



**RICHLAND SOIL AND WATER CONSERVATION DISTRICT
RICHLAND COUNTY**

AGREED-UPON PROCEDURES

FOR THE YEARS ENDED DECEMBER 31, 2011 THROUGH 2015



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Richland Soil and Water Conservation District
Richland County
1495 W. Longview Avenue, Suite 205B
Mansfield, Ohio 44906

We have performed the procedures enumerated below, with which the Board of Supervisors (the Board) and the management of the Richland 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, 2011 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, 2011 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 and 2011 due to the District not reporting any disbursements on page 4.
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 did not agree due to the District not reporting receipts on page 5.
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 Year to Date report to the corresponding *Fund Cash Balances* on page 3B of the Reports. The amounts agreed.

Depository Balances, Investments and Fund Balances (Continued)

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

6. We confirmed the December 31 bank account depository balances for the District Fund with the District's financial institutions. The balances agreed.
7. We compared the December 31 Special Fund depository balance from the *Report* to the amount reported in the Cash Balances Report. We found no exceptions.
8. For amounts comprising the Cash in Transit to Depository, we applied the following procedures:
 - a. We compared the Cash in Transit to Depository from the Report to a corresponding credit recorded in subsequent January bank statement. We found no exceptions.
 - b. We agreed the Cash in Transit to Depository from the Report to the December 2015 Bank Reconciliation. The credit was recorded as a December receipt and for the same amount in the YTD Fund Report. We found no exceptions.
9. 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 noted no exceptions.

Intergovernmental Receipts

We applied the following procedure for the years ended December 31, 2011 through December 31, 2015:

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 Expense Detail report to the total amounts recorded in the respective receipt classification in the Special Fund in the Special Fund and Balances report, the Fund Balances report, or the Revenue Detail report. The amounts agreed.

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 2011 through 2014 recorded in the duplicate cash receipts book and determined whether the:

1. Receipt amount agreed to the amount recorded in the Special Fund and Balances report, Monthly Activity & Balances report, or YTD Fund Activity Report. The amounts agreed.
2. Amount charged complied with rates in force during the period, if applicable. We found one rental receipt in the amount of \$25 for a tree planter for which no approved rental rate could be located by the District. However, because we did not test all receipts, our report provides no assurance regarding whether or not other similar errors occurred.
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 all employees from 2015 and one payroll check for two employees for each of the years ended December 31, 2011 through 2014 from the County Expense Detail report and:
 - a. We compared the hours and pay rate, or salary recorded in the MUNIS Payroll System for each pay period to supporting documentation (timesheets). 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 noted 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 employees tested in step 1 from 2015, we determined whether 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.

Non-Payroll Cash Disbursements

We haphazardly selected five disbursements from the *Special Fund* and five disbursements from the *District Fund* and other funds from either the Monthly Fund Activity and Balances reports, YTD Fund Activity report, or County Expense Detail 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 2011 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 Monthly Fund Activity and Balances reports, YTD Fund Activity report, or County Expense Detail report 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 invoice submitted to the County Auditor agreed to the payee name and amount recorded in the Monthly Fund Activity and Balances reports, YTD Fund Activity report, or County Expense Detail report. We noted that invoices for check #'s 894849, 940913, and 957140 were not maintained by the District. Ohio Rev. Code § 149.351 provides that all records are the property of the public office and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part. However, because we did not test all disbursements, our report provides no assurance regarding whether or not other similar errors occurred.
 - ii. The names and amounts on the voucher agreed to supporting invoices. As noted previously, we noted that invoices for check #'s 894849, 940913, and 957140 were not maintained by the District. However, because we did not test all disbursements, our report provides no assurance regarding whether or not other similar errors occurred.

Non-Payroll Cash Disbursements (Continued)

- iii. The invoice was signed by the fiscal officer and approved by a majority of the Board of Supervisors. As noted previously, we noted that invoices for check #'s 894849, 940913, and 957140 were not maintained by the District. Additionally, we noted that the invoices related to check #'s 884882, 1006896, 1030796, 1033041, and 1042952 were not signed by the fiscal officer. However, because we did not test all disbursements, our report provides no assurance regarding whether or not other similar errors occurred. The Fiscal Officer should sign all Special Fund invoices.

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 Cash Basis Annual Financial Report. We noted the District reported appropriations of \$431,733 on page 4 of the Report. However, the Budget Request submitted to the County Commissioners reported appropriations of \$422,948. We further noted the District did not report estimated receipts on Page 5 of the Report. The fiscal officer should compare the amounts recorded in the Budget Request to amounts recorded on pages 4 and 5 of the Report to assure they agree.
2. We compared the total estimated receipts reported on Page 5 of the Report to the *Certificate of the Total Amount From All Sources Available For Expenditures and Balances*, required by Ohio Rev. Code Section 5705.36(A)(1), and to the amounts recorded in the Revenues Detail Report for the Special Fund. The Revenues Detail Report recorded budgeted (i.e. certified) resources for the Special fund of \$272,835 for 2015. However, the *Certificate of the Total Amount From all Sources Available For Expenditures and Balances* reflected \$342,922. Additionally, as noted previously, the District did not report estimated receipts on page 5 of the Report. The fiscal officer should periodically compare the amounts recorded in the Revenues Detail Report to amounts recorded on the *Certificate of the Total Amount From all Sources Available For Expenditures and Balances* to assure they agree. If the amounts do not agree, the Board of Supervisors may be using inaccurate information for budgeting and monitoring purposes.
3. We scanned 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 Expenses Detail Report for the Special Fund, and to the appropriations reported on Page 4 of the Report. The Expenses Detail Report recorded appropriations for the Special Fund of \$324,846. However, the Budget Request and page 4 of the Report reported appropriations of \$422,948 and \$431,733, respectively. The fiscal officer should periodically compare the amounts recorded in the Expenses Detail Report to amounts recorded on the Budget Request to assure they agree. If the amounts do not agree, the Board of Supervisors may be using inaccurate information for budgeting and monitoring purposes.
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.

2015 Special Fund Budgetary Compliance (Continued)

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 Annual Cash Basis Financial 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 YTD District Fund Activity Report and Expense Detail report 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 no purchases exceeding \$50,000.

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.

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.



Dave Yost
Auditor of State

Columbus, Ohio

February 3, 2017

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RICHLAND COUNTY SOIL AND WATER CONSERVATION DISTRICT

RICHLAND 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
MARCH 7, 2017**