



**MAUMEE WATERSHED CONSERVANCY DISTRICT
DEFIANCE COUNTY**

AGREED-UPON PROCEDURES

FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2009



Mary Taylor, CPA
Auditor of State

MAUMEE WATERSHED CONSERVANCY DISTRICT
DEFIANCE COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Maumee Watershed Conservancy District
Defiance County
1464 Pinehurst Drive
Defiance, Ohio 43512-8670

We have performed the procedures enumerated below, with which the Board of Directors and the management of Maumee Watershed Conservancy District, Defiance County (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 and 2008, 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, 2009 and December 31, 2008 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2008 beginning fund balances recorded in the District's accounting system Cash Control – All Funds Financial Report to the December 31, 2007 balances in the prior year audited statements. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2009 and 2008 fund cash balances reported in the Cash Control – All Funds Financial Report. The amounts agreed.
4. We confirmed the December 31, 2009 bank account balances with the District's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2009 bank reconciliation without exception.
5. We selected all the outstanding checks haphazardly from the December 31, 2009 bank reconciliation:

- a. We traced each check to the debit appearing in the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and date written to the check register, to determine the checks were dated prior to December 31. We noted no exceptions.
6. We tested investments held at December 31, 2009 and December 31, 2008 to determine that they:
- a. Were of a type authorized by Ohio Revised Code §§ 135.13, 135.14 or 135.144. We found no exceptions.
 - b. Mature within the prescribed time limits noted in Ohio Revised Code § 135.13 or 135.14. We noted no exceptions.

Special Assessments

We selected a special assessment receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2009 and one from 2008:

- a. We traced the amount from the *Statement* to the amount recorded in the Receipt Register Report. The amounts agreed.
- b. We determined whether the receipt was allocated to the proper fund(s) as required by Ohio Revised Code §§ 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

We inquired of management, and scanned the monthly Cash Control – All Funds Financial Reports and Receipt Register Reports for evidence of bonded or note debt issued during 2009 or 2008 or outstanding as of December 31, 2009 or 2008. We noted no new debt issuances, nor any debt payment activity during 2009 or 2008.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2009 and one payroll check for five employees from 2008 from the payroll register and determined whether the following information in the employees' personnel files, minute record, or other payroll related files was consistent with the information used to compute gross and net pay related to this check:
 - a. Name
 - b. Authorized salary or pay rate
 - c. Department(s) and fund(s) to which the check should be charged.
 - d. Retirement system participation and payroll withholding.
 - e. Federal, State, Local and School District income tax withholding authorization and withholding.
 - f. Any other deduction authorizations (deferred compensation, etc.)

We found no exceptions related to steps a. – f. above.

2. We tested the checks we selected in step 1, as follows:
 - a. We compared the hours and pay rate, or salary amount used in computing gross pay 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(s) and account code(s) to which the check was posted was reasonable based on the employees' duties as documented in the minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.
3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2009 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld during the final withholding period during 2009. We noted the following:

Withholding	Date Due	Date Paid	Amount Withheld	Amount Paid
Federal income taxes	January 31, 2010	December 25, 2009	\$2,347.60	\$2,347.60
State income taxes	January 15, 2010	December 25, 2009	560.90	560.90
Local income tax	January 31, 2010	December 25, 2009	179.59	179.59
School District income tax	January 15, 2010	December 25, 2009	65.48	65.48
OPERS retirement (withholding plus employer share)	January 31, 2010	December 25, 2009	1,707.48	1,707.48

Non-Payroll Cash Disbursements

1. We agreed total payroll disbursements from the manual payroll register for the years ended December 31, 2009 and 2008 to the total payroll disbursements recorded in the Check Register Report. We found no exceptions.
2. We haphazardly selected ten disbursements from the monthly Check Register Reports for the year ended December 31, 2009 and ten from the year ended December 31, 2008 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 monthly Cash Control – All Funds Financial Reports; to the check number, date and amount recorded in the monthly Check Register Reports; 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 District Treasurer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Revised Code §§5705.28(B)(2), 5705.41(D) and 6101.44. We found no exceptions.

Compliance – Budgetary

1. We compared the total from the *Certificate of the Total Amount From All Sources Available For Expenditures and Balances*, required by Ohio Revised Code §§ 5705.28(B)(2) and 5705.36(A)(1), to the amounts recorded in the Revenue Status Ledger for the Preliminary General, Grassy Creek Maintenance and Little Auglaize Maintenance Funds for the years ended December 31, 2009 and 2008. The amounts agreed.

2. We scanned the appropriation measures adopted for 2009 and 2008 to determine whether, for the Preliminary General, Grassy Creek Maintenance and Little Auglaize Maintenance 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 Revised Code §§ 5705.28(B)(2) and 5705.38(C). We found no exceptions.
4. We compared total appropriations required by Ohio Revised Code § 6101.44, to the amounts recorded in the Appropriation Status Ledger for 2009 and 2008 for the funds Preliminary General, Little Auglaize Maintenance and St. Joe Maintenance Funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status Ledger.
5. Ohio Revised Code § 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 revenue for the Preliminary General, Little Auglaize Maintenance and St. Joe Maintenance Funds for the years ended December 31, 2009 and 2008. We noted no funds for which appropriations exceeded estimated revenue.
6. Ohio Revised Code § 6101.44 prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2009 and 2008 for the Preliminary General, Little Auglaize Maintenance and St. Joe Maintenance Funds, as recorded in the Appropriation Status Ledger. We noted no funds for which expenditures exceeded appropriations.
7. Ohio Revised Code § 6101.44 requires establishing separate funds to segregate externally-restricted resources. We scanned the Receipt Register Reports for evidence of new restricted receipts requiring a new fund during December 31, 2009 and 2008. We also inquired of management regarding whether the District received new restricted receipts. The District established the St. Joe Maintenance Fund during 2008 to segregate special assessments monies for the operation and maintenance channels related to the St. Joe River project and other related expenses of the District, in compliance with § 6101.44.
8. We scanned the 2009 and 2008 Revenue Status Ledger and Appropriation Status Ledger for evidence of interfund transfers which Ohio Revised Code § 6101.44 restricts. We found no evidence of transfers this Section prohibits.

Compliance – Contracts and Expenditures

We inquired of management and scanned the monthly Cash Control – All Funds Financial Reports and Check Register Reports for the years ended December 31, 2009 and 2008 for procurements requiring competitive bidding for improvements for items which a conservancy district was established by contract, in excess of \$25,000, as required by Ohio Revised Code § 6101.16.

We identified no purchases subject to the aforementioned bidding requirements.

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 and those charged with governance 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 "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

September 7, 2010



Mary Taylor, CPA
Auditor of State

MAUMEE WATERSHED CONSERVATORY DISTRICT

DEFIANCE 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
SEPTEMBER 23, 2010**