



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Allen Soil and Water Conservation District
Allen County
1601 E. 4th Street, Suite B
Lima, Ohio 45804

We have performed the procedures enumerated below, with which the Board of Supervisors (the Board) and the management of the Allen Soil and Water Conservation District, Allen 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, 2010 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, 2010 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 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 District's General Ledger Account Summary to the corresponding *Fund Cash Balances* on page 3B of the Report. In 2014, the District did not record the beginning balance for the Lake Erie CREP Fund in the amount of \$118,392. The beginning balance of this fund was returned to the Treasurer of State during 2014. The balances of all funds on hand should be included on the Report.

Depository Balances, Investments and Fund Balances (Continued)

We also applied the following procedures to the *Subtotals* and *Totals* reported on page 2 of the December 31, 2015 Report:

6. We observed the December 31 balances for the District Fund on the District's financial institution's website. The balances agreed.
7. We compared the December 31 Special Fund depository balance from the *Report* to the amount reported in Allen County's Year to Date Fund Balance Report. We found no exceptions.
8. For the checks comprising the Outstanding Checks, we applied the following procedures:
 - a. We footed the supporting outstanding check list and compared it to the Totals on the Report. We found no exceptions.
 - b. We traced each check to the subsequent January bank statement. We found no exceptions.
 - c. We traced the amounts and dates of each check to the General Ledger, to determine the check was recorded for the same amount and dated and recorded prior to December 31. We found no exceptions.

Intergovernmental Cash Receipts

We applied the following procedures as of or for the year ended December 31, 2010 through December 31, 2015:

- 1 We agreed the total of the receipts from the State Distribution Transaction List (DTL) and the total of the receipts from the County Auditor's Detailed Account History Report to the total amounts recorded to the respective receipt classification in the Special Fund in the General Ledger. In 2015, \$24,857.50 was recorded in the Local Fund instead of the Special Fund (In 2013, \$7,500.00 was recorded in the Local Fund instead of the Special Fund and \$2,275 was recorded in the Special Fund as Miscellaneous Receipts instead of Grants: State Government; 2012 - \$1,907.50 was recorded in the Special Fund as Miscellaneous Receipts instead of Grants: State Government; 2011 - \$6,250.00 was recorded in the Local Fund instead of the Special Fund and \$6,469 was recorded as miscellaneous receipts instead of Grants: State Government; and 2010 - \$14,250 was recorded in the Special Fund but to the miscellaneous receipts instead of Grants: State Government and \$3,874 recorded as Grants: State Government which not included on the DTL. In 2014, \$1,000 payment from Bath Township was recorded as Miscellaneous Receipts and should have been recorded as Grants: Local Government and 2010 - \$2,632 was recorded as miscellaneous receipts and should have been recorded as Grants: Local.

The receipts that should have been recorded in the Special Fund were correctly disbursed from the Local Fund so there was no impact on the ending fund balances. Recording errors can result in the illegal disbursement of restricted money and/or also inhibits the user's ability to rely on the accounting records and financial reports. The District Administrator and/or Treasurer/Fiscal Agent and the Board of Supervisors should monitor the accounting records to help detect and correct recording errors.

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 2010 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. One receipt in 2012 and two receipts in 2013 that were processed through Pay Pal were recorded net of related fees.

All Other Cash Receipts (Continued)

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, 2010 through 2014 from the Allen County Payroll Employees Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Allen County Payroll of Employees Report to supporting documentation (timecards or approved pay rates). 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 found 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 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, 2010 and December 31, 2015, and agree the computation to the amount paid as recorded in the Allen County Payroll of Employees Report:
 - 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 General Ledger, we re-footed checks recorded as *District Fund* disbursements for *contract repair* 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 General Ledger 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 2010 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:

Non-Payroll Cash Disbursements (Continued)

- 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 invoice submitted to the County Auditor agreed to the payee name and amount recorded in the General Ledger and County reports. We found no exceptions.
 - ii. The names and amounts on the voucher agreed to supporting invoices. We found no exceptions.
 - iii. The District Fund Voucher sheet which is attached to the invoice was signed by the fiscal agent 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 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 budgetary schedules on pages 4 and 5 of the Report. Estimated receipts per the Special Fund Budget Request were \$406,666 and the amount per page 5 was \$419,166. Appropriations per the Special Fund Budget Request were \$400,300 while the amount per page 4 was \$402,968. The District Administrator and/or Treasurer/Fiscal Agent should review the Report to determine the accuracy of the amounts reported for the Budget.
2. We compared the total estimated receipts reported on Page 5 of the Report to the *Amended Certificate of Estimated Resources*, required by Ohio Rev. Code Section 5705.36(A)(1), and to the amounts recorded in the County's YTD Detail Revenue Report for the Special Fund. The County's YTD Detail Revenue Report recorded budgeted (i.e. certified) resources for the Special Fund of \$419,166. However, the final *Amended Certificate of Estimated Resources* reflected \$406,666. The District should periodically compare amounts recorded in the YTD Detail Revenue 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 Board of 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 County's YTD Detail Expense Report for the Special Fund, and to the appropriations reported on Page 4 of the Report. Appropriations on the County's YTD Detail Expense Report dated December 31, 2015 were \$400,300 and appropriations listed on page 4 of the report were \$402,968.

The District Administrator and/or Treasurer/Fiscal Agent should periodically compare amounts recorded in the YTD Detail Expense Report to the appropriations to assure they agree. If the amounts do not agree, the Board of Supervisors may be using inaccurate information for budgeting and monitoring purposes.

2015 Special Fund Budgetary Compliance (Continued)

5. Ohio Rev. Code Sections 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 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, 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 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.

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 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. We noted no purchases exceeding \$50,000.

2015 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, 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

November 2, 2016

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ALLEN COUNTY SOIL AND WATER CONSERVANCY DISTRICT

ALLEN 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
NOVEMBER 22, 2016**