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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Dillonvale Mt. Pleasant Wastewater Sewer District
Jefferson County
P.O. Box 686
Dillonvale, Ohio 43917

We have performed the procedures enumerated below, with which the Board of Trustees and the management of the Dillonvale Mt. Pleasant Wastewater Sewer District (the District) agreed, solely to assist the Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2013 and 2012, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management and the Board are responsible for complying with the compliance requirements. 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*. 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 tested the mathematical accuracy of the December 31, 2013 and December 31, 2012 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2012 beginning balance recorded in the Check Register Report to the December 31, 2011 balance in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2013 beginning fund balances recorded in the Check Register Report to the December 31, 2012 balances in the Check Register Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2013 and 2012 cash balances reported in the Balance Sheets. We noted variances. We were able to determine that a portion of the variance was the result of the manner in which the District's system reports expenditures. We recommend the District establish procedures for reconciling their monthly Profit and Loss Statement and monthly Balance Sheet. In addition, we noted a variance of \$37.25 for which we were unable to determine the source.
4. We confirmed the December 31, 2013 bank account balances with the District's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2013 bank reconciliation without exception.

Cash - (Continued)

5. We selected all reconciling debits (such as outstanding checks) from the December 31, 2013 bank reconciliation:
 - a. We traced each debit to the subsequent January and April bank statements. We found one check which was still outstanding as of July 2014.
 - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. We noted no exceptions.
6. We selected all reconciling credits from the December 31, 2013 bank reconciliation:
 - a. We found that reconciling credits were from bank deposits which were credited to the District's account which were not due to the District and for which the District had no support (account card, deposit slip). The District has contacted the bank and informed them of this but the bank has not removed the credits from the District account as of July 2014. The District is still carrying these amounts as reconciling credits.
7. We tested interbank account transfers occurring in December of 2013 and 2012 to determine if they were properly recorded in the accounting records and on each bank statement. We found no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

1. We selected all special assessment receipts from the County Auditor for 2013 and 2012.
 - a. We compared the amount from above to the amount recorded in the Revenue Report. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper fund. We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Charges for Services

1. We haphazardly selected 10 sewer collection cash receipts from the year ended December 31, 2013 and 10 sewer collection cash receipts from the year ended 2012 recorded in the Cash Receipt Posting Journal and determined whether the:
 - a. Receipt amount per the Cash Receipt Posting Journal agreed to the amount recorded to the credit of the customer's account in the Customer History Report. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Customer History Report for the billing period. We found no exceptions.
 - ii. Complied with rates in force during the audit period plus any applicable late penalties, plus unpaid prior billings. We found no exceptions.
 - c. Receipt was posted to the proper fund, and was recorded in the year received. We found no exceptions.

Charges for Services – (Continued)

2. We read the Delinquent List.
 - a. We noted this report listed \$13,669.08 and \$12,590.55 of accounts receivable as of December 31, 2013 and 2012, respectively.
 - b. Of the total receivables reported in step 2a, \$511.26 and \$699.53 were recorded as more than 90 days delinquent as of December 31, 2013 and 2012, respectively.
3. We read the Account Adjustment Report.
 - a. We noted this District is not able to produce a year to date version of this report. However, Account Adjustment Journals are printed when the adjustment is made and maintained by the District..
 - b. We selected five non-cash adjustments from 2013 and five non-cash adjustments from 2012, and noted that the Board of Trustees approved each adjustment.

