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NOBLE COUNTY SOIL AND WATER CONSERVATION DISTRICT
NOBLE COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Noble County Soil and Water Conservation District
Noble County
46049 Marietta Road, Suite 5
Caldwell, Ohio 43724

We have performed the procedures enumerated below, with which the Board of Supervisors (the Board) and the management of the Noble County Soil and Water Conservation District, Noble County, Ohio (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.
 - For the year ended December 31, 2015, the fund cash balances on page 2 was \$10,059 less than the fund balances reported on page 3B.
 - For the year ended December 31, 2012, fund balances were not reported on page 2.
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.
 - For the year ended December 31, 2014, disbursements listed on page 3A and 3B were \$1,390 less than the disbursements reported 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.
 - For the years ended December 31, 2015, 2014 and 2013, receipts in the amounts of \$44,279, \$44,493 and \$76,675, respectively, were not reported on page 5.
4. We tested the mathematical accuracy of the reconciliation on page 2.
 - For the year ended December 31, 2012 fund balances were not reported on page 2.

Depository Balances, Investments and Fund Balances (Continued)

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.
 - For December 31, 2015, the fund cash balance for the District Fund per the District's General Ledger Account Summary was \$83 less than the fund cash balance reported on page 3B.
 - For January 1, 2015 and December 31, 2014, the fund cash balances for the District Fund per the District's General Ledger Account Summary was \$3,200 more than the fund cash balances reported on page 3B.
 - For January 1, 2014 and December 31, 2013, the fund cash balances for the Special Fund per the District's General Ledger Account Summary was \$142 less than the fund cash balances reported on page 3B.
 - For January 1, 2013 and December 31, 2012 the fund cash balances for the Special Fund per the District's General Ledger Account Summary was \$154 more than the fund cash balances reported on page 3B.
 - The District did not include the \$50 change fund on the District's General Ledger Account Summary; however, it was reported on page 3B for the years ended December 31, 2011 through 2015.

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 certificate of deposit balance reported on the confirmation was \$10,060 more than the amount reported on page 2.
7. We compared the December 31 Special Fund depository balance from the *Report* to the amount reported in the County's Monthly Financial Report. We found no exceptions.
8. We tested investments held at December 31 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code § 135.13, § 135.14 or § 135.144. We found no exceptions
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code § 135.13 or § 135.14. We noted no exceptions.

Property Taxes Cash Receipts

We applied the following procedure as of or for the years ended December 31, 2012 and 2011:

1. We selected one property tax receipt each year from the Semi-Annual Apportionment Sheets.
2. We traced the gross receipts from the Semi-Annual Apportionment Sheets to the County's Revenue Ledger.
 - The tax receipts for both 2012 and 2011 were recorded at net instead of gross. This resulted in an understatement of receipts and expenditures during 2012 and 2011, in the amount of \$3,254 and \$3,091 respectively.

Intergovernmental and Other Confirmable Cash Receipts

We applied the following procedures 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 Appropriation Ledgers to the total amounts recorded in the respective receipt classification in the Special Fund in the Revenue Ledgers.

- One receipt of \$12,500 from the DTL was recorded in the District Fund instead of the Special Fund. We confirmed with the Ohio Department of Natural Resources that this grant money could be used in the District Fund or the Special Fund.

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 General Ledger. The amounts agreed.
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 and was recorded in the proper year. We found no exceptions.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for two employees from 2015 and one payroll check for two employees for each of the years ended December 31, 2011 through 2014 from the Distribution Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Distribution Report to supporting documentation (timecard or legislatively approved rate). 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 two 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

3. We haphazardly selected and recomputed one termination payment (unused vacation, etc.) occurring between January 1, 2011 and December 31, 2015, and agreed the computation to the amount paid as recorded in the Distribution Report:
 - a. Accumulated leave records
 - b. The employee's pay rate in effect as of the termination date
 - c. The District's payout policy.

Payroll Cash Disbursements (Continued)

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

Non-Payroll Cash Disbursements

1. We haphazardly selected five disbursements from the *Special Fund* and five disbursements from the *District Fund* from the General Ledger for the year ended December 31, 2015 and two from the *Special Fund* and three from the *District Fund* 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* 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 Appropriation Ledger. 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 Board Chairman 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 only included the Special Fund's *Needs* and did not address the 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. The amounts agreed, except page 5 did not report estimated receipts.
2. We compared the total estimated receipts reported on Page 5 of the Report to the *Amended Official Certificate of Estimated Resources*, required by Ohio Rev. Code § 5705.36(A)(1), and to the amounts recorded in the Revenue Ledger for the Special Fund.
 - Page 5 of the Report recorded budgeted (i.e. certified) resources for the Special fund of \$0 for 2015. However, the final *Amended Official Certificate of Estimated Resources* reflected \$84,000. The fiscal officer should compare amounts recorded in page 5 of the 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 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 § 5705.38(C). We found no exceptions.
4. We compared total appropriations required by Ohio Rev. Code § 5705.38 and § 5705.40, to the amounts recorded in the Appropriation Ledger for the Special Fund, and to the appropriations reported on Page 4 of the Report. The amounts agreed.

2015 Special Fund Budgetary Compliance (Continued)

5. Ohio Rev. Code § 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 § 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 § 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 Ohio Rev. Code § 1515.09 or purchased goods or services allowed by Ohio Rev. Code § 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 § 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

December 13, 2016

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NOBLE COUNTY SOIL AND WATER CONSERVATION DISTRICT

NOBLE 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
DECEMBER 27, 2016**