



Dave Yost • Auditor of State



TRI-COUNTY RURAL WATER AND SEWER DISTRICT  
WASHINGTON COUNTY

TABLE OF CONTENTS

**TITLE** \_\_\_\_\_ **PAGE**

Independent Accountants' Report on Applying Agreed-Upon Procedures..... 1

**This page intentionally left blank.**



# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Tri-County Rural Water and Sewer District  
Washington County  
5772 Buchanan Road  
Waterford, Ohio 45786

We have performed the procedures enumerated below, with which the Board of Trustees and the management of the Tri-County Rural Water and Sewer District, Washington County, Ohio (the District), agreed, solely to assist the District in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2015 and 2014, 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 and Investments

1. We tested the mathematical accuracy of the December 31, 2015 and December 31, 2014 bank reconciliations. While both the 2015 and 2014 bank reconciliations were mathematically accurate, the total 2015 receipts and 2015 expenditures were each understated by \$15,015 as compared to the 2015 Activity Report. No other exceptions noted.
2. We agreed the January 1, 2014 beginning balance recorded in the Activity Report to the December 31, 2013 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2015 beginning fund balances recorded in the Activity Report to the December 31, 2014 balances in the Activity Report. We found no exceptions.
3. We compared the totals per the bank reconciliations to the total of the December 31, 2015 and 2014 cash balances reported in the Activity Reports. We found that the confirmed balance of the Regular Account (#157201) was \$50 less than the carrying amount and the confirmed balance of the Sewer Account (\$184110) was \$26 more than the carrying amount. The amounts for the remaining accounts agreed.
4. We confirmed the December 31, 2015 bank account balances with the District's financial institutions. We compared the confirmed balances to the amounts appearing in the December 31, 2015 bank reconciliation and noted the only the General Account is included on the reconciliation.

### **Cash and Investments (Continued)**

5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2015 bank reconciliation:
  - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
  - 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 tested investments held at December 31, 2015 and December 31, 2014 to determine that they were of a type authorized by Ohio Rev. Code § 6119.16. We found no exceptions.

### **Intergovernmental and Other Confirmable Cash Receipts**

We selected the only two receipts from the State Distribution Transaction Lists (DTL) from 2015 and the only three receipts from 2014.

- a. We compared the amount from the above reports to the amount recorded in the Activity Reports. The amounts agreed.
- b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

### **Charges for Services**

1. We haphazardly selected 10 water collection cash receipts from the year ended December 31, 2015 and 10 water collection cash receipts from the year ended 2014 recorded in the Receipts Posting Journal and determined whether the:
  - a. Receipt amount per the Receipts Posting Journal agreed to the amount recorded to the credit of the customer's account in the Customer History Reports. The amounts agreed.
  - b. Amount charged for the related billing period:
    - i. Agreed with the debit to accounts receivable in the Customer History Reports for the billing period. We found no exceptions.
    - ii. Complied with rates in force during the audit period multiplied by the consumption amount recorded for the billing 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.
2. We read the Aged Trial Balance.
  - a. We noted this report listed \$104,649 and \$131,079 of accounts receivable as of December 31, 2015 and 2014, respectively.
  - b. Of the total receivables reported in step 2a, \$32,987 and \$45,921 were recorded as more than 90 days delinquent as of December 31, 2015 and 2014, respectively.
3. We read the Adjustment Journal
  - a. We noted this report listed a total of \$31,576 and \$2,054 non-cash receipts adjustments for the years ended December 31, 2015 and 2014, respectively.
  - b. We selected five non-cash adjustments from 2015 and five non-cash adjustments from 2014, and noted the General Manager approved each adjustment.

### **Debt**

1. From the prior audit documentation, we noted the following loans outstanding as of December 31, 2013. These amounts agreed to the Districts January 1, 2014 balances on the summary we used in step 3.

