



**FRANKLIN SOIL AND WATER CONSERVATION DISTRICT
FRANKLIN COUNTY**

AGREED-UPON PROCEDURES

FOR THE YEARS ENDED DECEMBER 31, 2010 THROUGH 2015



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Franklin Soil and Water Conservation District
Franklin County
1404 Goodale Blvd., Suite 100
Columbus, OH 43212

We have performed the procedures enumerated below, with which the Board of Supervisors and the management of the Franklin Soil and Water Conservation 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, 2010 through 2015, 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 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*. 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, 2010 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. The amounts agreed.
2. We compared the *Disbursements plus Other Financing Uses* for the Special Fund on pages 3A and 3B of the Reports to the Disbursements reported on page 4. The amounts agreed, except in 2012 where the disbursements on page 3A and 3B exceeded disbursements on page 4 by \$20.
3. We compared the *Receipts plus Other Financing Sources* for the Special Fund on pages 3A and 3B of the Reports to the Actual Receipts reported on page 5. The amounts agreed.
4. We tested the mathematical accuracy of the reconciliation on page 2. We found no exceptions.
5. We agreed the January 1 and December 31 fund cash balances reported in the District's General Ledger Account Summary to the corresponding *Fund Cash Balances* on page 3B of the Reports. The amounts agreed with three exceptions. In 2010, the District overstated their disbursements and understated their District fund beginning balances on Page 3B by \$2,880. The District adjusted the beginning balance in 2011 to correct the error. In 2011 and 2012, the District understated receipts and ending balances by \$30 for the Change Fund due to not tracking this fund's activity in their system.

Depository Balances, Investments and Fund Balances (Continued)

6. We also agreed the January 1 *Fund Balances* recorded on page 3B of each Report to the December 31 balance recorded in each prior year Report. The amounts agreed with two exceptions. In 2010, the District understated their January 1 balance in the District Fund by \$2,880, and their December 31 balance by \$30 in the Change Fund. The District adjusted their records and had all activity properly reflected in the subsequent Reports.

We also applied the following procedures to the *Subtotals* and *Totals* reported on page 2 of the December 31, 2015 Report:

7. We observed the December 31 balances for the District, OEEF Nursery, and Stewardship Funds on the District's financial institution's website. The balances agreed.
8. We compared the December 31 Special Fund depository balance from the *Report* to the amount reported in Franklin County's MUNIS Account Detail History Report. We found no exceptions.
9. 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 Totals on the Report. We found no exceptions.
 - b. We traced each check to the subsequent January and February bank statements. We found no exceptions.
 - c. We traced the amounts and dates of each check to the General Ledger, to determine the check was recorded for the same amount and dated and recorded prior to December 31. We found no exceptions.
10. We tested investments held at December 31 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 found no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

We applied the following procedures as of or for the year ended December 31, 2015:

1. We agreed the total of the receipts from the State Distribution Transaction List (DTL) and the total of the receipts from the County Auditor's Detailed Account History Report to the total amounts recorded to the respective receipt classification in the Special Fund in the General Ledger. The amounts agreed.
2. We selected five other confirmable cash receipts in the General Ledger from funds other than the Special Fund:
 - a. We confirmed the amounts paid from the various municipalities and townships to the District during 2015. We found no exceptions.
 - b. We determined whether these receipts were allocated to the proper funds. We found no exceptions.

Intergovernmental and Other Confirmable Cash Receipts (Continued)

We applied the following procedures as of or for the years ended December 31, 2010 through 2014:

3. We agreed the total of the receipts from the State Distribution Transaction List (DTL) and the total of the receipts from the County Auditor's Detailed Account History Report to the total amounts recorded to the respective receipt classification in the Special Fund in the General Ledger. The amounts agreed.
4. We selected three other confirmable cash receipts in the General Ledger from funds other than the Special Fund:
 - a. We confirmed the amounts paid from the various municipalities and townships to the District during 2010 through 2014. We found no exceptions.
 - b. We determined whether these receipts were allocated to the proper fund(s). We found no exceptions.

