



OHIO AUDITOR OF STATE
KEITH FABER



OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Harrison County Soil and Water Conservation District
Harrison County
538 North Main Street
Cadiz, Ohio 43907

We have performed the procedures enumerated below on the Harrison County Soil and Water Conservation District, Harrison County, Ohio (the District), 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 those 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 Board of Supervisors and the management of the District have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing 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. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the 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.

For the purposes of performing these procedures, this report only describes exceptions exceeding \$10.

The procedures and the associated findings are as follows:

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 for the District and Special Funds 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.

Cash (Continued)

3. We agreed the totals per the District Fund bank reconciliations to the total of the December 31, 2020 and 2019 fund cash balances reported in the District's General Fund for the District Fund and the financial statements filed by the District in the Hinkle System. The amounts did not agree. A check, dated March 14, 2019, in the amount of \$90.36 was unaccounted for on the District's bank reconciliation as an outstanding check as of December 31, 2020. A check, dated December 27, 2019, in the amount of \$2,423.42 was accounted for on the District's bank reconciliation as of December 31, 2019 as an outstanding check; however, was not written and on the District's General Ledger until January 21, 2020. There was a difference of \$1,488 and \$749, between fund cash balance reported in the District's General Fund and the financial statement filed by the District in the Hinkle System of December 31, 2020 and 2019, respectively.
4. We confirmed the December 31, 2020 bank account depository balance for the District Fund with the District's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2020 bank reconciliation without exception.
5. We compared the December 31, 2020 Special Fund depository balance and the Other Fund from the *Cash Basis Annual Financial Report* to the amount reported in the Budget Report. We noted a variance of \$1,638.
6. We selected all reconciling debits (such as outstanding checks) from the December 31, 2020 bank reconciliation:
 - 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 bank statement; however, there is 1 check dated in 2019 that has not yet cleared the bank. We found no other exceptions.
 - c. We traced the amounts and dates to the check register and determined the debits were dated prior to December 31. 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 Harrison County Transaction History Report from 2020 and a total of five receipts from 2019:
 - a. We compared the amounts from the above named report to the amount recorded in the County's Transaction History Report. The amounts agreed.
 - b. We inspected the County's Transaction History 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 confirmed the amounts of \$45,320 and \$44,000 from the Muskingum Watershed Conservancy District to the District during 2020 and 2019, respectively, with the Watershed Conservancy District. We found no exceptions.
 - a. We inspected the County's Transaction History Report to determine whether these receipts were allocated to the proper fund. The Muskingum Watershed Grant, in the amount of \$45,320, was posted in the Special Fund on the County's Transaction History Report. However, on the Hinkle Report, the District separated this amount in Other Fund; however disbursement activity was shown in the Special Fund.
 - b. We inspected the County's Transaction History Report to determine whether the receipts were 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 County Auditor's Check History Report and:
 - a. We compared the hours and pay rate in the County Auditor's Check History Report to supporting documentation (timecard).
 - i. We inspected the employees' personnel files for the Retirement system, Federal, State & Local income tax withholding authorization.
 - ii. We agreed these items to the information used to compute gross and net pay related to this check.
 - b. We inspected the County Auditor's Transaction History Report to determine whether salaries and benefits were paid only from the Special Fund, as required by the SWCD Administrative Handbook Chapter 5.
 - c. We inspected the County Auditor's Transaction History Report to determine whether the check was classified as salaries and was posted to the proper year.

Non-Payroll Cash Disbursements

1. We selected five disbursements from the *Special Fund* from the County's Transaction History Report and five disbursements from the *District Fund* from the District's General Ledger for the year ended December 31, 2020 and five from the *Special Fund* and five from the *District Fund* 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* 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 District's 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 invoice submitted to the County Auditor agreed to the payee name and amount recorded in the County's 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, 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 District's Budget Request, plus amendments, reported appropriations for the Special Fund of \$281,020 in 2020 and \$223,915 in 2019. However, the Special Fund Budgetary Activity footnote of the Cash Basis Annual Financial Report reflected \$316,340 in 2020 and \$250,785 in 2019.

Special Fund Budgetary Compliance (Continued)

2. 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 approved appropriations (Ohio Rev. Code §§ 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 § 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 inquired with District management and determined that the District did not have a public records policy during the engagement period as required by Ohio Rev. Code § 149.43(E)(2).
2. We inquired with District management and determined that:
 - a. The District did not have any completed public records requests during the engagement period.
 - 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 inquired with District management and determined that the District did not have a public records policy during the engagement period therefore could not provide it to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2).
5. We inquired with District management and determined that the District did not have a public records policy during the engagement period therefore it could not be included in a policy manual as required by Ohio Rev. Code § 149.43(E)(2).
6. We inquired with District management and determined that the District did not have a public records policy during the engagement period therefore it could not be displayed in all the branches of the District as required by Ohio Rev. Code § 149.43(E)(2).
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).

Sunshine Law Compliance (Continued)

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 § 121.22(G).
 - c. Formal governing board actions were adopted in open meetings.We found an exception. Executive session was held in the following meetings with no reason given: March 19, 2019, June 18, 2019, and November 19, 2019.

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, 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 obtained above and determined it is:
 - 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.

Other Compliance (Continued)

- 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 exceptions. There were two credit cards, Farm Bureau Bank and PNC Bank, which the District used during 2020 and 2019. There were unpaid beginning balances which were carried forward to the current billing cycle, ending balances were not paid in full and statements contained interest and late fees. The Farm Bureau Bank credit card had \$61 in finance charges and PNC Bank credit card had \$79 in finance charges.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review engagement, 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.

We are required to be independent of the District and to meet our ethical responsibilities, in accordance with the ethical requirements established by the Comptroller General of the United States' *Government Auditing Standards* related to our agreed upon procedures engagement.



Keith Faber
Auditor of State
Columbus, Ohio

December 2, 2021

OHIO AUDITOR OF STATE KEITH FABER



HARRISON COUNTY SOIL AND WATER CONSERVATION DISTRICT

HARRISON 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 12/23/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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