



Dave Yost • Auditor of State





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

Highland Soil and Water Conservation District  
Highland County  
514 Harry Sauner Road Ste 2  
Hillsboro, Ohio 45133

We have performed the procedures enumerated below, with which the Board of Supervisors (the Board) and the management of the Highland 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, 2012 through 2016, 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. 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, 2012 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.
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 agreed.
4. We recomputed 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 General Ledger to the corresponding *Fund Cash Balances* on page 3B of the Reports. The amounts agreed.

We also applied the following procedures to the *Combined Statement of Receipts, Disbursements and Changes in Fund Balances* in the *Cash Basis Annual Financial Report* filed in the Hinkle System (the Report) at December 31, 2016:

6. We footed and cross-footed the amounts on the *Combined Statement of Receipts, Disbursements and Changes in Fund Balances*. We found no exceptions.

7. We compared the *Disbursements* plus *Other Financing Uses* for the Special Fund on the *Combined Statement of Receipts, Disbursements and Changes in Fund Balances* to the Budgetary Expenditures in the Special Fund Budgetary Activity footnote. The amounts agreed.
8. We compared the *Receipts* plus *Other Financing Sources* for the Special Fund on the *Combined Statement of Receipts, Disbursements and Changes in Fund Balances* to the Actual Receipts in the Special Fund Budgetary Activity footnote. The amounts agreed.
9. We agreed the January 1 and December 31 fund cash balances reported in the District's General Ledger to the corresponding *Fund Cash Balances* on the *Combined Statement of Receipts, Disbursements and Changes in Fund Balances*. The amounts agreed.
10. We confirmed the December 31, 2016 bank account depository balance for the District Fund with the District's financial institutions. The balances agreed.
11. We compared the December 31, 2016 Special Fund depository balance from the *Report* to the amount reported in the County Ledger. We found no exceptions.

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

We applied the following procedures for the years ended December 31, 2012 through December 31, 2016:

- 1 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 Ledgers to the total amounts recorded in the respective receipt classification in the Special Fund in the General Ledger. In 2015, a \$300 grant for the State was rolled up into Federal Grants on the Financial Statements. The receipt was properly recorded. No other exceptions.
- 2 There was one other confirmable receipt from the year ended December 31, 2016 in the General Ledger from funds other than the *Special Fund*.
  - a. We confirmed the amounts paid from the Federal Government to the District. We found no exceptions.
  - b. We inspected the General Ledger to determine whether these receipts were allocated to the proper fund(s). We found no exceptions.

#### **All Other Cash Receipts**

We haphazardly selected 10 other cash receipts from the year ended December 31, 2016 and five other cash receipts from each of the years ended 2012 through 2015 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(s), 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 2016 and one payroll check for all employees for each of the years ended December 31, 2012 through 2015 from the Employee Listing and:
  - a. We compared the hours and pay rate, or salary recorded in the Employee Report to a timecard and statutorily-approved rate. We found no exceptions
  - b. We inspected the 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 Employee Report to determine whether the check was classified as *salaries* and was posted to the proper year. We found no exceptions.
2. For the all employees selected in step 1 from 2016, we inspected the following information in the employees' personnel files and minute record to determine it 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**

1. From the General Ledger, we re-footed checks recorded as *District Fund* disbursements for *contract services* and *supplies* for 2016. 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 General Ledger for the year ended December 31, 2016 and two from the *Special Fund* and three from the *District Fund* and other funds for each of the years ended 2012 through 2015 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 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 General 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 fiscal officer and approved by a majority of the Board of Supervisors. We found no exceptions.

### **2016 Special Fund Budgetary Compliance**

1. We inspected the District's Special Fund Budget Request submitted to the County Commissioners. 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 *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 General Ledger for the Special Fund. The amounts agreed.
3. We inspected 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 General Ledger for the Special Fund, and to the appropriations reported on the Special Fund Budgetary Activity footnote of the Cash Basis Annual Financial Report. The amounts agreed.
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, 2016. 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, 2016 for the "Special" Fund, as recorded in the Report. Expenditures did not exceed appropriations for the Special Fund.
7. We inspected the Annual Cash Basis Financial Report for the year ended December 31, 2016 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.

### **2016 Compliance – Contracts & Expenditures**

We inquired of management and inspected the General Ledger for the year ended December 31, 2016 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. There were no purchases exceeding \$50,000.

### **2016 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, 2016.

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*. 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 for the use of the District to assist in evaluating its receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2012 through 2016, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose



**Dave Yost**  
Auditor of State

Columbus, Ohio

July 26, 2017

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# Dave Yost • Auditor of State

HIGHLAND SWCD

HIGHLAND 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  
AUGUST 8, 2017