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**MONROE COUNTY SOIL AND WATER CONSERVATION DISTRICT
MONROE COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Monroe County Soil and Water Conservation District
Monroe County
117 North Main Street, 3rd Floor
Woodsfield, Ohio 43793

We have performed the procedures enumerated below, which were agreed to by the Board of Supervisors (the Board) and the management of the Monroe County Soil and Water Conservation District, Monroe County, Ohio (the District), on the receipts, disbursements and balances recorded in the District's cash-basis accounting records for the years ended December 31, 2017 and 2016, and certain compliance requirements related to these transactions and balances, included in the information provided to us by the management of the District. The District is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2017 and 2016 and certain compliance requirements related to these transactions and balances included in the information provided to us by the District. 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 recalculated the December 31, 2017 and December 31, 2016 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2016 beginning fund balances recorded in the District's General Ledger to the December 31, 2015 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2017 beginning fund balances recorded in the District's General Ledger to the December 31, 2016 balances in the District's General Ledger. We found no exceptions.
3. We agreed the totals per the District Fund bank reconciliations to the total of the December 31, 2017 and 2016 fund cash balances reported in the District's General Ledger for the District Fund. The amounts agreed.
4. We confirmed the December 31, 2017 bank account depository balances for the District Fund with the District's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2017 bank reconciliation without exception for the checking account. However, there was a variance of \$839 between the confirmations and the reconciliation for the Certificate of Deposits due to unposted interest.
5. We compared the December 31, 2017 Special Fund depository balance from the *Cash Basis Annual Financial Report* to the amount reported in the county's Fund Balance Report. We found no exceptions.

Cash and Investments (Continued)

6. We selected the reconciling credit (such as deposits in transit) from the December 31, 2017 bank reconciliation:
 - a. We traced each credit to the subsequent January bank statement. We found no exceptions.
 - b. We agreed the credit amounts to the General Ledger. The credit was recorded as a December receipt for the same amount recorded in the reconciliation.
7. We inspected investments held at December 31, 2017 and December 31, 2016 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code §§ 135.13, 135.14 or 135.144. We found no exceptions
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code §§ 135.13 or 135.14. We noted no exceptions.

Property Taxes Cash Receipts

1. We haphazardly selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2017:
 - a. We traced the gross receipt from the *Statement* to the amount recorded in the General Ledger. We noted the receipt was posted at the net amount instead of the gross amount.
 - b. We inspected the General Ledger to confirm whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We inspected the General Ledger to determine whether it included two real estate tax receipts for 2017. The General Ledger included the proper number of tax receipts for each year.

Intergovernmental Cash Receipts

We applied the following procedures for the years ended December 31, 2017 and 2016:

We traced the total of the receipts from the State Distribution Transaction Lists (DTL) and the total of the receipts from the County Appropriation History Report to the total amounts recorded in the respective receipt classification in the Special Fund in the General Ledger. The amounts agreed. However, in 2017 and 2016, a receipt from the County for the Current Agricultural Use Value (CAUV) contract in the amount of \$10,000 for each year was posted as real estate instead of charges for services.

All Other Cash Receipts

We haphazardly selected 10 other cash receipts from the year ended December 31, 2017 and 10 other cash receipts from the year ended 2016 recorded in the duplicate cash receipts book and:

1. Agreed the receipt amount to the amount recorded in the General Ledger. The amounts agreed.
2. Confirmed the amount charged complied with rates in force during the period, if applicable. We found no exceptions.
3. Inspected the General Ledger 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 all employees from 2017 and one payroll check for all employees from 2016 from the Pay Register Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Pay Register Report to supporting documentation (timesheet). We found no exceptions.
 - b. We inspected the Pay Register 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 Pay Register Report to determine whether the check was classified as *salaries* and was posted to the proper year. We found no exceptions.
2. For the new employee selected in procedure 1, we inspected the following information in the employees' personnel file 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; and
 - e. Any other deduction authorizations (deferred compensation, etc.).

We found no exceptions related to procedures a. – e. above.

Non-Payroll Cash Disbursements

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, 2017 and five from the *Special Fund* and five from the *District Fund* and other funds for the year ended 2016 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 and Appropriation History Report. 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 Program Director and approved by a majority of the Board of Supervisors. We found no exceptions.

Special Fund Budgetary Compliance

We inspected the Annual Cash Basis Financial Report for the years ended December 31, 2017 and 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.

Compliance – Contracts & Expenditures

We inquired of management and inspected the General Ledger for the years ended December 31, 2017 and 2016 to determine if the District purchased equipment and services allowed by Ohio Rev. Code § 1515.09 or purchased goods or services allowed by Ohio Rev. Code § 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.

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. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies, in addition to filing extensions granted for extenuating circumstances, allow for refiling complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System for December 31, 2017 and 2016 fiscal year ends included in 2015-2016 or 2016-2017 agreed-upon procedure engagements, subsequent to the District's deadline where the initial filing was filed on time but incomplete. We confirmed the District filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy, within the allotted timeframe for the years ended December 31, 2017 and 2016 in the Hinkle system. There were no exceptions.

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*. 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 to provide assistance in the evaluation of the District's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2017 and 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 6, 2018



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MONROE COUNTY SOIL AND WATER CONSERVATION DISTRICT

MONROE 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
JULY 3, 2018**