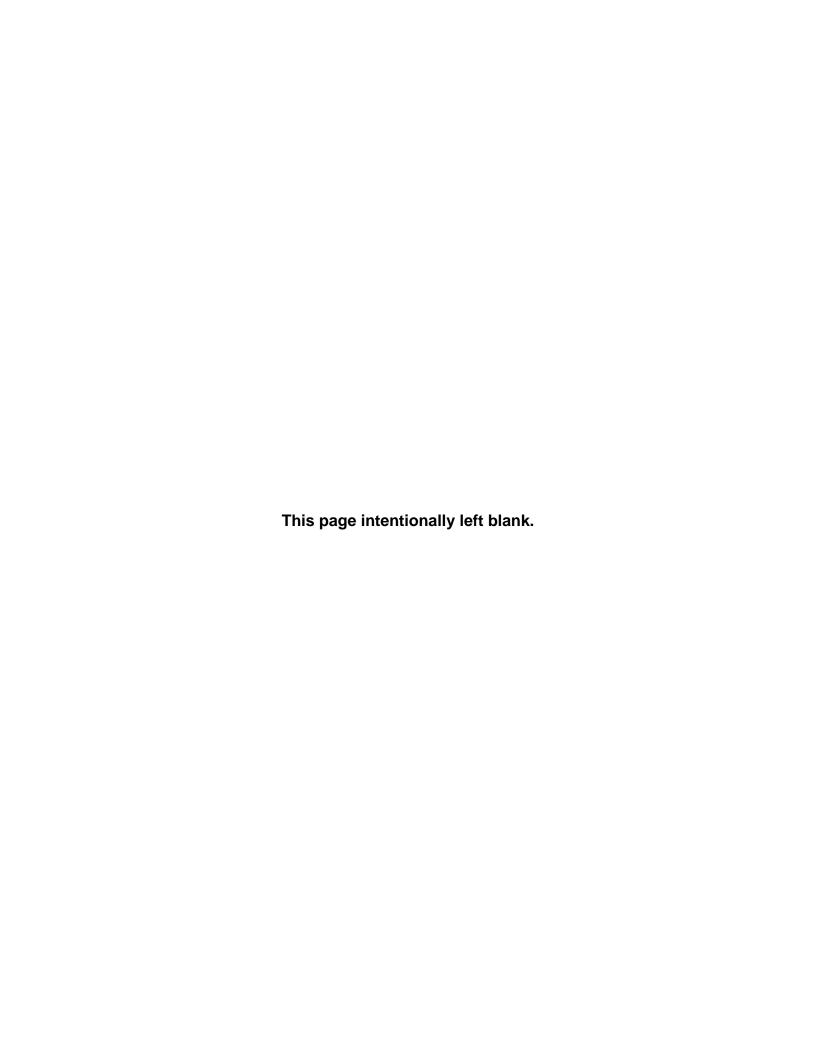




GALLIA SOIL AND WATER CONSERVATION DISTRICT GALLIA COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Gallia Soil and Water Conservation District Gallia County 111 Jackson Pike, Suite 1569 Gallipolis, Ohio 45631

We have performed the procedures enumerated below, with which the Board of Supervisors (the Board) and the management of the Gallia Soil and Water Conservation District, Gallia 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, 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. We found the following exception:
 - For 2015, the Disbursements plus Other Financing Uses exceeded disbursements on page 4 by \$189,091. No amounts were included on page 4.
- 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. We noted the following exception:
 - For 2015, the Receipts plus Other Financing Sources exceeded Actual Receipts on page 5 by \$193,327. No amounts were included on page 5.
- 4. We recalculated the mathematical accuracy of the reconciliation on page 2. We noted the following exception:
 - For 2013, there was a \$217 variance between the December 31, 2013 reconciled bank balance and the Total Fund Balance, which equaled the amount of outstanding checks.
- 5. We agreed the January 1 and December 31 fund cash balances reported in the District's District Fund Balance Sheet Report and MTD/YTD Fund Report to the corresponding *Fund Cash Balances* on page 3B of the Reports. The amounts agreed.

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Depository Balances, Investments and Fund Balances (Continued)

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 the following exceptions.
 - The Totals column Total Cash Receipts foots to \$253,779 but the sum of the Total Cash Receipts in the District Fund and Special Fund columns crossfoot to \$254,280, which is a variance of \$501. This is due to \$500 in the District Fund column not being included in the Totals column and a \$1 variance when crossfooting the All Other Revenue row into the Totals column.
 - The Totals column Excess of Receipts Over (Under) Disbursements foots to (\$21,236) but
 the sum of the District Fund and Special Fund columns crossfoot to (\$20,736), which is a
 variance of \$500. This is due to the Total Cash Receipts errors noted above plus a \$1
 variance when crossfooting the Supplies Cash Disbursements row into the Totals column.
- 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 Actual Expenditures in the Special Fund Budgetary Activity footnote. We found the following exception.
 - The Disbursements plus Other Financing Uses for the Special Fund totaled \$206,861, and the Special Fund Budgetary Activity footnote Actual Expenditures were \$206,092 for a variance of \$769.
- 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. We found the following exceptions.
 - The Receipts plus Other Financing Sources for the Special Fund totaled \$179,595 and the Special Fund Budgetary Activity footnote Actual Receipts were \$225,173 for a variance of \$45,578.
- 9. We agreed the January 1 and December 31 fund cash balances reported on the District's District Fund Balance Sheet Report and MTD/YTD Fund Report, to the corresponding Fund Cash Balances on the Combined Statement of Receipts, Disbursements and Changes in Fund Balances. We found the following exception.
 - The December 31, 2016 District Fund balance on the District Fund Balance Sheet of \$74,052 did not agree to the December 31, 2016 District Fund balance on the Combined Statement of Receipts, Disbursements and Changes in Fund Balances of \$74,087 for a variance of \$34.
- 10. We confirmed the December 31, 2016 bank account depository balances 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 amount reported in the County Auditor's Combined MTD/YTD Fund Report. We found no exceptions.
- 12. 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 cash reconciliation. We found no exceptions.
 - b. We traced each check to the subsequent January and February bank statements. We found no exceptions.

