



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Washington County Soil and Water Conservation District
Washington County
21330 State Route 676, Suite E
Marietta, Ohio 45750

We have performed the procedures enumerated below, which were agreed to by the Board of Supervisors (the Board) and the management of the Washington County Soil and Water Conservation District, Washington 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, 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 and Investments

1. We recalculated the December 31, 2020 and December 31, 2019 bank reconciliations. We found no exceptions.
2. We compared the January 1, 2019 beginning fund balances recorded in the District's Combined Statement of Receipts, Disbursements and Changes in Fund Balances Report to the December 31, 2018 balances in the documentation in the prior year Agreed-Upon Procedures working papers. We found that the Special Fund Balance at January 1, 2019 was omitted from the Statement of Receipts, Disbursements and Changes in Fund Balances Report but was properly included in the Washington County YTD Fund Summary Report. We compared the January 1, 2020 beginning fund balances recorded in the District's Statement of Receipts, Disbursements and Changes in Fund Balances Report to the December 31, 2019 balances in the District's Statement of Receipts, Disbursements and Changes in Fund Balances Report. We found that the January 1, 2020 Special Fund Balance properly included in the Statement of Receipts, Disbursements and Changes in Fund Balances Report as of December 31, 2020 was \$9,750 while the December 31, 2019 Special Fund Balance on the Statement of Receipts, Disbursements and Changes in Fund Balances Report as was (\$58,498) due to the January 1, 2019 balance being omitted from the report. The balance was properly included in the Washington County YTD Fund Summary Report.

Cash and Investments (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 Statement of Receipts, Disbursements and Changes in Fund Balances Report for the District Fund and the financial statements filed by the District in the Hinkle System. The amounts agreed.
4. We confirmed six of the December 31, 2020 bank account depository balances for the District Fund with the District's financial institutions. We confirmed two the December 31 balances for the District Fund through the Ohio Pooled Collateral System. We found no exceptions. We also compared the confirmed balances to the amounts appearing in the December 31, 2020 bank reconciliation. We found one certificate of deposit that was included in the accounting system and bank reconciliation for \$50,000 despite being confirmed by the bank as \$51,675 due to interest accrued but not recorded until May 20, 2021.
5. We compared the December 31, 2020 Special Fund depository balance from the *Cash Basis Annual Financial Report* to the amount reported in the YTD Fund Summary Report. We found no exceptions.
6. We selected five 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. We found no exceptions.
 - c. We traced the amounts and dates to the check register and determined the debits were dated prior to December 31. There were no exceptions.
7. We inspected investments held at December 31, 2020 and December 31, 2019 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

1. We selected a total of five receipts from the State Distribution Transaction Lists (DTL) and the Washington County Expense 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 Washington County Revenue Audit Trail Report. The amounts agreed.
 - b. We inspected the Washington County Revenue Audit Trail 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 all other confirmable receipts from the year ended December 31, 2019 in the Cash Journal Report from funds other than the *Special Fund* such as grants, municipal and district funds
 - a. We agreed to supporting documentation the amounts paid from the Muskingum Watershed Conservation District to the District. We found no exceptions.
 - b. We inspected the Cash Journal Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.

Intergovernmental and Other Confirmable Cash Receipts (Continued)

3. We confirmed the individual amounts paid from City of Belpre and by the City of Marietta to the District during 2019 with the Cities. We found no exceptions.
 - a. We inspected the Washington County Revenue Audit Trail Reports to determine whether these receipts were allocated to the proper fund(s). We found no exceptions.
 - b. We inspected the Washington County Revenue Audit Trail Reports to determine whether the receipts were recorded in the proper year. 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 Cash Receipts Journal 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 Cash Receipts Journal to determine the receipt was posted to the proper funds, and was recorded in the proper year. We found no exceptions.

Payroll Cash Disbursements

We selected one payroll check for five employees from 2020 and one payroll check for five employees from 2019 from the Payroll Distribution Audit Report and:

- a. We compared the hours and pay rate, or salary recorded in the Payroll Transmittal Sheet to supporting documentation (timecard and legislatively approved rate). We found no exceptions.
- b. We inspected the Payroll Distribution Audit 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 Distribution Audit Report to determine whether the check was classified as *salaries* and was posted to the proper year. We found no exceptions.
- d. We inspected the following information in the employees' personnel files and minute record to determine it was consistent with the information used to compute gross and net pay related to the check:
 - i. Name
 - ii. Authorized salary or pay rate
 - iii. Retirement system, Federal, State & Local income tax withholding authorization and withholding.

We found no exceptions related to procedures i. – iii. above.

Non-Payroll Cash Disbursements

We selected five disbursements from the *Special Fund* and five disbursements from the *District Fund* and other funds from the Cash Disbursement Journal 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 Cash Disbursement Journal 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.

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 Monthly Cash Disbursement Journal Reports and the Washington County Expense Audit Trail 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 amounts agreed.
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 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 that the \$100,000 and \$150,000 Transfers-In/Out reported in the District Fund on the Annual Cash Basis Financial Report for 2020 and 2019, respectively, were not actually transfers between funds but rather movement, in the same fund, between bank accounts. As such, these are not truly interfund transfers and no approval by the Board of Supervisors was required.
4. 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. The Special Fund had negative cash fund balance on the Annual Cash Basis Financial Report for the year ended December 31, 2019 of \$58,498; however, this was due to a mathematical error in the Annual Cash Basis Financial Report. The correct fund balance as documented in the Washington County YTD Fund Summary Report was a positive \$9,750.

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 inquired with District management and determined that the District did not have any completed public records requests during the engagement period. The District did not have any denied public records requests during the engagement period. The District did not have any public records requests with redactions during the engagement period.

Sunshine Law Compliance (Continued)

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 § 121.22(G).
 - c. Formal governing board actions were adopted in open meetings.We found no exceptions.

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.

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

June 4, 2021

OHIO AUDITOR OF STATE KEITH FABER



WASHINGTON COUNTY SOIL AND WATER CONSERVATION DISTRICT

WASHINGTON 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 6/24/2021

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This report is a matter of public record and is available online at
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