



Dave Yost • Auditor of State

**GUERNSEY COUNTY SOIL AND WATER CONSERVATION DISTRICT
GUERNSEY COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Guernsey County Soil and Water Conservation District
Guernsey County
335C Old National Road, P.O. Box 310
Old Washington, Ohio 43768

We have performed the procedures enumerated below, which were agreed to by the Board of Supervisors (the Board) and the management of the Guernsey County Soil and Water Conservation District, Guernsey 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 other exceptions.
2. We agreed the January 1, 2016 beginning fund balances recorded in the District's Combined Statement of Receipts, Disbursements, and Changes in Fund Balances to the December 31, 2015 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2017 beginning fund balances recorded in the District's Combined Statement of Receipts, Disbursements, and Changes in Fund Balances to the December 31, 2016 balances in the District's Combined Statement of Receipts, Disbursements, and Changes in Fund Balances. We found variances of \$59,336 and \$769,898 in the January 1, 2017 beginning fund balances for the District Fund and Moore Memorial Woods Fund, respectively. No other exceptions noted.
3. We agreed the totals per the District Fund and Moore Memorial Woods Fund bank reconciliations to the total of the December 31, 2017 and 2016 fund cash balances reported in the District's Combined Statement of Receipts, Disbursements, and Changes in Fund Balances for the District Fund and Moore Memorial Woods Fund. We noted variances of \$59,492 and \$769,347 in the December 31, 2017 ending fund balances for the District and Moore Memorial Woods Funds, respectively. The amounts agreed for 2016.
4. We confirmed the December 31, 2017 bank account depository balances for the District Fund and Moore Memorial Woods Fund with the District's financial institutions. We found no exceptions.

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Cash and Investments (Continued)

5. We confirmed the December 31, 2017 bank account depository balances for the District Fund and Moore Memorial Woods Fund with the District's financial institutions. We found no exceptions.
6. We compared the December 31, 2017 Special Fund depository balance from the *Combined Statement of Receipts, Disbursements, and Changes in Fund Balances* to the amount reported in the Guernsey County Budget Report. We found no exceptions.
7. We selected all reconciling debits (such as outstanding checks) haphazardly from the December 31, 2017 bank reconciliation:
 - a. We noted all outstanding checks were still outstanding as of the subsequent February bank statement.
 - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. There were no exceptions.
8. We selected all reconciling credits (such deposits in transit) from the December 31, 2017 bank reconciliation:
 - a. We traced each credit to the subsequent January or February bank statements. We found the Moore Memorial Woods Fund bank reconciliation showed a deposit in transit for \$5,000 that was deposited on September 12, 2017. This amount should have added to the fund balance amount on the bank reconciliation instead of deposit in transit.
 - b. We agreed the credit amounts to the Income Statement Detail Report. There were no exceptions.
9. 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.

Intergovernmental Cash Receipts

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

1. We traced the total of the receipts from the State Distribution Transaction Lists (DTL) and the total of the receipts from the County Auditor's Transaction History Report to the total amounts recorded in the respective receipt classification in the Special Fund in the *Combined Statement of Receipts, Disbursements, and Changes in Fund Balances*. The amounts agreed for 2017. We noted for 2016 the District recorded \$89,987 of distributions from Guernsey County as state grants instead of local grants.

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 Income Statement Detail Report. The amounts agreed.
2. Confirmed the amount charged complied with rates in force during the period, if applicable. We found no exceptions.

All Other Cash Receipts (Continued)

3. Inspected the Income Statement Detail Report to determine the receipt was posted to the proper funds, and was recorded in the proper year. We found no exceptions.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for all three employees from 2017 and one payroll check for five employees from 2016 from the Guernsey County Earnings and Deduction Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Guernsey County Earnings and Deduction Report to supporting documentation (timecard and legislatively-approved rate). We found no exceptions.
 - b. We inspected the Guernsey County Earnings and Deduction 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 Guernsey County Earnings and Deduction Report to determine whether the check was classified as *salaries* and was posted to the proper year. We found no exceptions.
2. For any new employees selected in procedure 1, 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 procedures a. – e. above.

3. We haphazardly selected and recomputed one termination payment (unused vacation, etc.) using the following information, and agreed the computation to the amount paid as recorded in the Guernsey County Transaction History 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. - c. 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/Bill Register 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/Bill Register 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.

Non-Payroll Cash Disbursements (Continued)

- 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 Special Fund Report and Guernsey County Transaction 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 fiscal officer and approved by a majority of the Board of Supervisors. We found no exceptions.

Special Fund Budgetary Compliance

1. We inspected the District's Special Fund Budget Request submitted to the County Commissioners for the years ended December 31, 2017 and 2016. 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 3 of the Combined Statement of Receipts, Disbursements, and Changes in Fund Balances financial report. In 2017, we noted a variance of \$33,667 for both budgeted receipts and appropriations. In 2016, we noted variances of \$4,712 for budgeted receipts and \$3,235 for appropriations.
2. We compared the total estimated receipts reported on the Special Fund Budgetary Activity footnote 3 of the Combined Statement of Receipts, Disbursements, and Changes in Fund Balances 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 Guernsey County Transaction History Report for the Special Fund for the years ended December 31, 2017 and 2016. The amounts agreed for 2016. However, the Guernsey County Transaction History Report and the final *Amended Official Certificate of Estimated Resources* recorded budgeted (i.e. certified) resources for the Special Fund of \$183,056 for 2017. The Special Fund Budgetary Activity footnote 3 of the Combined Statement of Receipts, Disbursements, and Changes in Fund Balances reflected \$205,498. The fiscal officer should periodically compare amounts recorded in the Transaction History 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 inspected the appropriation measures adopted for 2017 and 2016 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 Guernsey County Budget Report for the Special Fund for 2017 and 2016, and to the appropriations reported on the Special Fund Budgetary Activity footnote 3 of the Combined Statement of Receipts, Disbursements, and Changes in Fund Balances financial report. For 2017 and 2016, we noted variances of \$17,069 and \$680, respectively.
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, 2017 and 2016. Appropriations did not exceed estimated resources for the Special Fund.

Special Fund Budgetary Compliance (Continued)

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, 2017 and 2016 for the "Special" Fund, as recorded in the Guernsey County Budget 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 noted interfund transfer-in and transfers-out do not agree for 2016. All transfers were approved by the Board of Supervisors.
8. We inspected the Combined Statement of Receipts, Disbursements, and Changes in Fund Balances for the years ended December 31, 2017 and 2016 for negative cash fund balances. Ohio Rev. Code § 5705.10(l) 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 Special Fund Report and Bill Register 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. Amounts over \$50,000 were contracted after receiving sealed bids after advertising for not less than two or more than four weeks.

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 up on 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State
Columbus, Ohio

August 15, 2018



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GUERNSEY COUNTY SOIL AND WATER CONSERVATION DISTRICT

GUERNSEY 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
OCTOBER 2, 2018**