



OHIO AUDITOR OF STATE
KEITH FABER



TUSCARAWAS SOIL AND WATER CONSERVATION DISTRICT
TUSCARAWAS COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Tuscarawas Soil and Water Conservation District
Tuscarawas County
85 East Iron Ave.
Dover, Ohio 44622

We have performed the procedures enumerated below, which were agreed to by the Board of Supervisors (the Board) and the management of the Tuscarawas Soil and Water Conservation District, Tuscarawas 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, 2018 and 2017, 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, 2018 and 2017 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

1. We recalculated the December 31, 2018 and December 31, 2017 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2017 beginning fund balances recorded in the District's General Ledger to the December 31, 2016 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2018 beginning fund balances recorded in the District's General Ledger to the December 31, 2017 balances in the District's General Ledger. We found no exceptions.
3. We agreed the totals per the District Fund bank reconciliations to the total of the December 31, 2018 and 2017 fund cash balances reported in the District's General Ledger for the District Fund. The amounts agreed.
4. We confirmed the December 31, 2018 bank account depository balances for the District 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, 2018 bank reconciliation without exception.
5. We compared the December 31, 2018 Special Fund depository balance from the *Cash Basis Annual Financial Report* to the amount reported in the Tuscarawas County Auditor Monthly Financial Report. We found no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

We applied the following procedures for the years ended December 31, 2018 and 2017:

- 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 Transaction History (Appropriation) Report to the total amounts recorded in the respective receipt classification in the Special Fund in the General Ledger Report. The amounts agreed.
- 2 We haphazardly selected two other confirmable receipts from the year ended December 31, 2018 and one other confirmable receipt from the year ended December 31 2017 in the General Ledger from funds other than the *Special Fund* such as grants, municipal and district funds.
 - a. We agreed to supporting documentation the amounts paid from the Ohio Department of Agriculture and local government to the District. We found no exceptions.
 - b. We inspected the Cash Receipts Journal to determine whether these receipts were allocated to the proper fund. We found no exceptions.

Payroll Cash Disbursements

We haphazardly selected one payroll check for five employees from 2018 and one payroll check for five employees from 2017 from the General Ledger and:

- a. We compared the hours and pay rate, or salary recorded in the Transmittal Report to supporting documentation (timecard and legislatively-approved rate or salary). We found no exceptions.
- b. We inspected the General Ledger 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 General Ledger to determine whether the check was classified as *salaries* and was posted to the proper year. We found no exceptions.

Non-Payroll Cash Disbursements

We haphazardly selected five disbursements from the *Special Fund* and five disbursements from the *District Fund* from the General Ledger for the year ended December 31, 2018 and five from the *Special Fund* and five from the *District Fund* for the year ended 2017 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 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 voucher and invoice submitted to the County Auditor agreed to the payee name and amount recorded in the General Ledger and County Ledgers. We found no exceptions.
 - ii. The names and amounts on the voucher agreed to supporting invoices. We found no exceptions.
 - iii. The voucher and 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, 2018 and 2017. 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 appropriation amounts reported in the Cash Basis Annual Financial Report were \$6,732 less than the amount approved by the Board of Supervisors for 2018. Amounts reported for 2017 exceeded the amount approved by the Board of Supervisors by \$10,300.
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 County's Transaction History Report (Receipts) for the Special Fund for the years ended December 31, 2018 and 2017. The amounts agreed.
3. We inspected the appropriation measures adopted for 2018 and 2017 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 County's Budget Report for the Special Fund for 2018 and 2017, and to the appropriations reported on the Special Fund Budgetary Activity footnote of the Cash Basis Annual Financial Report. Contrary to Ohio Rev. Code, the Board of Supervisors failed to approve the decrease of \$6,732 and the increase of \$10,300 of the supplemental appropriations made in 2018 and 2017, respectively. As a result, the amounts recorded in the County's Budget Report and the amounts reported on the Special Fund Budgetary Activity footnote of the Cash Basis Annual Financial Report were misstated by the aforementioned amounts.
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 years ended December 31, 2018 and 2017. Appropriations did not exceed estimated resources for the Special Fund for 2017. Special Fund appropriations for 2018 exceeded estimated resources by \$2,432, 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, 2018 and 2017 for the "Special" Fund, as recorded in the Annual Cash Basis Financial Report. Expenditures did not exceed appropriations for the Special Fund in 2018. Special Fund expenditures for 2017 exceeded total appropriations by \$3,752, contrary to Ohio Rev. Code § 5705.41(B). The Fiscal Officer should deny payment requests exceeding appropriations. The Fiscal Officer may request the Supervisors to approve increased expenditure levels by increasing appropriations and amending estimated revenue, if necessary, and if resources are available.

Special Fund Budgetary Compliance (Continued)

7. We inspected the Annual Cash Basis Financial Report for the years ended December 31, 2018 and 2017 for negative cash fund balances. Ohio Rev. Code § 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 District's General Ledger and County's Budget 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 § 5705.29(A)(1). The District did not establish these reserves.

Compliance – Contracts & Expenditures

We inquired of management and inspected the General Ledger for the years ended December 31, 2018 and 2017 to determine if the District purchased equipment and services allowed by ORC 940.08 or purchased goods or services allowed by ORC 940.06 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 regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. 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, 2018 and 2017 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.

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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, 2018 and 2017, 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 "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State
Columbus, Ohio

April 26, 2019

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OHIO AUDITOR OF STATE
KEITH FABER



TUSCARAWAS COUNTY SOIL AND WATER CONSERVATION DISTRICT

TUSCARAWAS 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
MAY 21, 2019**