

**TRI-COUNTY RURAL WATER AND SEWER DISTRICT  
WASHINGTON COUNTY  
Regular Audit  
For the Years Ended December 31, 2009 and 2008**

*Perry & Associates*  
Certified Public Accountants, A.C.





Mary Taylor, CPA  
Auditor of State

Board of Trustees  
Tri-County Rural Water and Sewer District  
20 Anderson Lane  
Waterford, Ohio 45786

We have reviewed the *Independent Accountants' Report* of Tri-County Rural Water and Sewer District, Washington County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2008 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Tri-County Rural Water and Sewer District is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

August 6, 2010

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**TRI-COUNTY RURAL WATER AND SEWER DISTRICT  
WASHINGTON COUNTY**

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***Perry & Associates***  
Certified Public Accountants, A.C.

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**INDEPENDENT ACCOUNTANTS' REPORT**

June 25, 2010

Tri-County Rural Water & Sewer District  
Washington County  
20 Anderson Lane  
Waterford, OH 45786

To the Members of the Board:

We have audited the accompanying financial statements of the business-type activities of the **Tri-County Rural Water & Sewer District, Washington County, Ohio**, (the District) as of and for the years ended December 31, 2009 and 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Tri-County Rural Water & Sewer District as of December 31, 2009 and 2008 and the respective changes in financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The District has not presented a Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of the basic financial statements.

Tri-County Rural Water & Sewer District  
Washington County  
Independent Accountants' Report  
Page 2

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2010, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

**Perry and Associates**  
Certified Public Accountants, A.C.



**TRI-COUNTY RURAL WATER AND SEWER DISTRICT  
WASHINGTON COUNTY  
STATEMENTS OF NET ASSETS  
AS OF DECEMBER 31, 2009 and 2008**

	<b>2009</b>	<b>2008</b>
<b>Assets</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 504,168	\$ 497,598
Accounts Receivable-Customers (Net)	89,432	95,566
Accrued Interest Receivable	57	-
Total Current Assets	593,657	593,164
Restricted Assets:		
Cash and Cash Equivalents	115,694	284,000
Property and Equipment:		
Land	258,508	258,508
Buildings	23,793	23,617
Machinery and Equipment	72,230	67,055
Office Furniture and Fixtures	20,061	20,061
Autos and Trucks	25,924	25,924
Construction in Progress	424,414	372,981
Water System - Wells	199,576	199,576
Water System - Meter/Taps/Hydrants	377,086	377,086
Water System - Water Lines	6,768,803	6,739,977
Water System - Stations	920,258	920,258
Water System - Tanks/Towers	1,308,052	1,308,052
Less: Accumulated Depreciation	(4,865,727)	(4,470,053)
Net Property and Equipment	5,532,978	5,843,042
Other Assets:		
Loan Closing Fees - Net of Amortization	12,678	13,170
Right of Ways	37,590	37,166
Advance Deposits	300	300
Total Other Assets	50,568	50,636
<b>Total Assets</b>	<b>\$ 6,292,897</b>	<b>\$ 6,770,842</b>

The accompanying notes are an integral part of these basic financial statements

**TRI-COUNTY RURAL WATER AND SEWER DISTRICT**  
**WASHINGTON COUNTY**  
**STATEMENTS OF NET ASSETS**  
**AS OF DECEMBER 31, 2009 and 2008**  
(Continued)

	<b>2009</b>	<b>2008</b>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Current Liabilities:		
Accounts Payable	6,981	24,020
Current Portion of Long-Term Debt	336,672	708,087
Customer Security Deposits	441	514
Noble Co. Rural Water Advance	-	180,799
Payroll Withholdings	2,393	2,474
Accrued Payroll	3,083	2,004
Accrued Payroll Taxes	4,357	3,819
Accrued Interest Payable	128,502	135,293
Accrued Vacation and Sick Leave	2,568	1,570
Total Current Liabilities	484,997	1,058,580
Long Term Liabilities:		
Notes Payable OWDA	4,147,113	4,699,727
Notes Payable OPWC	999,959	1,078,290
Notes Payable Citizens Bank	31,829	33,265
Less: Current Portion of Long-Term Debt	(336,672)	(708,087)
Total Long-Term Liabilities	4,842,229	5,103,195
Total Liabilities	5,327,226	6,161,775
Net Assets:		
Invested in Capital Assets, Net of Related Debt	354,077	31,760
Restricted	115,694	284,000
Unrestricted	495,900	293,307
Total Net Assets	965,671	609,067
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 6,292,897</b>	<b>\$ 6,770,842</b>

