



OHIO AUDITOR OF STATE  
**KEITH FABER**





**BELMONT COUNTY SOIL AND WATER CONSERVATION DISTRICT  
BELMONT COUNTY  
DECEMBER 31, 2018 AND 2017**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Belmont County Soil and Water Conservation District  
Belmont County  
130 West Main Street  
St. Clairsville, Ohio 43950

We have performed the procedures enumerated below, which were agreed to by the Board of Supervisors (the Board) and the management of the Belmont County Soil and Water Conservation District, Belmont 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, 2018 and 2017, 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, 2018 and 2017 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, 2018 and December 31, 2017 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2017 beginning fund balances recorded in the District's Cash Basis Annual Financial Report to the December 31, 2016 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, 2018 beginning fund balances recorded in the District's Cash Basis Annual Financial Report to the December 31, 2017 balances in the District's Cash Basis Annual Financial Report. We found no exceptions.
3. We agreed the totals per the District Fund bank reconciliations to the total of the December 31, 2018 and 2017 fund cash balances reported in the District's Cash Basis Annual Financial Report for the District Fund. The amounts agreed.
4. We confirmed the December 31, 2018 bank account depository balances for the District Fund with the District's financial institutions. We found no exceptions.
5. We compared the December 31, 2018 Special Fund and Captina Watershed Fund depository balances from the Cash Basis Annual Financial Report to the amount reported in the Belmont County Monthly Financial Statement. We found no exceptions.

### **Cash and Investments (Continued)**

6. We inspected investments held at December 31, 2018 and December 31, 2017 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 and Other Confirmable Cash Receipts**

We applied the following procedures for the years ended December 31, 2018 and 2017:

1. We traced the total of the receipts from the State Distribution Transaction Lists (DTL) and the total of the receipts from the Belmont County Transaction History Report to the total amounts recorded in the respective receipt classification in the Special Fund in the Balance Sheet Detail Report. The amounts agreed for 2018. For 2017, the District incorrectly recorded a \$15,300 receipt as a state grant receipt instead of a federal grant receipt and a \$1,000 receipt as a local government receipt in the District Fund instead of a state government receipt in the Special Fund. No other exceptions noted.
2. We selected a sample (agreed upon) of five other confirmable receipts from the year ended December 31, 2018 and all other confirmable receipts from the year ended December 31, 2017 in the Balance Sheet Detail Report from funds other than the *Special Fund* such as grants, municipal, and district funds.
  - a. We confirmed the amounts paid from the municipalities and districts to the District to the Belmont County Transaction History Report or bank statement, and to the District's Balance Sheet Detail Report. We found no exceptions.
  - b. We inspected the Balance Sheet Detail Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.

### **All Other Cash Receipts**

We selected a sample (agreed upon) of 10 other cash receipts from the year ended December 31, 2018 and 10 other cash receipts from the year ended 2017 recorded in the duplicate cash receipts book and:

1. Agreed the receipt amount to the amount recorded in the Balance Sheet Detail Report. 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 Balance Sheet Detail 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 selected a sample (agreed upon) of one payroll check for all employees from 2018 and one payroll check for all employees from 2017 from the Payroll Transmittal Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Transmittal Report to supporting documentation (timecard and statutorily-approved rate). We found no exceptions.

### Payroll Cash Disbursements (Continued)

- b. We inspected the Payroll Transmittal 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 Payroll Transmittal 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 selected a sample (agreed upon) and recomputed one termination payment (unused vacation, etc.) using the following information, and agreed the computation to the amount paid as recorded in the Payroll Transmittal 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

We selected a sample (agreed upon) of five disbursements from the *Special Fund* and five disbursements from the *District Fund* and other funds from the Balance Sheet Detail Report for the year ended December 31, 2018 and five from the *Special Fund* and five from the *District Fund* and other funds for the year ended 2017 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 Balance Sheet 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 Balance Sheet Detail Report and the Belmont 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, 2018 and 2017. 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. For 2018 and 2017, we noted variances of \$161,361 and \$148,124, respectively.
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 Belmont County Receipt Report for the Special Fund for the years ended December 31, 2018 and 2017. The Belmont County Receipt Report recorded budgeted (i.e. certified) resources for the Special fund of \$219,744 for 2018 and \$206,171 for 2017. However, the final *Amended Official Certificate of Estimated Resources* reflected \$224,978 for 2018 and \$212,876 for 2017. The fiscal officer should periodically compare amounts recorded in the Belmont County Receipt 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 2018 and 2017 to determine whether the Board 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 Belmont County Budget Report for the Special Fund for 2018 and 2017, and to the appropriations reported on the Special Fund Budgetary Activity footnote of the Cash Basis Annual Financial Report. The amounts agreed.
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, 2018 and 2017. Appropriations did not exceed estimated resources for the Special Fund.
4. 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, 2018 and 2017 for the "Special" Fund, as recorded in the Cash Basis Annual 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 Cash Basis Annual Financial Report for the years ended December 31, 2018 and 2017 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 Belmont County Transaction History Report for the years ended December 31, 2018 and 2017 to determine if the District purchased equipment and services allowed by Ohio Rev. Code § 940.08 or purchased goods or services allowed by Ohio Rev. Code § 940.06 whose cost, other than personal service compensation or office space rent, exceeded \$50,000. There were no purchases exceeding \$50,000.

### Other Compliance

1. 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, regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. 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, 2018 and 2017 in the Hinkle system. There were no exceptions.
2. For all credit card accounts, we obtained copies of existing internal control policies, list of authorized users and a list of all credit card account transactions
  - a. We inspected the established policy obtained above and determined they are:
    - i. In compliance with H.B. 312 statutory requirements, and
    - ii. Implemented by the entity. We determined the District's current credit card policy should be updated to requirements found in H.B. 312.
  - b. We selected 5 credit card transactions made by employees and 3 credit card transactions made by the Fiscal Officer for testing. For selected transactions, we inspected documentation to determine that:
    - i. Use was by an authorized user within the guidelines established in the policy, and
    - ii. Each transaction was supported with original invoices and for a proper public purpose. We found 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.

Belmont County Soil and Water Conservation District  
Belmont County  
Independent Accountants' Report on  
Applying Agreed-Upon Procedures  
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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, 2018 and 2017, 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 "Keith Faber". The signature is written in a cursive style with a large, stylized 'K' and 'F'.

Keith Faber  
Auditor of State  
Columbus, Ohio

June 10, 2019

# OHIO AUDITOR OF STATE KEITH FABER



**BELMONT COUNTY SOIL AND WATER CONSERVATION DISTRICT**

**BELMONT 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  
JUNE 25, 2019**