Depository Balances, Investments and Fund Balances (Continued)

- c. We traced the amounts and dates of each check to the check register to determine the check was recorded for the same amount and dated and recorded prior to December 31. We noted no exceptions.
- 13. For amounts comprising the Cash in Transit to Depository, we applied the following procedures:
 - a. We compared the Cash in Transit to Depository from the cash reconciliation to a corresponding credit recorded in subsequent January bank statement. We found no exceptions.
 - b. We agreed the Cash in Transit to Depository from the cash reconciliation to the District Fund Transaction Detail by Account report. The credit was recorded as a December receipt and for the same amount in the District Fund Transaction Detail By Account report. We found no exceptions.
- 14. We inspected investments held at December 31, 2016 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code §§ 135.13, 135.14, or 135.44. We found no exceptions.
 - b. Mature within the prescribed time limits noted in the Ohio Rev. Code § 135.13 or 135.14. We noted no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

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

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 DTL's to the total amounts recorded in the respective receipt classification in the Special Fund in the Detail Revenue Transactions by Fund reports. We found the following exceptions.

- For 2016, two receipts on the State DTL, in the amount of \$500 each, were not included on the Detail Revenue Transactions by Fund report. They were both deposited in the District Fund instead of the Special Fund.
- For 2012, one receipt on the State DTL in the amount of \$359 was not included on the Detail Revenue Transactions by Fund report. It was deposited in the District Fund instead of the Special Fund.

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:

- 1. Agreed the receipt amount to the amount recorded in the District Fund Transaction Detail By Account report. The amounts agreed.
- 2. Agreed the amount charged complied with rates in force during the period, if applicable. We found no exceptions.
- 3. Inspected the District Fund Transaction Detail By Account report to determine the receipt was posted to the proper fund, 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 2016 and one payroll check for two employees for each of the years ended December 31, 2012 through 2015 from the Detailed Payroll Ledger and:
 - a. We compared the hours and pay rate, or salary recorded in the Detailed Payroll Ledger to the timesheet and the statutorily-approved rate. We found no exceptions.
 - b. We inspected the Detailed Payroll Ledger 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 Detailed Payroll Ledger to determine whether the check was classified as *salaries and* was posted to the proper year. We found no exceptions.
- 2. For the five employees selected in step 1 from 2016, we inspected the following information in the employees' personnel files 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.

- 3. We haphazardly selected and recomputed one termination payment (unused vacation, etc.) occurring between January 1, 2012 and December 31, 2016 and agreed the computation to the amount paid as recorded in the Employee Detail Payroll batch 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. We haphazardly selected five disbursements from the Special Fund and five disbursements form the District Fund and other funds from the Payment Transaction Detail Report 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 year 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 Payment Transaction Detail Report 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 District Fund Report and County Transaction History Report. We found no exceptions.
 - ii. The names and amounts on the voucher agreed to supporting invoices. We found no exceptions.

Non-Payroll Cash Disbursements (Continued)

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

- 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 Amended Official Certificate of Estimated Resources, required by Ohio Rev. Code § 5705.36 (A) (1), and to the amounts recorded in the County Auditor YTD Fund Report for the Special Fund. The Certificate agreed to the YTD Fund Report but the Special Fund Budgetary Activity footnote of the Cash Basis Annual Financial Report was \$228,802, or \$49,207 more than the Certificate which was \$179,595. The Fiscal officer should ensure the estimated receipts reported in the Special Fund Activity footnote agree to the Certificate.
- 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 § 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 the County YTD Fund Report for the Special Fund, and to the appropriations reported on the Special Fund Budgetary Activity footnote of the Cash Basis Annual Financial Report. The Budget Report provided by the County indicated an amount of \$206,092 which is \$22,710 less than the \$228,802 that is reported on the Special Fund Budgetary Activity footnote. The departmental budget shows appropriations of \$228,802.
- 5. Ohio Rev. Code §§ 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 § 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 Annual Cash Basis Financial Report. Expenditures did not exceed appropriations for the Special Fund.
- 7. We compared interfund transfers-in to transfers-out to ensure they agreed and inspected the transfer activity to determine they were approved by the Board of Supervisors. We found no exceptions.
- 8. We inspected the Annual Cash Basis Financial Report for the year ended December 31, 2016 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. No funds had negative cash fund balances.

2016 Compliance – Contracts & Expenditures

We inquired of management and inspected the Payment Transaction Detail Report 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 § 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 it's 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

June 2, 2017



GALLIA COUNTY SOIL AND WATER CONSERVATION DISTRICT GALLIA 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.

CLERK OF THE BUREAU

Susan Babbitt

CERTIFIED JUNE 22, 2017