

***HOCKING CONSERVANCY DISTRICT  
ATHENS COUNTY***

**AGREED-UPON PROCEDURES**

**FOR THE YEARS ENDED DECEMBER 31, 2016 & 2015**







# Dave Yost • Auditor of State

Board of Directors  
Hocking Conservancy District  
560 W. Union Street  
Athens, Ohio 45701

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Hocking Conservancy District, Athens County, prepared by Charles E. Harris & Associates, Inc., for the period January 1, 2015 through December 31, 2016. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Hocking Conservancy District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

May 26, 2017

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**HOCKING CONSERVANCY DISTRICT  
ATHENS COUNTY  
Agreed-Upon Procedures  
For the Years Ended December 31, 2016 and 2015**

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***Charles E. Harris & Associates, Inc.***  
***Certified Public Accountants***

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

Hocking Conservancy District  
Athens County  
560 W. Union Street  
Athens, Ohio 45701

We have performed the procedures enumerated below, with which the Board of Directors and the management of Hocking Conservancy District (the District) and the Auditor of State 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, 2016 and 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 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*. 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 and Investments**

1. We tested the mathematical accuracy of the December 31, 2016 and December 31, 2015 bank reconciliations. We found no exceptions.
2. We agreed the totals per the bank reconciliations to the total of the December 31, 2016 and 2015 fund cash balances reported in the Annual Financial Reports. The amounts agreed.
3. We agreed the January 1, 2015 beginning fund balances recorded in the 2015 Annual Financial Report to the December 31, 2014 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2016 beginning fund balances recorded in the 2016 Annual Financial Report to the December 31, 2015 balances in the Annual Financial Report. We found no exceptions.
4. We confirmed several of the December 31, 2016 bank account balances with the District's financial institutions. We found no exceptions. We also observed several year-end bank balances on the financial institution's website. The balances agreed. We also agreed the confirmed and observed balances to the amounts appearing in the December 31, 2016 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2016 bank reconciliation:
  - a. We traced each debit to the subsequent January and February bank statements. We found no exceptions.
  - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. We noted no exceptions.

### **Cash and Investments (Continued)**

6. We tested investments held at December 31, 2016 and December 31, 2015 to determine that they:
  - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We found no exceptions.
  - b. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. We noted no exceptions.

### **Special Assessment Cash Receipts**

1. We selected a special assessment receipt from one *Statement of Semiannual Apportionment of Taxes* (the *Statement*) for 2016 and one from 2015.
  - a. We traced the amount from the *Statement* to the amount recorded in the Cashbooks. The amounts agreed.
  - b. We determined whether the receipt was allocated to the proper funds as required by Ohio Rev. Code Sections 6101.44, 5705.05-.06 and 5705.10. We found no exceptions.
  - c. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.

### **Debt**

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2014.
2. We inquired of management, and scanned the 2016 and 2015 Cashbooks for evidence of debt issued during 2016 or 2015 or debt payment activity during 2016 or 2015.

Ohio Revised Code §135.14 limits investments to a five-year maximum maturity. We noted that the District issued manuscript debt wherein the General Fund loaned the Margaret Creek Subdivision, a special revenue fund, \$130,000 in 2011 at 2% annual interest and maturing in twenty years, which exceeds the maximum 5 year period allowed.

3. We obtained a summary of loan activity, between the General Fund and the Margaret Creek Subdivision for 2016 and 2015 and agreed the principal and interest payments from the related amortization schedule to payments reported in the 2016 and 2015 Cashbooks. We also compared the date the loan payments were due to the date the payments were made. We found no exceptions.

### **Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2016 and one payroll check for five employees from 2015 from the Payroll Spreadsheet and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Spreadsheet to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
  - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
  - c. We determined whether the fund and account codes to which the check was posted were reasonable based on the employees' duties as documented in the employees' personnel files. We also determined whether the payment was posted to the proper year. We found no exceptions.