All Other Cash Receipts

We haphazardly selected 10 other cash receipts from the year ended December 31, 2015 and five other cash receipts from each of the years ended 2010 through 2014 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, except amounts were posted at net instead of gross for one receipt in 2015, 2014, and 2012.
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(s), 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 2015 and one payroll check for two employees for each of the years ended December 31, 2010 through 2014 from the Detailed Payroll Ledger and:
 - a. We compared the hours and pay rate, or salary recorded in the Detailed Payroll Ledger to supporting documentation (timecards and Board-approved pay rates). We found no exceptions.
 - b. We determined 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 determined whether the check was classified as *salaries*. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. For the five employees tested in step 1 from 2015, we determined the following information in the employees' personnel files 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 steps a – e above.

Payroll Cash Disbursements (Continued)

3. We haphazardly selected and recomputed one termination payment (unused vacation, etc.) occurring between January 1, 2010 and December 31, 2015, and agree the computation to the amount paid as recorded in the Detailed Payroll Ledger:
 - a. Accumulated leave records
 - b. The employee's pay rate in effect as of the termination date
 - c. The District's payout policy.

The amount paid was consistent with the information recorded in a. through c. above.

Non-Payroll Cash Disbursements

1. There were no non-payroll cash disbursements in the Special Fund for the year ended December 31, 2015. We haphazardly selected five disbursements from the District Fund and other funds included on the Report for the year ended December 31, 2015 and two from the Special Fund and three from the District Fund and other funds for each of the years ended 2010 through 2014 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 submitted to the County Auditor agreed to the payee name and amount recorded in the General Ledger and County MUNIS reports. 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.

2015 Special Fund Budgetary Compliance

1. We read the District's Special Fund Budget Request submitted to the County Commissioners. We noted 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 budgetary schedules on pages 4 and 5 of the Report. The amounts agreed.
2. We compared the total estimated receipts reported on Page 5 of the Report to the *Official Certificate of Estimated Resources*, required by Ohio Rev. Code Section 5705.36(A)(1), and to the amounts recorded in the MUNIS Account Detail History Report for the Special Fund. The District did not request estimated receipt information be recorded within MUNIS by the County. The fiscal officer should request the County record budgetary information within the County's accounting records, and periodically compare amounts recorded in the MUNIS Account Detail History Report to the amounts recorded on the Official Certificate of Estimated Resources to assure they agree. If the amounts do not agree, the Board of Supervisors may be using inaccurate information for budgeting and monitoring purposes.

2015 Special Fund Budgetary Compliance (Continued)

3. We scanned the appropriation measures to determine whether the Board 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 MUNIS Account Detail History Report for the Special Fund, and to the appropriations reported on Page 4 of the Report. The amounts agreed.
5. Ohio Rev. Code Sections 5705.36(A)(5) and 5705.28(B)(2)(C) prohibit appropriations from exceeding estimated revenue. We compared total appropriations to total estimated revenue for the Special fund for the year ended December 31, 2015. We noted appropriations did not exceed estimated revenues 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, 2015 for the Special fund, as recorded in the Annual Cash Basis Financial Report. We noted expenditures did not exceed appropriations for the Special Fund.
7. We scanned the Cash Summary by Fund Report for the year ended December 31, 2015 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. We noted no funds having a negative cash fund balance.

2015 Compliance – Contracts & Expenditures

We inquired of management and scanned the General Ledger for the year ended December 31, 2015 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. We noted amounts over \$50,000 were contracted after receiving sealed bids after advertising for not less than two or more than four weeks.

2015 Other Compliance

Ohio Rev. Code Section 117.38 requires Districts to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. We reviewed the HINKLE system and noted the District filed their financial information within the allotted timeframe for the year ended December 31, 2015. However, the report filed was the 2014 report instead of the 2015 report.

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

Columbus, Ohio

August 25, 2016



Dave Yost • Auditor of State

FRANKLIN SOIL AND WATER CONSERVATION DISTRICT

FRANKLIN 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
SEPTEMBER 29, 2016**