



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Fayette Soil & Water Conservation District
Fayette County
1415 US 22 SW, Suite 500
Washington Court House, Ohio 43160

We have performed the procedures enumerated below, which were agreed to by the Board of Supervisors (the Board) and the management of the Fayette Soil & Water Conservation District (the District) on the receipts, disbursements and balances recorded in the District's cash-basis accounting records for the years ended December 31, 2020 and 2019, 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, 2020 and 2019 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

1. We recalculated the December 31, 2020 and December 31, 2019 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2019 beginning fund balances recorded in the District's General Ledger to the December 31, 2018 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, 2020 beginning fund balances recorded in the District's General Ledger to the December 31, 2019 balances in the District's General Ledger. We found no exceptions.
3. We agreed the totals per the District Fund and Special Projects Fund bank reconciliations to the total of the December 31, 2020 and 2019 fund cash balances reported in the District's General Ledger for the District Fund and Special Projects Fund and the financial statements filed by the District in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2020 bank account depository balances for the District Fund and Special Projects Fund with the District's financial institutions. We found no exceptions.
5. We compared the December 31, 2020 Special Fund depository from the *Cash Basis Annual Financial Report* to the amount reported in the Fayette County Fund History Report. We found no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

1. We selected a total of five receipts from the State Distribution Transaction Lists (DTL) and the County Auditor's Audit Trail Report from 2020 and a total of five from 2019:

- a. We compared the amounts from the above named reports to the amount recorded in the General Ledger Report. The amounts agreed.
 - b. We inspected the General Ledger Report to determine whether the receipt was recorded in the proper year. The receipt was recorded in the proper year. We found no exceptions.
2. We selected five other confirmable receipts from the year ended December 31, 2020 and five other confirmable receipts from the year ended December 31 2019 in the General Ledger from funds other than the *Special Fund* such as grants, municipal and district funds
- a. We agreed to supporting receipts the amounts paid from the municipalities and districts to the District. We found no exceptions.
 - b. We inspected the General Ledger to determine whether these receipts were allocated to the proper funds. We found no exceptions.

Other Receipts

We selected 10 other receipts from the year ended December 31, 2020 and 10 other receipts from the year ended 2019 and:

- a. Agreed the receipt amount recorded in the General Ledger Report to supporting documentation. The amounts agreed.
- b. Confirmed the amount charged complied with rates in force during the period, if applicable. We found no exceptions.
- c. Inspected the Receipt Register 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 one payroll check for five employees from 2020 and one payroll check for five employees from 2019 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 (legislatively or statutorily-approved rate or salary). 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.

Non-Payroll Cash Disbursements

1. From the General Ledger Report, we re-footed checks recorded as *District Fund* disbursements for *contract services* and *supplies* for 2020. We found no exceptions.
2. We selected five disbursements from the *Special Fund* and five disbursements from the *District Fund* and other funds from the General Ledger Report for the year ended December 31, 2020 and five from the *Special Fund* and five from the *District Fund* and other funds for the year ended 2019 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 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 invoice submitted to the County Auditor agreed to the payee name and amount recorded in the General Ledger Report and County Ledgers. We found no exceptions.
 - ii. The names and amounts on the voucher agreed to supporting invoices. We found no exceptions.
 - iii. The invoice 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, 2020 and 2019. 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. 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 approved appropriations (Ohio Rev. Code Section 5705.38 and 5705.40) plus any carryover appropriations for the year ended December 31, 2020 and 2019 for the "Special" Fund. Expenditures did not exceed appropriations for the Special Fund.
3. We inspected the Annual Cash Basis Financial Report for the years ended December 31, 2020 and 2019 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. No funds had negative cash fund balances.

Sunshine Law Compliance

1. We obtained and inspected the District's Public Records Policy to determine the policy was in accordance with Ohio Rev. Code §§ 149.43(E) (2) and 149.43(B) (7(c) and did not limit the number of responses that may be made to a particular person, limit the number of responses during a specified period of time, or establish a fixed period of time before it will respond unless that period is less than eight hours. We found no exceptions.
2. We selected one public records requests from the engagement period and inspected the request to determine the following:

- a. The District was compliant and responded to the request in accordance with their adopted policy as required by Ohio Rev. Code § 149.43(B)(1). We found no exceptions.
 - b. The District did not have any denied public records requests during the engagement period.
 - c. The District did not have any public records requests with redactions during the engagement period.
3. We inquired whether the District had a records retention schedule, and observed that it was readily available to the public as required by Ohio Rev. Code § 149.43(B)(2). We found no exceptions.
 4. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E) (2). We found no exceptions.
 5. We inspected the District's policy manual and determined the public records policy was included as required by Ohio Rev. Code § 149.43(E) (2). We found no exceptions.
 6. We observed that the District's poster describing their Public Records Policy was displayed conspicuously in all branches of the District as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
 7. We inquired with District management and determined that the District did not have any applications for record disposal submitted to the Records Commission during the engagement period.
 8. We inquired with District management and determined that the District did not have any elected officials subject to the Public Records Training requirements during the engagement period as required by Ohio Rev. Code §§ 149.43(E)(1) and 109.43(B).
 9. We inspected the public notices for the public meetings held during the engagement period and determined the District notified the general public and news media of when and where meetings during the engagement period were to be held as required by Ohio Rev. Code § 121.22(F). We found no exceptions.
 10. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Rev. Code § 121.22(C) and determined whether they were:
 - a. Prepared – a file is created following the date of the meeting
 - b. Filed – placed with similar documents in an organized manner
 - c. Maintained - retained, at a minimum, for the engagement period
 - d. Open to public inspection – available for public viewing or request.We found no exceptions.
 11. We inspected the minutes from the engagement period in accordance with Ohio Rev. Code § 121.22(G) and determined the following:
 - a. Executive sessions were only held at regular or special meetings.
 - b. The purpose for the meetings and going into an executive session (when applicable) correlated with one of the matters listed in Ohio Rev. Code Section 121.22(G).
 - c. Formal governing board actions were adopted in open meetings.

We found no exceptions.

Other Compliance

1. 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. 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, 2020 and 2019 in the Hinkle system. There were no exceptions.

2. For all credit card accounts we obtained:

- copies of existing internal control policies,
- a list(s) of authorized users, and
- a list of all credit card account transactions.

a. We inspected the established policy(ies) obtained above and determined they are:

- i. in compliance with the HB 312 statutory requirements, and
- ii. implemented by the entity.

We found no exceptions.

b. We selected 1 credit card transaction from each credit card account 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.

c. We selected 3 credit card statements from each credit card account for testing. For selected statements we inspected documentation to determine that:

- i. No unpaid beginning balance was carried forward to the current billing cycle,
- ii. Ending statement balance was paid in full, and
- iii. Statement contained no interest or late fees.

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.

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, 2020 and 2019, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio
April 20, 2021

OHIO AUDITOR OF STATE KEITH FABER



FAYETTE SOIL & WATER CONSERVATION DISTRICT

FAYETTE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 5/6/2021

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This report is a matter of public record and is available online at
www.ohioauditor.gov