



Dave Yost • Auditor of State



**MEIGS SOIL AND WATER CONSERVATION DISTRICT  
MEIGS COUNTY**

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

Meigs Soil and Water Conservation District  
Meigs County  
113 East Memorial Drive, Suite D  
Pomeroy, Ohio 45769

We have performed the procedures enumerated below, with which the Board of Supervisors (the Board) and the management of the Meigs Soil and Water Conservation District, Meigs 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, 2009 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, 2009 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 with exception:
  - a. The *Fund Cash Balances, December 31* for the District Fund from page 3B at December 31, 2011 showed \$53,152. We note that the proper amount when footed should be \$53,052.
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.
3. We compared the *Receipts plus Other Financing Sources* for the Special Funds on pages 3A and 3B of the Reports to the Actual Receipts reported on page 5. The amounts agreed with exception:
  - a. For the year ended December 31, 2014, the *Receipts plus Other Financing Sources* for the Special Fund on pages 3A and 3B of the Reports showed receipts of \$150,648 in the Special Fund and \$36,802 in the Special Fund- Recycling while the Actual Receipts reported on page 5 showed \$0 for both funds. However, the *Receipts plus Other Financing Sources* for the Special Fund - Recycling on pages 3A and 3B of the Reports amount of \$36,802 was actually the beginning fund balance rather than a receipt.

**Depository Balances, Investments and Fund Balances (Continued)**

- b. For the year ended December 31, 2013, the *Receipts* plus *Other Financing Sources* for the Special Fund on pages 3A and 3B of the Reports showed receipts of \$137,319 in the Special Fund and \$68,575 in the Special Fund - Recycling while the Actual Receipts reported on page 5 showed \$0 for both funds. However, the *Receipts* plus *Other Financing Sources* for the Special Fund - Recycling on pages 3A and 3B of the Reports amount of \$23,629 was actually the beginning fund balance rather than a receipt.
  - c. For the year ended December 31, 2012, the *Receipts* plus *Other Financing Sources* for the Special Fund on pages 3A and 3B of the Reports showed receipts of \$159,269 in the Special Fund and \$45,000 in the Special Fund - Recycling while the Actual Receipts reported on page 5 showed \$0 for both funds.
  - d. For the year ended December 31, 2011, the *Receipts* plus *Other Financing Sources* for the Special Fund on pages 3A and 3B of the Reports showed receipts of \$223,595 in the Special Fund while the Actual Receipts reported on page 5 showed \$0.
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 Program Administrator's Spreadsheets for 2009 through 2014 and Reconciliation Detail Reports for 2015 to the corresponding *Fund Cash Balances* on page 3B of the Reports. The amounts agreed with exception:
    - a. The January 1, 2014 fund cash balance reported in the Program Administrator's Spreadsheets showed \$36,802 for the Special Fund - Recycling. The corresponding *Fund Cash Balances* on page 3B of the Report showed \$0. However, the *Receipts* plus *Other Financing Sources* for the Special Fund - Recycling on pages 3A of the Reports amount of \$36,802 was actually the beginning fund balance rather than a receipt.
    - b. The January 1, 2014 fund cash balance reported in the Program Administrator's Spreadsheets showed \$0 for the Change Fund. The corresponding *Fund Cash Balances* on page 3B of the Report showed \$100.
    - c. The January 1, 2013 fund cash balance reported in the Program Administrator's Spreadsheets showed \$23,629 for the Special Fund - Recycling. The corresponding *Fund Cash Balances* on page 3B of the Report showed \$0. However, we note that the *Receipts* plus *Other Financing Sources* for the Special Fund- Recycling on pages 3A of the Reports include this beginning fund balance as a receipt.
    - d. The December 31, 2011 fund cash balance reported in the Program Administrator's Spreadsheets showed \$53,052 for the District Fund. The corresponding *Fund Cash Balances* on page 3B of the Report showed \$53,152 due to a footing error. The January 1, 2011 and December 31, 2011 fund cash balance reported in the Program Administrator's Spreadsheets showed \$100 for the Petty Cash Fund. The corresponding *Fund Cash Balances* on page 3B of the Report showed \$0.
    - e. The January 1, 2009 and December 31, 2009 fund cash balance reported in the Program Administrator's Spreadsheets showed \$100 for the Petty Cash Fund. The corresponding *Fund Cash Balances* on page 3B of the Report showed \$0.