Debt

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2011.
2. We inquired of management, and scanned the Account Quick Reports for evidence of debt issued during 2013 or 2012 or debt payment activity during 2013 or 2012. We noted one new debt issue.
3. We agreed the amount of debt proceeds from the debt documents to amounts recorded per the Account Quick Report. We found the District did not record \$662,339.78 in payments made by the Ohio Water Development Authority to vendors on behalf of the District.
4. For new debt issued during 2013, we inspected the debt legislation, noting the District must use the proceeds to make upgrades to the sewage treatment plant and replace manhole covers. We scanned the Account Quick Report and noted the District paid engineering fees related to the project. We reviewed Ohio Water Development Authority (OWDA) disbursement detail report and noted that payments were made by OWDA on the District's behalf for the repairs and replacement.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2013 and one payroll check for five employees from 2012 from the Payroll Register and:
 - a. We compared the hours and pay rate, or salary amount recorded in the Payroll Register to supporting documentation (timecard, or legislatively approved rate or salary). We found one instance where an employee was paid for three hours less than the hours recorded on her timecard. We brought this to management's attention, and they added this amount to a subsequent payment to this employee. Because we did not test all timecards, our report provides no assurance whether or not other similar errors occurred.
 - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.

Payroll Cash Disbursements – (Continued)

- c. We determined whether the account code to which the check was posted were reasonable based on the employees' duties as documented in the minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2013 to determine whether remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period of 2013. We noted the following:

Withholding plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2014	January 15, 2014	\$1,528.85	\$1,528.85
State income taxes	January 15, 2014	January 15, 2014	\$336.80	\$336.80
OPERS retirement	January 30, 2014	January 30, 2014	\$2,801.97	\$2,801.97

3. We haphazardly selected and recomputed one termination payment (unused vacation, etc.) using the following information, and agreed the computation to the amount paid as recorded in the Payroll Register:
 - a. Accumulated leave records
 - b. The employee's pay rate in effect as of the termination date
 - c. The District's payout policy.

The amount paid was consistent with the information recorded in a. through c. above.

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Account Quick Report for the year ended December 31, 2013 and ten from the year ended 2012 and determined whether:
 - a. The disbursements were for a proper public purpose. We found no exceptions.
 - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Account Quick Report and to the names and amounts on the supporting invoices. We found no exceptions.
 - c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.

Compliance – Budgetary

1. We compared the total estimated receipts from the Operating Budget required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.36(A)(1), to the amounts recorded in the Profit and Loss Budget Report for the years ended December 31, 2013 and 2012. The amounts were not recorded in the accounting system; the fiscal officer should enter the estimated receipts approved by the

Compliance – Budgetary – (Continued)

2. Trustees in the annual operating budget into the District's accounting system. If the amounts are not entered, the Trustees may be using inaccurate information for budgeting and monitoring purposes.
3. We scanned the appropriation measures adopted for 2013 and 2012 to determine whether, the Trustees appropriated separately for "each office, department, and division, and within each, the amount appropriated for personal services," as is required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.38(C). We found no exceptions.
4. We compared total appropriations required by Ohio Rev. Code Sections 5705.28(B)(2), 5705.38 and 5705.40, to the amounts recorded in the Monthly Funds Report for 2013 and 2012. The amounts on the appropriation resolutions agreed to the amounts recorded in the Monthly Funds report for 2013. No amounts were recorded in 2012.
5. Ohio Rev. Code Section 5705.28(B)(2)(c) prohibits appropriations from exceeding the estimated revenue available for expenditure (receipts plus beginning unencumbered cash). We compared total appropriations to total estimated revenue for the years ended December 31, 2013 and 2012. Appropriations did not exceed estimated revenue.
6. Ohio Rev. Code Sections 5705.28(B)(2) and 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2013 and 2012, as recorded in the Monthly Funds Report. Expenditures did not exceed appropriations
7. We scanned the Check Register Reports for the years ended December 31, 2013 and 2012 for negative cash fund balance. 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. We noted no funds having a negative cash fund balance.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the District's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management, those charged with governance, and others within the District, and is not intended to be, and should not be used by anyone other than these specified parties.



Dave Yost
Auditor of State

Columbus, Ohio

August 25, 2014

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DILLON MT. PLEASANT WASTEWATER SEWER DISTRICT

JEFFERSON 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
SEPTEMBER 11, 2014**