District Fund by \$229.70 and in the PRWC Special Fund by \$12,070.04. The variances were due to posting errors on the annual report, such as interest being recorded twice, cash on hand being recorded as an encumbrance on the County's books and therefore included in fund balance but not recorded as part of fund balance in the report, transfers being included as both transfers in or out and as an operating receipt or disbursement, activity that was tracked by the District and occurred in one of the District's STAR Ohio accounts for funds maintained by the County which resulted in the activity not being run through the County's books and the activity not being picked up on the annual report, and the incorrect beginning balances being used. The Ending Cash Balance on Page 3B exceeded the Cash Balance per the Accounting Ledgers in the PRWC Special Fund by \$26,070.04. The Ending Cash Balance on Page 3B was less than the Cash Balance per the Accounting Ledgers in the District Fund by \$6,270.85, in the Special Fund by \$13,861.59, in the STAR Ohio – District Fund by \$64,573.81, in the WLEB Special Fund by \$53,089.96, and in the SWAT Special and STAR Ohio Fund by \$9,824.23. The variances were due to posting errors on the annual report, such as receipts and disbursements being overstated, transfers being included as both transfers in or out and as an operating receipt or disbursement, activity that was tracked by the District and occurred in one of the District's STAR Ohio accounts for funds maintained by the County which resulted in the activity not being run through the County's books and the activity not being picked up on the annual report, and the incorrect beginning balances being used due to issues in the prior year that carried over.
- FY 2014: The Beginning Cash Balance on Page 3B was less than the Cash Balance per the Accounting Ledgers in the Special Fund by \$13,861.59, in the STAR Ohio – District Fund by \$64,576.77, and in the SWAT Special and STAR Ohio Fund by \$9,824.23. The Beginning Cash Balance on Page 3B exceeded the Cash Balance per the Accounting Ledgers in the District Fund by \$10,808.97 and in the PRWC Special Fund by \$26,070.04. The variances were due to posting errors on the annual report, such as receipts and disbursements being overstated, transfers being included as both transfers in or out and as an operating receipt or disbursement, activity that was tracked by the District and occurred in one of the District's STAR Ohio accounts for funds maintained by the County which resulted in the activity not being run through the County's books and the activity not being picked up on the annual report, the incorrect beginning balances being used due to issues in the prior year that carried over, and a posting error which resulted in January 2014 checks being entered into the system with a 2013 date instead of a 2014 date. The Ending Cash Balance on Page 3B exceeded the Cash Balance per the Accounting Ledgers in the Ditch Fund by \$17,038 and in the PRWC Special fund by \$38,070.04. The

Ending Cash Balance on Page 3B was less than the Cash Balance per the Accounting Ledgers in the District Fund by \$1,901.03, in the Special Fund by \$20,861.59, in the STAR Ohio – District Fund by \$64,576.77, and in the SWAT Special and STAR Ohio Fund by \$19,151.68. Variances were due to an overstatement in Other Revenues and State Government Receipts and Other Disbursements due to Transfers In/Out being reported in both places, and errors in beginning balances, due to carryover of issues related to prior year ending balances.

- FY 2015: The Beginning Cash Balance on Page 3B was less than the Cash Balance per the Accounting Ledgers in the District Fund by \$1,901.03, in the STAR Ohio – District Fund by \$64,576.77, and in the SWAT Special and STAR Ohio Fund by \$19,151.68. The Beginning Cash Balance on Page 3B exceeded the Cash Balance per the Accounting Ledgers in the Ditch Fund by \$17,038 and in the PRWC Special Fund by \$36,070.04. Variances were due to an overstatement in Other Revenues and State Government Receipts and Other Disbursements due to Transfers In/Out being reported in both places, and errors in beginning balances, due to carryover of issues related to prior year ending balances. We did note the District recorded the beginning balance in the PRWC Special Fund on Page 3B of the report as \$2,000 less than the prior year ending balance; no explanation was given for the change. The Ending Cash Balance on Page 3B exceeded the Cash Balance per the Accounting Ledgers in the Ditch Fund by \$17,038 and in the PRWC Special Fund by \$54,820.04. The Ending Cash Balance on Page 3B was less than the Cash Balance per the Accounting Ledgers in the District Fund by \$1,901.03, in the Special Fund by \$31,171.25, in the STAR Ohio – District Fund by \$64,576.77, and in the SWAT Special and STAR Ohio Fund by \$6,730.98. Variances were due to incorrectly reporting fund balance (reporting it in the wrong fund), Transfers Out, Advances Out, and Other Uses also being presented as Other Disbursements, Transfers In and Other Financing Sources also being presented as Grant Revenues, and the incorrect beginning balances being used, in addition to errors in beginning balances, due to carryover of issues related to prior year ending balances.