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 and Leading Creek Fund with the District's financial institutions. The balances agreed.
7. We compared the December 31 Special Fund and Special Fund - Recycling depository balance from the *Report* to the amount reported in the Meigs County Fund Report. We found no exceptions.

### **Depository Balances, Investments and Fund Balances (Continued)**

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.

### **Intergovernmental and Other Confirmable Cash Receipts**

We applied the following procedures for the years ended December 31, 2009 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 Revenue History Report to the total amounts recorded in the respective receipt classification in the Special Fund in the General Ledger Report (2015 and 2014) or Program Administrator's Spreadsheet (2009 - 2013). 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 2009 through 2014 recorded in the duplicate cash receipts book and determined whether the:

1. Receipt amount agreed to the amount recorded in the Deposit Detail Report (2015 and 2014) or Program Administrator's Spreadsheet (2009 - 2013). 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(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, 2009 through 2014 from the Program Administrator's Spreadsheet and:
  - a. We compared the hours and pay rate, or salary recorded in the Program Administrator's Spreadsheet to supporting documentation (timecard and 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 five 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.

### Payroll Cash Disbursements (Continued)

3. We haphazardly selected and recomputed one termination payment (unused vacation, etc.) occurring between January 1, 2009 and December 31, 2015, and agreed the computation to the amount paid as recorded in the Program Administrator's Spreadsheet:
  - 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. From the Check Detail Report, we re-footed checks recorded as *District Fund* disbursements for *contract services* and *supplies* for 2015. We found no exceptions.
2. We haphazardly selected five disbursements from the *Special Fund* and five disbursements from the *District Fund* and other funds from the Payment Register 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 2009 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 Check Detail Report (2015 and 2014) or Program Administrator's Spreadsheet (2009-2013) 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 General Ledger Report (2015 and 2014) or Program Administrator's Spreadsheet (2009-2013) and County Ledgers. We found no exceptions.
    - ii. The invoice 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 Funds' *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. The amounts agreed with exception. The District's Special Fund-Recycling Budget Request submitted to the County Commissioners showed appropriations of \$18,000. The budgetary schedules on pages 4 of the Cash Basis Annual Financial Report showed \$34,148 which is a variance of \$16,148.
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 QuickBooks for the Special Funds. The District did not include estimated receipts in QuickBooks. Page 5 of the Report recorded budgeted (i.e. certified receipts) for the Special Fund of \$166,061. However, the final *Amended Official Certificate of Estimated Resources* reflected \$167,496. The Fiscal Officer should prepare the Report using proper approved amounts in accordance with the *Amended Official Certificate of Estimated Resources*.

### **2015 Special Fund Budgetary Compliance (Continued)**

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 QuickBooks for the Special Funds, and to the appropriations reported on Page 4 of the Report. The District maintained no budgetary information in QuickBooks. Total appropriations required by Ohio Rev. Code §§ 5705.38 and 5705.40 agreed to the amounts reported on Page 4 of the Report for the Special Fund. The District's appropriations of \$18,000 for the Special Fund - Recycling differed from the budgetary schedules on pages 4 of the Cash Basis Annual Financial Report which showed \$34,148.
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 and Special Fund- Recycling for the year ended December 31, 2015. We noted appropriations did not exceed estimated revenues for the Special Fund or Special Fund- Recycling.
5. 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 and Special Fund - Recycling, as recorded in the Annual Cash Basis Financial Report. We noted expenditures did not exceed appropriations for the Special Fund or Special Fund - Recycling.
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 Report 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.

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

December 7, 2016



# Dave Yost • Auditor of State

**MEIGS COUNTY SOIL AND WATER CONSERVATION DISTRICT**

**MEIGS 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 22, 2016**