



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Wabash River Conservancy District
Mercer County
871 Meiring Road
Fort Recovery, Ohio 45846

We have performed the procedures enumerated below, with which the Board of Directors and the management of the Wabash River Conservancy District (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

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 General Ledger to the December 31, 2009 balances in the prior year audited statements. 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 General Ledger. The amounts agreed.
4. We confirmed the December 31, 2011 bank account balances with the District's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2011 bank reconciliation without exception.

Special Assessment Receipts

1. 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 General Ledger. The amounts agreed.
 - b. We determined whether the receipt was allocated to the proper fund 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 audit report disclosed no debt outstanding as of December 31, 2009.
2. We inquired of management, and scanned the General Ledger 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 all employees from 2011 and one payroll check for all employees from 2010 from the Payroll Ledger and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Ledger 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 and account code 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. 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:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2012	January 29, 2012	\$82.64	\$82.64
OPERS retirement	January 30, 2012	January 17, 2012	185.28	185.28

Non-Payroll Cash Disbursements

1. From the General Ledger, we re-footed checks recorded as General Fund disbursements for *special projects*. We found no exceptions.
2. We haphazardly selected ten disbursements from the General Ledger for the year ended December 31, 2011 and ten from the year ended 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 General Ledger 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 fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code Sections 5705.28(B)(2). We found 20 instances where disbursements requiring certification were not certified and there was also no evidence that a *Then and Now Certificate* was issued. Ohio Rev. Code Sections 5705.28(B)(2) require certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used. Because we did not test all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

Compliance – Budgetary

1. We compared the total estimated receipts from the *Amended Official Certificate of Estimated Resources* required by Ohio Rev. Code Section 5705.28(B)(2), to the amounts recorded in the General Ledger for the General fund for the years ended December 31, 2011 and 2010. The District did not use the General Ledger to record estimated amounts for either year. The fiscal officer should use the General Ledger to record the budgeted amount and periodically compare amounts recorded in the General Ledger to amount recorded on the *Amended Official Certificate of Estimated Resources* to assure they agree. If the amounts do not agree, the Directors may be using inaccurate information for budgeting and monitoring purposes.
2. We scanned the appropriation measures adopted for 2011 and 2010 to determine whether, for the General fund, 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 Section 5705.28(B)(2). We found no exceptions.
3. We compared total appropriations required by Ohio Rev. Code Section 6101.44, to the amount recorded in the General Ledger for 2011 and 2010 for the General fund. The amount on the appropriation resolution agreed to the amount recorded in the General 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 General fund 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 General fund, as recorded in the General 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 General Ledger 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.

Compliance – Contracts & Expenditures

1. We inquired of management and scanned the General Ledger 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.

We did not receive a response from Officials to the exceptions reported above.

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 Council, 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 initial "D".

Dave Yost
Auditor of State

April 5, 2012



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WABASH RIVER CONSERVANCY DISTRICT

MERCER 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 22, 2012**