We recommend the District Administrator ensure that only amounts transferred between funds externally, and not within a fund, be presented on the financial statements as transfers, advances, or other financing sources/uses, and only be presented as transfers, or advances, or other financing sources/uses, if applicable, and not as part of operating receipts/disbursements or grant receipts as well. We also recommend the District Administrator use due care when reporting beginning fund balances, ensuring the amounts agree to the prior year ending balances, and ensure ending fund balances agree to underlying supporting reports.

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 noted the report footed and cross-footed, with the exception of total ending fund balance. When adding the Net Change in Fund Balance to the Beginning Fund Balance, we noted the amounts did not foot for the District Fund, resulting in a variance of \$39,300, and in the Special Fund, resulting in a variance of \$37,921, and in All Funds, resulting in a variance of \$77,222. In each case, recalculated fund balance was less than the amount presented. Variances were due to numerous posting errors. Correct ending fund balances for each fund should be as follows: District Fund (including District checking and District STAR Ohio): \$318,937; Special Fund (including Special Fund, SWAT Special and STAR Ohio Special Fund, and PRWC Special Fund – all funds run through the County): \$106,336; and the Ditch Fund: \$90,458, for a total combined ending fund balance of \$515,731. When the report was prepared,

the Special Fund was presented as its own separate fund and the other Special Funds were reported as part of Other Funds. We recommend the Program Administrator report all special funds held by the County within the Special Fund on the annual report and foot/cross-foot the annual report to ensure it foots and cross-foots.

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. We noted a variance of \$37,921. Variance was due to Transfers Out being included twice on the financial statements – both as a Transfer Out and as Other Disbursements. We recommend the District Administrator ensure that only amounts transferred between funds externally, and not within a fund, be presented on the financial statements as transfers, and only be presented as transfers and not as part of operating disbursements as well.
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 accounting ledgers to the corresponding *Fund Cash Balances* on the *Combined Statement of Receipts, Disbursements and Changes in Fund Balances*. We noted variances in the District and Special Funds of \$39,299.42 and \$37,921.33, respectively. Variances were due to the net effect of overstating receipts and disbursements within the District Fund, and due to Transfers Out being reported as both a Transfer Out and as Other Disbursements. We recommend the District only present actual activity within the fund, in accordance with underlying supporting documentation, when preparing the annual report. Further, we recommend the District Administrator ensure that only amounts transferred between funds externally, and not within a fund, be presented on the financial statements as transfers, and only be presented as transfers and not as part of operating disbursements as well.
10. We confirmed the December 31, 2016 bank account depository balances for the District Fund, the District STAR Ohio Fund, the SWAT STAR Ohio Fund, and the Ditch Fund with the District's financial institutions. The balances agreed.
11. We compared the December 31, 2016 Special Fund depository balance, SWAT Special Fund depository balance, and PRWC Special Fund from the *Report* to the amount reported in the Selected Monthly Statement of Cash Position for the Month Ending December 31, 2016. We found no exceptions.
12. For the checks comprising the Outstanding Checks, we applied the following procedures:
 - 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 bank statement. We found no exceptions except two of the checks were still outstanding, and one of the checks originally reported as outstanding was not outstanding. It had cleared as an automatic payment and the District Administrator initially entered a separate expense within the check register to account for the expense. When the error was caught by the District, in March of 2017, it was corrected by the District Administrator (both the expense and outstanding check were removed); it was not corrected on the annual financial report. We recommend the District void all stale checks.