The accompanying notes are an integral part of these basic financial statements

**TRI-COUNTY RURAL WATER AND SEWER DISTRICT  
WASHINGTON COUNTY  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
<b>Operating Revenues:</b>		
Charge for Services	\$ 814,089	\$ 830,204
Tap Fees	18,300	43,549
Finance Charges	14,800	20,688
Reconnect Fees	2,800	3,200
Total Operating Revenues	<u>849,989</u>	<u>897,641</u>
<b>Operating Expenses:</b>		
Advertising	779	448
Amortization Expense	1,300	830
Auto-Truck Travel	1,457	3,455
Chemicals	6,393	5,626
Contract Labor	26,296	23,082
Depreciation Expense	395,673	392,462
Fuel, Oil and Grease	4,667	4,103
Dues and Subscriptions	1,414	2,005
Insurance	5,750	10,635
Hospital Insurance	19,845	18,764
Legal and Accounting	10,077	26,780
Repairs and Maintenance	2,834	2,299
Office	9,913	8,458
Pension - PERS	12,209	10,947
Postage	4,663	4,561
Recording/Filing Fees	1,200	452
Rent	2,087	1,800
Salaries	89,289	79,337
Supplies	15,386	24,064
Payroll Taxes	7,328	6,022
Other Taxes	100	28
Telephone	3,480	3,640
Tools	524	89
Travel and Entertainment	2,465	2,722
System Electric	58,103	54,404
Other Utilities	1,828	1,417
Sewer/Beverly Hills	2,096	1,844
Water Testing	4,701	2,452
Wellfield Development	2,743	1,464
Total Operating Expenses	<u>694,600</u>	<u>694,190</u>
Operating Income	<u>155,389</u>	<u>203,451</u>

The accompanying notes are an integral part of these basic financial statements

**TRI-COUNTY RURAL WATER AND SEWER DISTRICT  
WASHINGTON COUNTY  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31, 2009 and 2008  
(Continued)**

	<u>2009</u>	<u>2008</u>
<b>Nonoperating Revenues (Expenses):</b>		
Interest Earned	5,240	5,162
Surcharge/Financed Taps	14,068	70,572
Intergovernmental Revenue	318,765	-
Litigation Revenue	302,849	-
Other Non-Operating Revenues	139,864	24,270
Interest Expense	(270,027)	(299,646)
Non-capitalized planning costs	(309,544)	-
Total Nonoperating Revenues (Expenses)	<u>201,215</u>	<u>(199,642)</u>
Net Income (Loss)	356,604	3,809
Net Assets, Beginning of Year	<u>609,067</u>	<u>605,258</u>
Net Assets, End of Year	<u>\$ 965,671</u>	<u>\$ 609,067</u>

