



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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

Hardin Soil and Water Conservation District  
Hardin County  
12751 St. Rt. 309 W  
Kenton, Ohio 43326

We have performed the procedures enumerated below, which were agreed to by the Board of Supervisors (the Board) and the management of the Hardin 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, 2020 and 2019, 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, 2020 and 2019 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, 2020 and December 31, 2019 bank reconciliations. We found no exceptions.
2. We attempted to agree the January 1, 2019 beginning fund balances recorded in the District's *Cash Basis Annual Financial Report* to the December 31, 2018 balances in the prior year documentation in the prior year Agreed Upon Procedures working papers. We noted that 2019 beginning balance District Fund Balance was \$203,621 and the ending balance for 2018 District fund was \$207,682 resulting in a variance of \$4,601. The Other Funds balance amounts agreed. We attempted to agree the January 1, 2020 beginning fund balances recorded in the District's Cash Basis Annual Financial Report to the December 31, 2019 balances in the District's Cash Basis Annual Financial Report. We noted that the 2020 beginning balance of \$211,360 for the District did not agree with the fund balance of \$210,949, resulting in a variance of \$411. The Other Funds balance amounts agreed.
3. We attempted to agree the totals per the District Fund, SB299 Clean Lakes Ohio Fund, SB299 WLEB Buffer Program and Sm. Grains Fund, Lake Erie NRP Fund, H2Ohio Personnel Fund, 319 Grant Blanchard Outlet Fund, 319 Nine Element Hog Creek Fund, and H2Ohio Cost Share Fund bank reconciliations to the total of the December 31, 2020 and 2019 fund cash balances reported in the District's Cash Basis Annual Financial Report for the District Fund, SB299 Clean Lakes Ohio Fund, SB299 WLEB Buffer Program and Sm. Grains Fund, Lake Erie NRP Fund, H2Ohio Personnel Fund, 319 Grant Blanchard Outlet Fund, 319 Nine Element Hog Creek Fund, and H2Ohio Cost Share Fund and the financial statements filed by the District in the Hinkle System.

### Cash (Continued)

For 2020, we noted that District Fund, SB299 Clean Lakes Ohio Fund, SB299 WLEB Buffer Program and Sm. Grains Fund, Lake Erie NRP Fund, H2Ohio Personnel Fund, 319 Grant Blanchard Outlet Fund, 319 Nine Element Hog Creek Fund, and H2Ohio Cost Share Fund bank reconciliation for 2020 was \$1,520,218 and the fund cash balances reported in the District's Cash Basis Annual Financial Report and financial statements filed by the District in Hinkle System was \$1,519,869. A variance of \$349 noted.

For 2019, we noted that District Fund, SB299 Clean Lakes Ohio Fund, SB299 WLEB Buffer Program and Sm. Grains Fund, Lake Erie NRP Fund, and the 319 Grant Blanchard Outlet Fund, bank reconciliation for 2019 was \$273,764 and the fund cash balances reported in the District's Cash Basis Annual Financial Report and financial statements filed by the District in Hinkle System was \$273,274. A variance of \$490 noted.

4. We confirmed the December 31, 2020 bank account depository balances for the District Fund and Other Funds with the District's financial institution. The confirmed bank balances were \$76 more than the book balance.
5. We compared the December 31, 2020 Special Fund depository balance from the *Cash Basis Annual Financial Report* to the amount reported in the Hardin County Fund History Report. We found no exceptions.
6. We selected all reconciling debits (such as outstanding checks) from the December 31, 2020 bank reconciliation:
  - a. We footed the supporting outstanding check list and compared it to the cash reconciliation. We found no exceptions.
  - b. We traced each check to the subsequent January bank statement. We found no exceptions.
  - c. We traced the amounts and dates to the check register and determined the debits were dated prior to December 31. There were no exceptions.

### Intergovernmental and Other Confirmable Cash Receipts

1. We selected a total of five receipts from the State Distribution Transaction List (DTL) and Hardin County Vendor History Report from 2020.
  - a. We compared the amounts from the above named reports to the amount recorded in the General Ledger Report. The amounts agreed.
  - b. We inspected the General Ledger Report to determine whether the receipt was recorded in the proper year. The receipt was recorded in the prior year. We found no exceptions.
2. We selected five other confirmable receipts from the year ended December 31, 2020 in the General Ledger Report from funds other than the *Special Fund* such as grants, municipal and district funds.
  - a. We confirmed or agreed to contract or copy of check the amounts paid from the municipalities and the districts to the District. We found no exceptions.
  - b. We inspected the General Ledger Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.

### Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2020 and one payroll check for four employees from 2019 from the Hardin County Payroll of Employees Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Hardin County Payroll of Employees Report to supporting documentation (timecard, and statutorily-approved rate).
    - i. We inspected the employees' personnel files for the Retirement system, Federal, State & Local income tax withholding authorization.
    - ii. We agreed these items to the information used to compute gross and net pay related to this check.  
We found no exceptions.
  - b. We inspected the Hardin County Payroll of Employees 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 Hardin County Payroll of Employees 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. We selected five disbursements from the *Special Fund* and five disbursements from the *District Fund* and other funds from the other funds for the year ended December 31, 2020 and five from the *Special Fund* and five from the *District Fund* and other funds for the year ended 2019 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 invoice submitted to the County Auditor agreed to the payee name and amount recorded in the Account Register Report and County Reports. We found no exceptions.
    - ii. The names and amounts on the voucher agreed to supporting invoices. We found no exceptions.
    - iii. The voucher sheet was signed by the fiscal officer 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, 2020 and 2019. 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.

### Special Fund Budgetary Compliance (Continued)

2. 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 approved appropriations (Ohio Rev. Code Section 5705.38 and 5705.40) plus any carryover appropriations for the year ended December 31, 2020 and 2019 for the "Special" Fund. Expenditures did not exceed appropriations for the Special Fund.
3. 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. In 2020, the Transfers Out total of \$57,073 exceeded the Transfers In total of \$56,882, a variance of \$191. In 2019 there was a Transfer Out of \$125,000 and the Transfer In total was \$0. We inquired with the current District Administrator and the Transfer Out in 2019 was a transfer of money from the checking account to the money market account and should not have been included on the financial statement. In addition, reviewed the bank statements to confirm the transfer between the checking account and the money market account.
4. We inspected the Annual Cash Basis Financial Report for the years ended December 31, 2020 and 2019 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.

### Sunshine Law Compliance

1. We obtained and inspected the District's Public Records Policy to determine the policy was in accordance with Ohio Rev. Code §§ 149.43(E)(2) and 149.43(B)(7)(c) and did not limit the number of responses that may be made to a particular person, limit the number of responses during a specified period of time, or establish a fixed period of time before it will respond unless that period is less than eight hours. We found no exceptions.
2. We inquired with District management and determined that the District did not have any completed public records requests during the engagement period.
3. We inquired with District management and determined that the District did have a records retention schedule during the engagement period; however, the policy was not made readily available to the public as required by Ohio Rev. Code § 149.43(B)(2).

**Ohio Rev. Code 149.43 (B)(2)** requires "a public office to have available a copy of its current records retention schedule at a location readily available to the public". During the engagement period the District's records retention schedule was not made readily available to the public.

4. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
5. We inspected the District's policy manual and determined the public records policy was not included as required by Ohio Rev. Code § 149.43(E)(2).

**Ohio Rev. Code 149.43(E)(2) states, in part,** "A public office that has established a manual or handbook of its general policies and procedures for all employees of the public office shall include the public records policy of the public office in the manual or handbook." During the engagement period the public records policy was not included in the District's policy manual.

### Sunshine Law Compliance (Continued)

6. We inquired with District management and determined that the District did have a public records policy during the engagement period; however, it was not displayed in all the branches of the District as required by Ohio Rev. Code § 149.43(E)(2).

**Ohio Rev. Code 149.43(E)(2)** states, in part, "The public office shall create a poster that describes its public records policy and shall post the poster in a conspicuous place in the public office and in all locations where the public office has branch officers. The public office may post its public records policy on the internet web site of the public office if the public office maintains an internet web site." During the engagement period the District did not post its public records policy.

7. We inquired with District management and determined that the District did not have any applications for record disposal submitted to the Records Commission during the engagement period.
8. We inquired with District management and determined that the District did not have any elected officials subject to the Public Records Training requirements during the engagement period as required by Ohio Rev. Code §§ 149.43(E)(1) and 109.43(B).
9. We inspected the public notices for the public meetings held during the engagement period and determined the District notified the general public and news media of when and where meetings during the engagement period were to be held as required by Ohio Rev. Code § 121.22(F). We found no exceptions.
10. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Rev. Code § 121.22(C) and determined whether they were:
  - a. Prepared – a file is created following the date of the meeting
  - b. Filed – placed with similar documents in an organized manner
  - c. Maintained - retained, at a minimum, for the engagement period
  - d. Open to public inspection – available for public viewing or request.We found no exceptions.

### 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, 2020 and 2019 in the Hinkle system. There were no exceptions.
2. For all credit card accounts we obtained:
  - copies of existing internal control policies,
  - a list(s) of authorized users, and
  - a list of all credit card account transactions.

**Other Compliance (Continued)**

- a. We selected 1 credit card transaction from each credit card account for testing. For selected transactions we inspected documentation to determine that:
  - i. Each transaction was supported with original invoices and for a proper public purpose.
  
- b. We selected 3 credit card statements from each credit card account for testing. For selected statements we inspected documentation to determine that:
  - i. No unpaid beginning balance was carried forward to the current billing cycle,
  - ii. Ending statement balance was paid in full, and
  - iii. Statement contained no interest or late fees.

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.

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, 2020 and 2019, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

September 1, 2021



# OHIO AUDITOR OF STATE KEITH FABER



**HARDIN SOIL AND WATER CONSERVATION DISTRICT**

**HARDIN COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 9/28/2021**

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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)