**Debt (Continued)**

Issue	Principal Outstanding as of December 31, 2013:
Ohio Water Development Authority #2962	\$2,508,624
Ohio Water Development Authority #2963	134,849
Ohio Water Development Authority #2118	45,682
Ohio Water Development Authority #2119	16,809
Ohio Water Development Authority #2120	6,357
Ohio Water Development Authority #2893	46,983
Ohio Water Development Authority #2183	136,366
Ohio Water Development Authority #3412	97,858
Ohio Water Development Authority #4162	70,355
Ohio Water Development Authority #5238	43,648
Ohio Water Development Authority #6220	614,143
Ohio Public Works Commission #CR314	41,766
Ohio Public Works Commission #CR530	76,500
Ohio Public Works Commission #CR729	100,725
Ohio Public Works Commission #CR935	133,890
Ohio Public Works Commission #CR14C	156,880
Ohio Public Works Commission #CR20G	173,701
Ohio Public Works Commission #CR17N	633,706

2. We inquired of management, and scanned the Activity Reports for evidence of debt issued during 2015 or 2014 or debt payment activity during 2015 or 2014. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of loan debt activity for 2015 and 2014 and agreed principal and interest payments from the related debt amortization schedules to debt service payments reported in the Activity Reports. We also compared the date the debt service payments were due to the date the District made the payments. We found no exceptions.
4. For new debt issued during 2015 and 2014, we inspected the debt legislation, noting the District must use the proceeds for waterline extensions. We scanned the Activity Report and noted the District posted debt proceeds as increases to the liability and project payments to their books as decreases in the liability (GAAP basis). The amount of debt proceeds not fully spent for the Phase 5 Waterline Extension as of December 31, 2015 was \$69,653.
5. For new debt issued during 2015 and 2014, we inspected the debt legislation, noting the District must use the proceeds for waterline extensions. We scanned the Activity Report and noted the District did not post project payments to their books. The amount of debt proceeds not fully spent for the Phase 5 Waterline Extension as of December 31, 2015 was \$69,653.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2015 and one payroll check for five employees from 2014 from the Edit Register Detail Report and:

**Payroll Cash Disbursements (Continued)**

- a. We compared the hours and pay rate, or salary amount recorded in the Edit Register Detail Report to supporting documentation (timecard, or legislatively approved rate or salary). We found no exceptions.
  - b. We determined whether the account codes to which the check was posted were reasonable based on the employees' duties as documented in the employees' personnel files. 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, 2015 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 2015. We noted the following:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal Income Taxes and Medicare	01/31/16	01/07/16	\$ 1,272	\$ 1,272
State Income Taxes	01/15/16	01/15/16	\$ 259	\$ 259
OPERS Retirement	02/01/16	01/07/16	\$ 2,526	\$ 2,526

**Non-Payroll Cash Disbursements**

We haphazardly selected ten disbursements from the Edit Register Report for the year ended December 31, 2015 and ten from the year ended 2014 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 Check Register 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.
- d. The Fiscal Officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code § 5705.41(D). We found no exceptions.

**Compliance – Budgetary**

1. We compared the total estimated receipts approved by the Board required by Ohio Rev. Code §§ 5705.28(B)(2) and 5705.36(A)(1), to the amounts recorded in the Budget Report for the years ended December 31, 2015 and 2014. The amounts agreed.
2. We scanned the appropriation measures adopted for 2015 and 2014 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 §§ 5705.28(B)(2) and 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Rev. Code §§ 5705.28(B)(2), 5705.38 and 5705.40, to the amounts recorded in the Budget Report for 2015 and 2014. The amounts on the appropriation resolutions agreed to the amounts recorded in the Budget Report.



### Compliance – Budgetary (Continued)

4. Ohio Rev. Code § 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, 2015 and 2014. Appropriations did not exceed estimated revenue.
5. Ohio Rev. Code §§ 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, 2015 and as recorded in the Income/Expense Statement. Expenditures did not exceed appropriations.
6. We scanned the Activity Report for the years ended December 31, 2015 and 2014 for negative cash fund balance. Ohio Rev. Code § 5705.10(l) 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.

### Other Compliance

Ohio Rev. Code § 117.38 requires entities to file their financial information in the HINKLE system formerly known as the Annual Financial Data Reporting System (AFDRS) within 150 days after the close of the fiscal year. We reviewed AFDRS to verify the Entity filed their financial information within the allotted timeframe for the years ended December 31, 2015 and 2014. We noted the 2015 GAAP financial statements were not filed until June 29, 2016, which is past the 150 day deadline. Additionally, the 2015 Management Discussions and Analysis section and notes to the financial statements were not filed as integral parts of the financial statements.

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 4, 2016

**This page intentionally left blank.**



# Dave Yost • Auditor of State

**TRI-COUNTY RURAL WATER AND 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 25, 2016**