The accompanying notes are an integral part of these basic financial statements

**TRI-COUNTY RURAL WATER AND SEWER DISTRICT  
WASHINGTON COUNTY  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
<b>Cash Flows from Operating Activities:</b>		
Cash Received from Customers	\$ 856,050	\$ 886,437
Cash Payments to Suppliers for Goods and Services	(186,419)	(162,825)
Cash Payments to Employees for Services and Benefits	(126,137)	(113,666)
	<u>543,494</u>	<u>609,946</u>
Net Cash Provided by (Used by) Operations		
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Retirement of Long-Term Debt	(708,808)	(285,979)
Acquisition of Property and Equipment	(395,155)	(54,458)
Repayment of Water Project Advance	(51,238)	-
Other Non-operating Revenues	9,922	24,270
Proceeds from Long-Term Debt	75,620	66,913
Proceeds from Water Project Advance Funding	382	32,228
Intergovernmental Revenue	318,765	-
Interest Paid	(276,818)	(306,019)
	<u>(1,027,330)</u>	<u>(523,045)</u>
Net Cash Provided by (Used by) Capital and Related Financing Activities		
<b>Cash Flows from Non-Capital Financing Activities:</b>		
Investment Income	5,183	6,227
Proceeds from Lawsuit	302,849	-
Surcharged Finance Taps	14,068	70,572
	<u>322,100</u>	<u>76,799</u>
Net Cash Provided (Used) by Investing Activities		
Net Increase/(Decrease) in Cash and Cash Equivalents	(161,736)	163,700
Cash and Cash Equivalents - January 1	781,598	617,898
	<u>781,598</u>	<u>617,898</u>
<b>Cash and Cash Equivalents - December 31</b>	<b><u>\$ 619,862</u></b>	<b><u>\$ 781,598</u></b>
<b>Cash Flows from Operating Activities:</b>		
Operating Income	155,389	203,451
<b>Adjustments to Reconcile Operating Income to Cash Flows from Operating Activities:</b>		
Depreciation/Amortization	396,973	393,292
Decrease/(Increase) in Accounts Receivable	6,134	(11,202)
Increase/(Decrease) Customer Deposits	(73)	(71)
Increase/(Decrease) Right-of-Ways	(424)	(112)
Increase/(Decrease) Accounts Payable	(17,039)	23,186
Increase/(Decrease) Accrued Payroll	2,077	1,141
Increase/(Decrease) Accrued Payroll Taxes	457	261
	<u>388,105</u>	<u>406,495</u>
Total Adjustments		
Net Cash Provided by (Used by) Operating Activities	<b><u>\$ 543,494</u></b>	<b><u>\$ 609,946</u></b>
<b>Noncash Investing, Capital and Financing Activities:</b>		
Write-off of Noble County waterline extension planning costs as project will not be completed	\$ 309,544	

The accompanying notes are an integral part of these basic financial statements

**TRI COUNTY RURAL WATER AND SEWER DISTRICT  
WASHINGTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Tri-County Rural Water and Sewer District Washington County (the District), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Water District was established as a separate political subdivision of the State of Ohio under provision of Chapter 6119 of the Ohio Revised Code. The Water District is directed by an elected seven-member Board of Trustees. These board members are elected by the membership (any consumer who has paid for a tap). An appointed staff consisting of a general manager, distribution operator, and one office clerk are responsible for fiscal control of the resources of the District. The District provides water and sewer services to residents of the District. Management believes the financial statements represent all activities over which the District has control.

**B. Measurement Focus and Basis of Accounting**

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the business-type activities financial statements. Basis of accounting relates to the timing of measurements made. The accounting policies of the District conform to generally accepted accounting principles.

The District's operations are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation are included on the statement of net assets. Equity (i.e., total net assets) is segregated into restricted and unrestricted net assets components. The operating statements present increases (i.e. revenues) and decreases (i.e., expenses) in total net assets.

Pursuant to GASB Statement No. 20: *Accounting Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the District follows GASB guidance as applicable to proprietary funds. The District applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued after November 30, 1989 to business-type activities and enterprise funds, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

Enterprise activity is accounted for in the manner similar to private business enterprises where the intent of management is that the costs and expenses of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges and where management has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control and accountability.

The District uses the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. Unbilled service charges receivable are recognized as revenue at year-end.

Operating revenues and expenses result from supplying water and providing for the collection, treatment and disposal of wastewater. Operating revenues consist primarily of user charges for water and sewage services based on water consumption. Operating expenses include the cost of providing these services, including administrative expense and depreciation of capital assets. Non-operating revenues and expenses are revenues and expenses not meeting the definition of operating revenues and expenses. Non-operating revenues and expenses include revenues and expenses from capital and related financing activities and investing activities.

**TRI COUNTY RURAL WATER AND SEWER DISTRICT  
WASHINGTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Budgetary Process**

Under HB 262, effective for fiscal years ending December 2000 and subsequent, Water and Sewer Systems not levying property taxes must follow most of the Ohio Revised Code Chapter 5705 budget requirements, but need not seek approval of county budget commission for any budgetary actions.

