



OHIO AUDITOR OF STATE
KEITH FABER



OHIO AUDITOR OF STATE KEITH FABER



101 Central Plaza South
700 Chase Tower
Canton, Ohio 44702-1509
(330) 438-0617 or (800) 443-9272
EastRegion@ohioauditor.gov

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Jefferson County Soil and Water Conservation District
Jefferson County
500 Market Street
Mezzanine, Suite 4
Steubenville, Ohio 43952

We have performed the procedures enumerated below, which were agreed to by the Board of Supervisors (the Board) and the management of the Jefferson County Soil and Water Conservation District (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 Account Register Report 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 Account Register Report to the December 31, 2017 balances in the District's Account Register Report. We found no exceptions.
3. We agreed the totals per the District Fund, Special Fund and Other Funds bank reconciliations to the total of the December 31, 2018 and 2017 fund cash balances reported in the District's Account Register Report for the District Fund, Special Fund and Other Funds. The amounts agreed.
4. We confirmed the December 31, 2018 bank account depository balances for the District Fund and Other Funds with the District's financial institutions. 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 Jefferson County Revenue Detail Report. We found no exceptions.

6. We selected one (and only) reconciling debits (such as outstanding checks) from the December 31, 2018 bank reconciliation:
 - a. We footed the supporting outstanding check list and compared it to the cash reconciliation. We found no exceptions.
 - b. We traced the check to the District Account Register Report and noted check was voided. We found no exceptions.
 - c. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. There were 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 Auditors' Revenue Detail Report to the total amounts recorded in the respective receipt classification in the Special Fund in the Account Register Report. The amounts agreed.
- 2 We selected a sample (agreed upon) of five other confirmable receipts from the year ended December 31, 2018 and five other confirmable receipts from the year ended December 31, 2017 in the Account Register Report from other confirmable receipts in the *Special Fund* for municipal and township storm water management funds and Ohio Department of Natural Resources (ODNR) grants.
 - a. We agreed to a Signed Memorandum of Agreement the amounts paid from the municipalities and districts to the District. We agreed an ODNR grant agreement the amounts paid to the District. We found no exceptions.
 - b. We inspected the Account Register Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
- 3 We selected a sample (agreed upon) of five other confirmable receipts from the year ended December 31, 2017 in the Account Register Report from funds other than the Special Fund such as grants, municipal and district funds. We found no exceptions.
 - a. We agreed amounts paid to the District from the EPA through draw requests and remittance correspondence from the Ohio EPA. We found no exceptions.
 - b. We inspected the Receipt Register Report to determine whether these receipts were allocated to the proper fund. We found no exception.

All Other Cash Receipts

We selected a sample (agreed upon) of 10 other cash receipts from the year ended December 31, 2017 recorded in the duplicate cash receipts book and:

1. Agreed the receipt amount to the amount recorded in the Account Register Report. The amounts agreed.
2. Confirmed the amount charged complied with rates in force during the period, if applicable. We found no exceptions.
3. Inspected the Detailed Revenue Report to determine the receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2018 and one payroll check for five employees from 2017 from the Payroll by Employee Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll by Employee Report to supporting documentation (timecard and legislatively-approved rate). We found no exceptions.
 - b. We inspected the Payroll by Employee Report 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 Payroll by Employee Report to determine whether the check was classified as *salaries* and was posted to the proper year. We found no exceptions.

Non-Payroll Cash Disbursements

1. From the Account Register Report, we re-footed checks recorded as *District Fund* disbursements for *contract services* and *information and education* for 2018. We found no exceptions.
2. We selected a sample (agreed upon) of five disbursements from the *Special Fund* and five disbursements from the *District Fund* and other funds from the Account Register Report for the year ended December 31, 2018 and five from the *Special Fund* and five from the *District Fund* and other funds 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 Account Register 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 voucher and invoice submitted to the County Auditor agreed to the payee name and amount recorded in the Account Register Report and County Detailed Appropriation Report. 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 treasurer 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 amounts agreed.

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 Section 5705.36(A)(1), and to the amounts recorded in the County Revenue Detail Report for the Special Fund for the years ended December 31, 2018 and 2017. The County Revenue Detail Report recorded budgeted (i.e. certified) resources for the Special fund of \$404,575 for 2018 and \$294,990 for 2017. However, the amounts reported in the Cash Basis Annual Financial Report at footnote 3 do not agree. The District reported \$431,009 in 2018, a variance of \$26,434 and \$329,280 in 2017, a variance of \$34,290. This was due to the Jefferson County Auditor zeroing out the budgetary balances at year-end. The office manager or treasurer should periodically compare amounts recorded in the County Revenue Detail Report to amounts recorded on the *Amended 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.
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 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 County Appropriation Detail 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. The amounts did not agree. The County Appropriation Detail Report recorded appropriations for the Special fund of \$404,575 for 2018 and \$294,990 for 2017. However, the Cash Basis Annual Financial Report reflected \$431,009 for 2018 and \$329,280 for 2017. This was a result of the Jefferson County Auditor zeroing out budgetary balances at year end. The fiscal officer should periodically compare amounts recorded in the Appropriation Detail Report to amounts recorded on the appropriation measure 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 resources. We compared total appropriations to total estimated resources for the Special Fund for the year ended December 31, 2018 and 2017. Appropriations did not exceed estimated resources 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, 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.
7. We compared interfund transfers-in to transfers-out to ensure they agreed and inspected the transfer activity to determine they were approved by the Board of Supervisors. We found one exception. We noted in 2017 the District Fund transfers in exceeded Other Fund transfers out by \$26. This was a result of accrued interest being paid into Other Funds rather than posting interest earned to District Fund.

8. 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 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. No funds had negative cash fund balances.

Compliance – Contracts & Expenditures

We inquired of management and inspected the Account Register Report 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

1. 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. 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.
2. For all credit card accounts we obtained:
 - copies of existing internal control policies,
 - a list of authorized users, and
 - a list of all credit card account transactions.
 - a. We inspected the established policy obtained above and determined it is:
 - i. in compliance with the HB 312 statutory requirements, and
 - ii. implemented by the entity.We found no exceptions.
 - b. We selected 3 credit card transactions for testing. For selected transactions we inspected documentation to determine that:
 - i. Use was by an authorized user within the guidelines established in the policy, and
 - ii. Each transaction was supported with original invoices and for a proper public purpose.We found 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.

Jefferson County Soil and Water Conservation District
Jefferson County
Independent Accountants' Report on
Applying Agreed-Upon Procedures
Page 6

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

September 3, 2019

OHIO AUDITOR OF STATE KEITH FABER



JEFFERSON COUNTY SOIL AND WATER CONSERVATION DISTRICT

JEFFERSON 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
OCTOBER 1, 2019**