



Dave Yost • Auditor of State

**SUNDAY CREEK VALLEY WATER DISTRICT
ATHENS COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Sunday Creek Valley Water District
Athens County
15945 Second Street
Millfield, OH 45761

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Sunday Creek Valley Water District, Athens County, Ohio (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, 2012 and 2011, 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, 2012 and December 31, 2011 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2011 beginning balance recorded in the Annual Financial Report to the December 31, 2010 balance documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2012 and 2011 cash balance reported in the Annual Financial Report. The amounts agreed.
4. We confirmed the December 31, 2012 bank account balances with the District's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2012 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2012 bank reconciliation:
 - a. We traced each debit to the subsequent January and February bank statements. 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, 2012 and December 31, 2011 to determine that they were of a type authorized by Ohio Rev. Code Section 6119.16. We found no exceptions.

Charges for Services

1. We haphazardly selected 10 water collection cash receipts from the year ended December 31, 2012 and 10 water collection cash receipts from the year ended 2011 recorded in the Daily Receipt List and determined whether the:
 - a. Receipt amount per the Daily Receipt List agreed to the amount recorded to the credit of the customer's account in the Billing Register. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Billing Register 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 Billing Register.
 - a. We noted this report listed \$77,375 and \$86,547 of accounts receivable as of December 31, 2012 and 2011, respectively.
 - b. Of the total receivables reported in step 2a, \$8,937 and \$17,197 were recorded as more than 30 days delinquent as of December 31, 2012 and 2011, respectively. The District did not maintain aging reports identifying the recorded receivables more than 30 days delinquent.

3. We read the monthly Billing Registers.
 - a. We noted these reports listed a total of (\$9,615) and \$9,784 non-cash receipts adjustments for the years ended December 31, 2012 and 2011, respectively.
 - b. We selected five non-cash adjustments from 2012 and five non-cash adjustments from 2011, and noted that the Board of Trustees did not approve the adjustments.

Debt

1. From the prior audit documentation, we noted the following loans outstanding as of December 31, 2010. These amounts agreed to the District's January 1, 2011 balances on the summary we used in step 3.

Issue	Principal Outstanding as of December 31, 2010
OPWC CR 27A	\$31,780
OPWC CR 09F	\$85,495
OWDA #3196	\$235,449
OWDA #3332	\$174,415
OWDA #3577	\$873,437
OWDA #4841	\$578,362

2. We inquired of management, and scanned the General Ledger for evidence of debt issued during 2012 or 2011 or debt payment activity during 2012 or 2011. All debt payment activity noted agreed to the summary we used in step 3. We noted no new debt issuances during 2012 or 2011.

Debt (Continued)

3. We obtained a summary of debt activity for 2012 and 2011 and agreed principal and interest payments from the related debt amortization schedules to debt service payments reported in the General Ledger. We also compared the date the debt service payments were due to the date the District made the payments. We found no exceptions.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2012 and one payroll check for five employees from 2011 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 no exceptions. However, we noted that Trustees were not included in the Payroll Register and were instead paid as contract labor. The District should refer to *Internal Revenue Service Publication 15, Circular E, Employer's Tax Guide* and *Publication 15-A, Employer's Supplemental Tax Guide*, for definitions of employees and independent contractors.
 - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
 - c. We determined whether the account codes to which the check was posted were reasonable based on the employees' duties as documented in the minute record and on employees' timesheets. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. For any new employees selected in step 1 we determined whether the following information in the minute record and on employees' timesheets was consistent with the information used to compute gross and net pay related to this check:
 - a. Name
 - b. Authorized salary or pay rate
 - c. Accounts to which the check should be charged
 - d. Retirement system participation and payroll withholding
 - e. Federal, State & Local income tax withholding authorization and withholding
 - f. Any other deduction authorizations (deferred compensation, etc.)

We found no exceptions related to steps a. – f. above.

3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2012 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 2012. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal Income Taxes and Medicare	01/31/13	01/09/13	\$ 1,287.52	\$ 1,287.52
State Income Taxes	01/15/13	01/09/13	\$ 276.34	\$ 276.34
School District Income Tax	01/31/13	01/09/13	\$ 2.34	\$ 2.34
OPERS Retirement	01/30/13	01/11/13	\$ 8,854.92	\$ 8,854.92

Non-Payroll Cash Disbursements

1. From the General Ledger, we re-footed checks recorded as water costs and checks recorded as office expenses for 2012. We found no exceptions.
2. We haphazardly selected ten disbursements from the Disbursement Ledger for the year ended December 31, 2012 and ten from the year ended 2011 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 Disbursement Ledger 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 Annual Budget, required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.36(A)(1), to the amounts recorded in the Statement on Income and Expense for the years ended December 31, 2012 and 2011. The amounts agreed.
2. We scanned the appropriation measures adopted for 2012 and 2011 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.
3. 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 Statement on Income and Expense for 2012 and 2011. The amounts on the appropriation resolutions agreed to the amounts recorded in the Statement on Income and Expense.
4. 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, 2012 and 2011. Appropriations did not exceed estimated revenue.
5. 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, 2012 and 2011 as recorded in the Statement on Income and Expense. Expenditures did not exceed appropriations in 2011. We noted that expenditures for 2012 exceeded total appropriations by \$13,107, contrary to Ohio Rev. Code Sections 5705.28(B)(2) and 5705.41(B).

Compliance – Contracts & Expenditures

1. We inquired of management and scanned the Disbursement Ledger for the years ended December 31, 2012 and 2011 for expenditures, other than for the acquisition of real estate and interests in real estate, the discharge of noncontractual claims, personal services, the joint use of facilities or the exercise of powers with other political subdivisions, or the product or services of public utilities, which exceeded twenty-five thousand dollars (Ohio Rev. Code Section 6119.10).

We identified no purchases subject to the aforementioned bidding requirements

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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

May 6, 2013

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SUNDAY CREEK VALLEY WATER DISTRICT

ATHENS 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
MAY 28, 2013**