The Ohio Revised Code requires the District adopt an annual budget.

**Appropriations**

Budgetary expenditures (that is, disbursements) may not exceed appropriations at the function or object level of control, and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and subsequent amendments.

**Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1.

**Encumbrances**

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year-end are canceled, and re-appropriated in the subsequent year.

A summary of 2009 and 2008 budgetary activity appears in Note 3. The District prepares its budget on the cash basis.

**D. Cash and Cash Equivalents**

For purposes of the statement of cash flows, the District considers all investments with a maturity of three months or less at the time they are purchased to be pooled cash and investments and are reported as "cash and cash equivalents" in the accompanying financial statements.

**E. Restricted Assets**

Restricted assets represent cash and cash equivalents set aside for repayment of deposits to utility customers and tap fees collected for areas where service has not yet been extended.

**TRI COUNTY RURAL WATER AND SEWER DISTRICT  
WASHINGTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Property, Plant and Equipment**

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included or capitalized. Property, plant and equipment of the District are recorded at cost. Property, plant, and equipment donated are recorded at their estimated fair value at the date of donation. Major outlays for Capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of fixed assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. Property, plant and equipment reflected are stated at historical cost (or estimated historical cost) and are updated for the cost of additions and retirements during the year. Depreciation has been provided on a straight-line basis over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Water Systems	25
Buildings	15
Furniture / Equipment	5-7
Vehicles	5

**G. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**H. Contributed Capital**

Contributed capital consists of grants restricted to capital acquisitions, fixed assets received from developers and tap fees in excess of related costs. These assets are recorded at their fair market value on the date contributed.

**I. Estimates**

In preparing financial statements in conformity with generally accepted accounting principles, management must make estimates based on future events that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from these estimates.



**TRI COUNTY RURAL WATER AND SEWER DISTRICT  
WASHINGTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Non-Capitalized Planning Costs**

The non-capitalized planning costs are comprised of engineering, legal and administrative planning costs which are not allocated to specific projects currently in construction. If the project begins construction, the respective planning costs will be included in capital assets and depreciated. If the project does not enter construction, respective planning costs will be deemed impaired assets and written-off.

For the year ended December 31, 2009, the District abandoned the Noble county waterline extension project and wrote off incurred expenses as “non-capitalized planning costs” in the accompanying basic financial statements.

**2. DEPOSITS**

State statutes classify monies held by the District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the District Treasury, in commercial accounts payable or withdrawable on demand including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies, which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the District by the financial institution, or by a single collateral established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be deposited or invested in the following securities.

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United State treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home bank loan, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**TRI COUNTY RURAL WATER AND SEWER DISTRICT  
WASHINGTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**2. DEPOSITS (Continued)**

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, its political subdivisions, or other units or agencies of this State or its political subdivisions;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (I) or (2), this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurers Investment pool (STAROHIO) ;
8. Securities lending agreements in which the District lends securities and the eligible institution agrees to exchange either securities described in division (1) or (2), or cash, or both securities and cash, equal value for equal value;
9. High grade commercial paper in an amount not to exceed 5% of the District's total average portfolio; and
10. Bankers acceptances for a period not to exceed 270 days and in an amount not to exceed 10% of the District's average portfolio.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits by categories of risk as defined in GASB Statement 40, "Deposits with Financial Institutions, Investments (Including Repurchase Agreements) and Reverse Repurchase Agreements."

**TRI COUNTY RURAL WATER AND SEWER DISTRICT  
WASHINGTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**2. DEPOSITS (Continued)**

Deposits: At December 31 the carrying amount of the District's deposits was as follows:

	2009	2008
Demand deposits	\$ 619,862	\$ 781,598

At December 31, the bank balance of the District's deposits was as follows:

	2009	2008
Demand deposits	\$ 646,948	\$ 797,210

At December 31, 2009 and 2008, \$250,000 of the bank balance each year was insured by the Federal Deposit Insurance Corporation and the remaining balances were collateralized by the financial institution's public entity deposit pool in the manner described above.