**Payroll Cash Disbursements (Continued)**

2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2016 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period during 2016. We noted the following:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	1/31/2017	12/30/2016	\$4,851.82	\$4,851.82
State income taxes	1/15/2017	12/30/2016	\$924.93	\$924.93
Local income tax	1/31/2017	12/30/2016	\$522.24	\$522.24
OPERS retirement	1/30/2017	12/30/2016	\$5,022.24	\$5,022.24
School District Tax	1/31/2017	12/30/2016	\$53.15	\$53.15

**Non-Payroll Cash Disbursements**

1. From the Cashbook, we re-footed checks recorded as General Fund disbursements for operations, and checks recorded as maintenance in the Special Revenue – Margaret Creek Subdivision fund for 2016. We found no exceptions.
2. We haphazardly selected ten disbursements from the Cashbook for the year ended December 31, 2016 and ten from the year ended December 31, 2015 and determined whether:
  - a. The disbursements were for a proper public purpose. We found no exceptions.
  - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Cashbook and to the names and amounts on the supporting invoices. We found no exceptions.
  - c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.
  - d. The fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code Sections 5705.28(B)(2), 5705.41(D) and 6101.44. We found no exceptions.

**Compliance – Budgetary**

1. We compared the total estimated receipts from the Estimated Revenue Resolutions required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.36(A)(1), to the amounts recorded in the December Financial Reports for the General, Margaret Creek Subdivision and Preliminary funds for the years ended December 31, 2016 and 2015. The amounts agreed.



### **Compliance – Budgetary (Continued)**

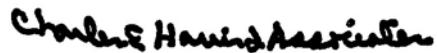
2. We scanned the appropriation measures adopted for 2016 and 2015 to determine whether, for the General, Margaret Creek Subdivision and Preliminary funds, the Directors appropriated separately for “each office, department, and division, and within each, the amount appropriated for personal services,” as is required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Rev. Code Section 6101.44, to the amounts recorded in the December Financial Reports for 2016 and 2015 for the following funds: General, Margaret Creek Subdivision and Preliminary funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the December Financial Reports.
4. Ohio Rev. Code Section 6101.44 prohibits appropriations from exceeding the unencumbered balance plus the amounts to be received during the year. We compared total appropriations to total estimated resources for the General, Margaret Creek Subdivision and Preliminary funds for the years ended December 31, 2016 and 2015. We noted no funds for which appropriations exceeded estimated resources.
5. Ohio Rev. Code Section 6101.44 prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2016 and 2015 for the General, Margaret Creek Subdivision and Preliminary funds, as recorded in the December Financial Reports. We noted no funds for which expenditures exceeded appropriations.
6. Ohio Rev. Code Section 6101.44 requires establishing separate funds to segregate externally-restricted resources. We scanned the Cashbooks for evidence of new restricted receipts requiring a new fund during December 31, 2016 and 2015. We also inquired of management regarding whether the District received new restricted receipts. We noted no evidence of new restricted receipts for which Ohio Rev. Code Section 6101.44 would require the District to establish a new fund.
7. We scanned the 2016 and 2015 Cashbooks and December Financial Reports for evidence of interfund transfers exceeding \$10,000 which Ohio Rev. Code Section 6101.44 restricts. We found no evidence of transfers this Section prohibits.
8. We scanned the Cashbooks and December Financial Reports for the years ended December 31, 2016 and 2015 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. We noted no funds having a negative cash fund balance.

### **Other Compliance**

1. Ohio Rev. Code Section 117.38 requires entities to file their financial information in the HINKLE system formerly known as the Annual Financial Data Reporting System (AFDRS) within 60 days after the close of the fiscal year. We reviewed AFDRS to verify the District filed their financial information within the allotted timeframe for the years ended December 31, 2016 and 2015. Financial information was filed on March 20, 2017 for both years which was not within the allotted timeframe.

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, the Board of Directors, the Auditor of State and others within the District, and is not intended to be, and should not be used by anyone other than these specified parties.



**Charles E. Harris & Associates, Inc.**  
April 28, 2017



# Dave Yost • Auditor of State

**HOCKING CONSERVANCY DISTRICT**

**ATHENS 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  
JUNE 8, 2017**