



Dave Yost • Auditor of State





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

Maumee Watershed Conservancy District  
Defiance County  
1464 Pinehurst Drive  
Defiance, Ohio 43512-8670

We have performed the procedures enumerated below, with which the Board of Directors and the management of Maumee Watershed Conservancy District, Defiance 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, 2011 and 2010, 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. 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*. 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 tested the mathematical accuracy of the December 31, 2011 and December 31, 2010 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2010 beginning fund balances recorded in the Cash Control – All Funds Report to the December 31, 2009 balances in the documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2011 and 2010 fund cash balances reported in the Cash Control – All Funds Reports. The amounts agreed.
4. We confirmed the December 31, 2011 bank account balances with the District's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2011 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2011 bank reconciliation:
  - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
  - b. We traced the amounts and dates written to the check register, to determine the debits were dated prior to December 31. We noted no exceptions.

6. We tested investments held at December 31, 2011 and December 31, 2010 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.

### **Special Assessments Cash Receipts**

We selected a special assessment receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2011 and one from 2010:

- a. We traced the amount from the *Statement* to the amount recorded in the Receipt Register Cash Control Report. The amounts agreed.
- b. We determined whether the receipt was allocated to the proper fund(s) as required by Ohio Rev. Code, Sections 6101.44, 5705.05-.06 and 5705.10. We found no exceptions.
- c. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.

### **Debt**

1. The prior agreed-upon procedures report disclosed no debt outstanding as of December 31, 2009.
2. We inquired of management, and scanned the monthly Receipt Register Cash Control Reports and Cash Control – All Funds Reports for evidence of debt issued during 2011 or 2010 or debt payment activity during 2011 or 2010. We noted no new debt issuances, nor any debt payment activity during 2011 or 2010.

### **Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2011 and one payroll check for five employees from 2010 from the Payroll Register and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Register to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
  - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
  - c. We determined whether the fund(s) and account code(s) to which the check was posted were reasonable based on the employees' duties as documented in the minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. For any new employees selected in step 1 determined whether the following information in the employees' personnel files, minute record, or other payroll related files was consistent with the information used to compute gross and net pay related to this check:
  - a. Name

- b. Authorized salary or pay rate
- c. Department(s) and fund(s) to which the check should be charged
- d. Retirement system participation and payroll withholding
- e. Federal, State, Local and School District income tax withholding authorization and withholding
- f. Any other deduction authorizations (deferred compensation, etc.)

We found no exceptions related to steps a. – f. above.

- 3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2011 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period during 2011. We noted the following:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes and Medicare	January 31, 2012	December 30, 2011	\$2,564.30	\$2,564.30
State income taxes	January 15, 2012	December 30, 2011	563.76	563.76
Local income tax	January 31, 2012	December 30, 2011	172.91	172.91
School District income tax	January 15, 2012	December 30, 2011	63.56	63.56
OPERS retirement	January 31, 2012	December 30, 2011	4,091.16	4,091.16

**Non-Payroll Cash Disbursements**

We haphazardly selected ten disbursements from the monthly Cash Control – All Funds Reports for the year ended December 31, 2011 and ten from the year ended December 31, 2010 and determined whether:

- a. The disbursements were for a proper public purpose. We found no exceptions.
- b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the monthly Cash Control – All Funds Reports and to the names and amounts on the supporting invoices. We found no exceptions.
- c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.
- d. The District Treasurer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code Sections 5705.28(B)(2), 5705.41(D) and 6101.44. We found no exceptions.

### **Compliance – Budgetary**

1. We compared the total amounts from the *Certificate of the Total Amount From All Sources Available For Expenditures and Balances*, required by Ohio Rev. Code, Sections 5705.28(B)(2), and 5705.36(A)(1), to the amounts recorded in the Revenue Status Ledger for the Preliminary General, Little Auglaize Maintenance, and St. Joe Maintenance Funds for the years ended December 31, 2011 and 2010. The amounts agreed.
2. We scanned the appropriation measures adopted for 2011 and 2010 to determine whether, for the Preliminary General, Little Auglaize Maintenance, and St. Joe Maintenance Funds, the Directors appropriated separately for “each office, department, and division, and within each, the amount appropriated for personal services,” as is required by Ohio Rev. Code, Sections 5705.28(B)(2), and 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Rev. Code, Section 6101.44, to the amounts recorded in the Appropriation Status Ledger for 2011 and 2010 for the following funds: Preliminary General, Little Auglaize Maintenance, and St. Joe Maintenance Funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status Ledger.
4. Ohio Rev. Code, Section 6101.44, prohibits appropriations from exceeding the unencumbered balance plus the amounts to be received during the year. We compared total appropriations to total estimated revenue for the Preliminary General, Little Auglaize Maintenance, and St. Joe Maintenance Funds for the years ended December 31, 2011 and 2010. We noted no funds for which appropriations exceeded estimated revenue.
5. Ohio Rev. Code, Section 6101.44, prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2011 and 2010 for the Preliminary General, Little Auglaize Maintenance, and St. Joe Maintenance Funds, as recorded in the Appropriation Status Ledger. We noted no funds for which expenditures exceeded appropriations.
6. Ohio Rev. Code, Section 6101.44, requires establishing separate funds to segregate externally-restricted resources. We scanned the monthly Cash Control – All Funds Reports for evidence of new restricted receipts requiring a new fund during December 31, 2011 and 2010. We also inquired of management regarding whether the District received new restricted receipts. We noted no evidence of new restricted receipts for which Ohio Rev. Code Section 6101.44 would require the District to establish a new fund.
7. We scanned the 2011 and 2010 Revenue Status Ledger and Appropriation Status Ledger for evidence of interfund transfers which Ohio Rev. Code, Section 6101.44, restricts. We found no evidence of transfers this Section prohibits.

### **Compliance – Contracts and Expenditures**

We inquired of management and scanned the monthly Cash Control – All Funds Reports for the years ended December 31, 2011 and 2010 for procurements requiring competitive bidding for improvements for items which a conservancy district was established by contract, in excess of \$25,000, as required by Ohio Rev. Code Section 6101.16.

We identified no purchases subject to the aforementioned bidding requirements.

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We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the District's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management, those charged with governance, and others within the District, and is not intended to be, and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

April 5, 2012

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# Dave Yost • Auditor of State

**MAUMEE WATERSHED CONSERVANCY DISTRICT**

**DEFIANCE 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  
APRIL 24, 2012**