Investments: The District did not have any investments during 2009 and 2008.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2009 and 2008 follows:

Budgeted vs. Actual Receipts		
	2009	2008
Budgeted Receipts	\$ 1,395,422	\$ 917,619
Actual Receipt	1,582,839	1,086,647
Variance	\$ (187,417)	\$ (169,028)

Budgeted vs. Actual Expenditures		
	2009	2008
Budgeted Expenditures	\$ 1,315,462	\$ 899,433
Actual Expenditures	1,744,575	922,947
Variance	\$ (429,113)	\$ (23,514)

**TRI COUNTY RURAL WATER AND SEWER DISTRICT  
WASHINGTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**4. LONG TERM LIABILITIES**

Debt outstanding at December 31, 2009 and 2008 consisted of the following:

**Ohio Water Development Authority**

<b>Name of Loan</b>	<b>Principal Outstanding 12/31/07</b>	<b>Additions</b>	<b>Deductions</b>	<b>Principal Outstanding 12/31/08</b>	<b>Additions</b>	<b>Deductions</b>	<b>Principal Outstanding 12/31/09</b>	<b>Amount Due in One Year</b>
Note dated July 1 1995, due 2021, with interest at 6.72%	\$ 3,696,101	\$ -	\$ (167,180)	\$ 3,528,921	\$ -	\$ (178,414)	\$ 3,350,507	\$ 190,404
Note dated July 1 1995, due 2022 with interest at 6.51%	199,585	-	(9,162)	190,423	-	(9,759)	180,664	10,394
Noted dated January 30, 1997, due 2022, with interest at 6.12%	65,061	-	(2,770)	62,291	-	(2,939)	59,352	3,119
Note dated July 24, 1997, due 2023, with interest at 6.11%	23,469	-	(952)	22,517	-	(1,010)	21,507	1,072
Note dated February 26, 1998, due 2023, with interest at 5.73%	8,780	-	(350)	8,430	-	(370)	8,060	391
Note dated March 25, 1999, due 2026, with interest at 2.0%	65,728	-	(2,972)	62,756	-	(3,031)	59,725	3,091
Note dated June 24, 1999, due 2024, with interest at 5.56%	182,545	-	(6,681)	175,864	-	(7,058)	168,806	7,455
Note dated December 14, 2000, due 2021, with interest at 2.0%	161,678	-	(10,114)	151,564	-	(10,318)	141,246	10,525
Note dated January 1, 2003 due 2035, with interest at 1.5%	85,831	-	(2,487)	83,344	-	(2,525)	80,819	2,563
Noted dated January 29, 2004, due 7/1/09, with interest at 5.16%	380,998	32,619	-	413,617	-	(413,617)	-	-
Noted dated August 27, 2009, due 7/1/15, with interest at 4.76%					27,015	-	27,015	-
Noted dated August 27, 2009, due 1/1/40, with interest at 0.00%					49,412	-	49,412	824
<b>TOTALS</b>	<b>\$ 4,869,776</b>	<b>\$ 32,619</b>	<b>\$ (202,668)</b>	<b>\$ 4,699,727</b>	<b>\$ 76,427</b>	<b>\$ (629,041)</b>	<b>\$ 4,147,113</b>	<b>\$ 229,838</b>

**TRI COUNTY RURAL WATER AND SEWER DISTRICT  
WASHINGTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**4. LONG TERM LIABILITIES (Continued)**

The notes listed above are for the various fixed assets constructed to provide service from the wells to the distribution lines, including the operations plant and various storage facilities. Property and revenue of the District have been pledged to repay these debts. All loans are due in semi-annual installments due January 1 and July 1 of each year.

**Ohio Public Works Commission**

The District incurred various debts under Issue II funding of the Ohio Public Works Commission (OPWC). Terms of all existing notes payable except Note CR14G, include twenty (20) year maturities and an interest rate of zero (0) percent per annum. Note CR14G is for 20 years with an interest rate of 2%.

The notes payable to the Ohio Public Works Commission are pursuant to Ohio Rev. Code 104.05 and Ohio Admin. Code §164-4-21. The Project Agreement entered into between the Ohio Public Works Commission and the District states the loans are to be used for the purpose of financing or reimbursing the costs of the indicated projects.