- c. We traced the amounts and dates of each check to the check register, to determine the check was recorded for the same amount and dated and recorded prior to December 31. We noted no exceptions.
13. 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 and Other Confirmable Cash Receipts

We applied the following procedures for the years ended December 31, 2012 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 confirmation to the total amounts recorded in the respective receipt classification in the Special Fund in the Detail Revenue Transaction Report. The amounts agreed, with the following exceptions:
 - The District received a reimbursement totaling \$8,628.76, from the Wood County Board of County Commissioners for work performed by the District on the Portage River. Monies were receipted into the District Fund, then paid in to the Special Fund to reimburse the fund for the cost of wages and related expenses paid from the fund. When posting to the Detail Revenue Transaction Report at the County, these funds were erroneously recorded as State revenues instead of as Local revenues. As a result, they also reported these monies in the incorrect line item on the Annual Report. We recommend the District Administrator review all postings to the Detail Revenue Transaction Report and if errors are noted, request a correction. Further we recommend only those amounts that are State Funds be reported as State monies in the Annual Financial Report.
2. We haphazardly selected five other confirmable receipts from the year ended December 31, 2016 and three other confirmable receipts from each of the years ended December 31, 2012 through 2015 in the General Ledger and Detail Revenue Transaction Report from funds other than the *Special Fund* such as grants, municipal and township funds. We found no exceptions.
 - a. We confirmed the amounts, or agreed to bank statements, check stubs from outside entities, duplicate receipts, or pay-ins, as applicable, the amounts paid from other governmental entities to the District. We found no exceptions.
 - b. We inspected the General Ledger and Detail Revenue Transaction Report to determine whether these receipts were allocated to the proper fund. We found no exceptions. We did note, however, in 2016, that several of the Federal receipts were incorrectly classified as State Government Grant receipts on the Annual Report in the District Fund, understating Federal Government Grant receipts by \$206,033.05, and overstating State Government Grant receipts by the same amount; further, we noted in 2012, Federal Government Grant receipts totaling \$10,000, were incorrectly classified as Transfers In in the SWAT Special and STAR Ohio Fund. We recommend the District ensure receipts are properly recorded on the annual report, based on the source of the revenues, prior to submission.

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 2012 through 2015 recorded in the duplicate cash receipts book and determined whether the:

1. Receipt amount agreed to the amount recorded in the General Ledger. 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 five employees from 2016 and one payroll check for two employees for each of the years ended December 31, 2012 through 2015 from the Payroll Worksheets and:
 - a. We compared the hours and pay rate, or salary recorded on the Payroll Worksheets to supporting documentation (legislatively-approved rate per Minutes and personnel files). We found no exceptions.
 - b. We inspected the County Detail Expense Transaction Report to determine whether salaries and benefits were paid only from the *Special Fund*, or a County-maintained Special Grant Fund (the purpose of which was to pay for specific salaries and related benefits) as required by the SWCD Administrative Handbook Chapter 5. We found no exceptions.
 - c. We inspected the County Detail Expense Transaction Report to determine whether the check was classified as *salaries* and was posted to the proper year. We found no exceptions.
2. For the five employees selected in step 1 from 2016, 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 and 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.

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 monthly bill listings 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, 2012 through 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 bill listing and in the General Ledger 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 billback and invoice submitted to the County Auditor agreed to the payee name and amount recorded in the County Detail Expense Transaction Report. We found no exceptions.
 - ii. The names and amounts on the billback agreed to supporting invoices. We found no exceptions.
 - iii. The bill list and bill summary was signed by the fiscal officer 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 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 Section 5705.36(A)(1), and to the amounts recorded in the Departmental 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 Departmental Budget 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 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.
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, 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 compared interfund transfers-in to transfers-out to ensure they agreed and inspected the transfer activity to determine they were approved by the Board of Supervisors. We found no exceptions.
8. 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 and Expenditures

We inquired of management and inspected the County Detail Expense Transaction Report and the General Ledger 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 these 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, 2016 and 2015 in the Hinkle system. The financial statements did not include the notes to the financial statements as required for FY 2015.

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, 2016 and 2015, 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

December 19, 2017

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Dave Yost • Auditor of State

WOOD COUNTY SOIL AND WATER CONSERVATION DISTRICT

WOOD 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
JANUARY 9, 2018**