All loans are due in semi-annual installments on January 1 and July 1 of each year. Balances on the OPWC notes payable as of December 31, 2009 and 2008, are as follows:

**Ohio Public Works Commission**

<b>Name of Loan</b>	<b>Principal Outstanding 12/31/07</b>	<b>Additions</b>	<b>Deductions</b>	<b>Principal Outstanding 12/31/08</b>	<b>Additions</b>	<b>Deductions</b>	<b>Principal Outstanding 12/31/09</b>	<b>Amount Due in One Year</b>
Round 3 - CR314 Dated 4/1/1992	\$ 75,178	\$ -	\$ (5,569)	\$ 69,609	\$ -	\$ (5,569)	\$ 64,040	\$ 5,569
Round 5 - CR530 Dated 6/19/1995	137,700	-	(10,200)	127,500	-	(10,200)	117,300	10,200
Round 7 - CR729 Dated 6/19/1995	181,305	-	(13,430)	167,875	-	(13,430)	154,445	13,430
Round 9 - CR935 Dated 11/1/1997	241,002	-	(17,852)	223,150	-	(17,852)	205,298	17,852
CR 14C Dated 6/1/2001	252,683	-	(15,183)	237,500	-	(15,489)	222,011	15,800
CR 20G Dated 6/8/2005	268,447	-	(15,791)	252,656	-	(15,791)	236,865	15,791
<b>TOTALS</b>	<b>\$1,156,315</b>	<b>\$ -</b>	<b>\$ (78,025)</b>	<b>\$ 1,078,290</b>	<b>\$ -</b>	<b>\$ (78,331)</b>	<b>\$ 999,959</b>	<b>\$ 78,642</b>

**TRI COUNTY RURAL WATER AND SEWER DISTRICT  
WASHINGTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**4. LONG TERM LIABILITIES (Continued)**

The District financed the purchase of a 2000 Chevy S-10 (Truck #1) at the Citizen Bank. The interest rate is 4.35% due July 2010. This loan was paid off on July 29, 2008. The District financed another purchase of a 2008 GMC Sierra TC10903 truck (Truck #2) on March 3, 2008. The interest rate is 4.5% and is due March 2013. These loans are due in monthly installments.

The District financed a portion of the State Route 60 project through Citizens Bank. The District borrowed \$26,696 on May 8, 2007. This note is an interest free loan for two years. At that time, the District can refinance at a market rate of interest as of May 2010. It is anticipated that this loan will be paid in full at its maturity in May 2010.

The balances on the Citizens Bank Loans as of December 31, 2009 and 2008 are as follows:

**Citizens Bank**

<b>Loan</b>	<b>Principal Outstanding 12/31/07</b>	<b>Additions</b>	<b>Deductions</b>	<b>Principal Outstanding 12/31/08</b>	<b>Additions</b>	<b>Deductions</b>	<b>Principal Outstanding 12/31/09</b>	<b>Amount Due in One Year</b>
<b>Truck #1</b>	\$ 4,257	\$ -	\$ (4,257)	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Truck #2</b>	-	7,598	(1,030)	6,568	-	(1,435)	5,133	1,496
<b>St. Rt. 69</b>	26,696	-	-	26,696	-	-	26,696	26,696
<b>TOTALS</b>	<b>\$ 30,953</b>	<b>\$ 7,598</b>	<b>\$ (5,287)</b>	<b>\$ 33,264</b>	<b>\$ -</b>	<b>\$ (1,435)</b>	<b>\$ 31,829</b>	<b>\$ 28,192</b>

The following is a schedule of future maturities of long-term debt as of December 31, 2009.

<b>Year</b>	<b>OWDA Principal</b>	<b>OWDA Interest</b>	<b>OPWC Principal</b>	<b>OPWC Interest</b>	<b>Bank Principal</b>	<b>Bank Interest</b>	<b>Total Principal</b>	<b>Total Interest</b>	<b>Total Payments</b>
2010	\$ 229,838	\$ 256,777	\$ 78,642	\$ 4,362	\$ 28,192	\$ 200	\$ 336,672	\$ 261,339	\$ 598,011
2011	250,051	243,522	78,959	4,044	1,571	131	330,581	247,697	578,278
2012	265,721	227,852	79,283	3,720	1,643	60	346,647	231,632	578,279
2013	282,416	211,157	79,614	3,390	423	3	362,453	214,550	577,003
2014	300,204	193,369	79,951	3,052	-	-	380,155	196,421	576,576
2015-2019	1,784,759	658,569	405,053	9,964	-	-	2,189,812	668,533	2,858,345
2020-2024	964,264	101,961	198,457	1,477	-	-	1,162,721	103,438	1,266,159
2025-2029	31,037	2,454	-	-	-	-	31,037	2,454	33,491
2030-2034	26,040	1,022	-	-	-	-	26,040	1,022	27,062
2035-2039	11,959	43	-	-	-	-	11,959	43	12,002
2040	824	-	-	-	-	-	824	-	824
<b>Total</b>	<b>\$ 4,147,113</b>	<b>\$ 1,896,726</b>	<b>\$ 999,959</b>	<b>\$ 30,009</b>	<b>\$ 31,829</b>	<b>\$ 394</b>	<b>\$ 5,178,901</b>	<b>\$ 1,927,129</b>	<b>\$ 7,106,030</b>

**TRI COUNTY RURAL WATER AND SEWER DISTRICT  
WASHINGTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**5. CAPITAL ASSETS**

A summary of the District's assets at December 31, 2009:

	Balance 12/31/08	Additions	Dispositions	Balance 12/31/09
Land	\$ 258,508	\$ -	\$ -	\$ 258,508
Buildings	23,617	176	-	23,793
Machinery and Equipment	67,055	5,175	-	72,230
Office Furniture and Fixtures	20,061	-	-	20,061
Autos and Trucks	25,924	-	-	25,924
Construction in Progress	372,981	389,804	(338,371)	424,414
Water System-Wells	199,576	-	-	199,576
Water System-Meter/Tap/Hydrants	377,086	-	-	377,086
Water System-Water Lines	6,739,977	28,826	-	6,768,803
Water System-Stations	920,258	-	-	920,258
Water System-Tanks/Towers	1,308,052	-	-	1,308,052
Less Accumulated Depreciation	<u>(4,470,053)</u>	<u>(395,674)</u>	<u>-</u>	<u>(4,865,727)</u>
Total	<u>\$ 5,843,042</u>	<u>\$ 28,307</u>	<u>\$ (338,371)</u>	<u>\$ 5,532,978</u>

A summary of the District's assets at December 31, 2008:

	Balance 12/31/07	Additions	Dispositions	Balance 12/31/08
Land	\$ 258,508	\$ -	\$ -	\$ 258,508
Buildings	23,617	-	-	23,617
Machinery and Equipment	57,934	9,121	-	67,055
Office Furniture and Fixtures	20,061	-	-	20,061
Autos and Trucks	10,856	15,068	-	25,924
Construction in Progress	342,712	30,269	-	372,981
Water System-Wells	199,576	-	-	199,576
Water System-Meter/Tap/Hydrants	377,086	-	-	377,086
Water System-Water Lines	6,739,977	-	-	6,739,977
Water System-Stations	920,258	-	-	920,258
Water System-Tanks/Towers	1,308,052	-	-	1,308,052
Less Accumulated Depreciation	<u>(4,077,591)</u>	<u>(392,462)</u>	<u>-</u>	<u>(4,470,053)</u>
Total	<u>\$ 6,181,046</u>	<u>\$ (338,004)</u>	<u>\$ -</u>	<u>\$ 5,843,042</u>

**TRI COUNTY RURAL WATER AND SEWER DISTRICT  
WASHINGTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**6. RISK MANAGEMENT**

Risk Pool Membership

The District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

The Pool covers the following risks:

- General liability and casualty;
- Public official's liability; and
- Vehicle.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2008, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2008 and 2007 (the latest information available):

	<u>2008</u>	<u>2007</u>
Assets	\$35,769,535	\$37,560,071
Liabilities	<u>(15,310,206)</u>	<u>(17,340,825)</u>
Net Assets	<u>\$20,459,329</u>	<u>\$20,219,246</u>

At December 31, 2008 and 2007, respectively, the liabilities above include approximately \$13.8 million and \$15.9 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$12.9 million and \$15.0 million of unpaid claims to be billed to approximately 445 member governments in the future, as of December 31, 2008, and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The District's share of these unpaid claims collectible in future years is approximately \$5,000.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.



**TRI COUNTY RURAL WATER AND SEWER DISTRICT  
WASHINGTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**6. RISK MANAGEMENT (Continued)**

**Risk Pool Membership (Continued)**

<u>Contributions to PEP</u>	
2008	\$ 5,319
2009	\$ 5,316

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they provide written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**7. DEFINED BENEFIT RETIREMENT SYSTEM**

District employees participate in the Public Employees Retirement System of Ohio (PERS), a cost sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Board. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The Public Employees Retirement System issues a stand-alone financial report. Interested parties may obtain a copy by mailing a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

Plan members are required to contribute 10 percent of their annual covered salary to pension obligation for both 2009 and 2008. For plan members the District was required to contribute 14 percent of covered salary for 2009 and 2008. Contributions are authorized by State statute. The contributions rates are determined actuarially. The District's contributions to PERS for the years ended December 31, 2009, 2008 and 2007 were \$12,209, \$10,947 and \$10,526, respectively. These contributions were equal to the required contributions for the year. All required contributions were paid by December 31, 2009.

**8. POSTEMPLOYMENT BENEFITS**

Plan Description

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

**TRI COUNTY RURAL WATER AND SEWER DISTRICT  
WASHINGTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**8. POSTEMPLOYMENT BENEFITS (Continued)**

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009 and 2008, state and local employers contributed at a rate of 14.0% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care was 7.00% from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009. For 2008, the employer contribution allocated to the health care plan was 7.0% of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contributions made to fund post-employment benefits were \$5,118 and \$5,474 for 2009 and 2008, respectively.

OPERS Retirement Board Implements its Health Care Preservation Plan.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

**9. CONTINGENCY**

The District was the plaintiff in a lawsuit with the defendant Pure Water. Pure Water was alleging the District did not have a legal and binding contract with Pure Water. The potential loss for the District was it would have to repay a planning loan to OWDA of \$413,617, which the District entered into after executing an agreement with Pure Water to extend their water line to Pure Water connections. The contract stated that Pure Water would reimburse the District for the cost of the loan through the collection of increases in user charges from their customers. The District prevailed and Pure Water appealed, which was dismissed. Pure Water settled all claims and disputes with respect to the litigation. The District paid off the debt, in the amount of \$413,617 on February 19, 2009.

**TRI COUNTY RURAL WATER AND SEWER DISTRICT  
WASHINGTON COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**10. CHANGE IN ACCOUNTING PRINCIPLES**

The District has adopted **GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pension*** which establishes standards for disclosure of information on post-employment benefits other than pension benefits by all state and local government employers. This Statement has no affect on the District's financial statements.

***Perry & Associates***  
**Certified Public Accountants, A.C.**

PARKERSBURG  
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Parkersburg, WV 26101  
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Marietta, OH 45750  
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**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

June 25, 2010

Tri-County Rural Water & Sewer District  
Washington County  
20 Anderson Lane  
Waterford, OH 45786

To the Members of the Board:

We have audited the financial statements of the **Tri-County Rural Water & Sewer District, Washington County, Ohio** (the District), as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated June 25, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated June 25, 2010.

We intend this report solely for the information and use District management and the Board of Trustees.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

**Perry and Associates**  
Certified Public Accountants, A.C.

**TRI COUNTY RURAL WATER AND SEWER DISTRICT  
WASHINGTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected, Significantly Different Corrective Action Taken, or Finding No longer Valid, <i>Explain</i>
2007-001	5705.41(D) Fiscal Officer certification on expenditures	Yes	
2007-002	Segregation of duties	Yes	



**Mary Taylor, CPA**  
Auditor of State

**TRI-COUNTY RURAL WATER & SEWER DISTRICT**

**WASHINGTON 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  
AUGUST 19, 2010**