



**NOBLE COUNTY WATER AUTHORITY  
NOBLE COUNTY  
Agreed-Upon Procedures  
For the Years Ended December 31, 2018 and 2017**

313 Second St.  
Marietta, OH 45750  
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Vienna, WV 26105  
304 422 2203

150 W. Main St., #A  
St. Clairsville, OH 43950  
740 695 1569

1310 Market St., #300  
Wheeling, WV 26003  
304 232 1358

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Cambridge, OH 43725  
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# OHIO AUDITOR OF STATE KEITH FABER



Board of Trustees  
Noble County Water Authority  
PO Box 127  
Belle Valley, OH 43717

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Noble County Water Authority, prepared by Perry & Associates, Certified Public Accountants, A.C., for the period January 1, 2017 through December 31, 2018. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code.

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. The Noble County Water Authority is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

May 7, 2019

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NOBLE COUNTY WATER AUTHORITY  
NOBLE COUNTY

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

April 12, 2019

Noble County Water Authority  
Noble County  
PO Box 127  
Belle Valley, OH 43717

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of **Noble County Water Authority**, (the Authority) and the Auditor of State, on the receipts, disbursements and balances recorded in the Authority's cash basis accounting records for the years ended December 31, 2018 and 2017, and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Authority. The Authority is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2018 and 2017 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Authority. 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, 2018 and December 31, 2017 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2017 beginning fund balances record in the Reconciliation Summary to the December 31, 2016 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2018 beginning fund balances recorded in the Reconciliation Summary to the December 31, 2017 balances in the Reconciliation Summary. We found no exceptions. We noted the Authority did not record beginning fund balances in its 2017 or 2018 Hinkle Filing. We found no other exceptions.

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\*Ohio Society of CPAs \* West Virginia Society of CPAs \* Association of Certified Fraud Examiners \* Association of Certified Anti-Money Laundering Specialists\*

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

3. We agreed the totals per the bank reconciliations to the total of the December 31, 2018 and 2017 fund cash balances reported in the General Ledger. We found no exceptions.
4. We confirmed the December 31, 2018 bank account balances with the Authority's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2018 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2018 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. There were no exceptions.
6. We traced interbank account transfers occurring in December of 2018 and 2017 to the accounting records and bank statements to determine if they were properly recorded. We found no exceptions.
7. We inspected investments held at December 31, 2018 and December 31, 2017 to determine that they were of a type authorized by Ohio Rev. Code Sections 6119.16. We found no exceptions.

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

1. We haphazardly selected five receipts from the Noble County's Cross Reference Report from 2018 and five from 2017.
  - a. We compared the amount from the above report to the amount recorded in the General Ledger. The amounts agreed.
  - b. We inspected the General Ledger to determine that these receipts were allocated to the proper fund. We found no exceptions.
  - c. We inspected the General Ledger to determine 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, 2018 and 10 water collection cash receipts from the year ended 2017 recorded in the U/B Receipts Journal Report and:
  - a. Agreed the receipt amount per the "paid" billing stub to the amount recorded to the customer's account in the U/B Receipts Journal. The amounts agreed.
  - b. Amount charged for the related billing period:
    - i. Agreed with the debit to accounts receivable in the U/B Receipts Journal Report 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.



**Charges for Services (Continued)**

2. We inspected the U/B Trial Balance.
  - a. This report listed \$43,976 and \$33,787 of accounts receivable as of December 31, 2018 and 2017, respectively.
  - b. Of the total receivables reported in procedure 2a, the amount of receivables that are more than 90 days delinquent as of December 31, 2018 and 2017 is unknown. The Authority could not provide a breakdown of receivables that were outstanding based day count.
  
3. We inspected the U/B Adjustment Journal.
  - a. This report listed a total of (\$1,220) and (\$7,949) non-cash receipts adjustments for the years ended December 31, 2018 and 2017, respectively.
  - b. We haphazardly selected five non-cash adjustments from 2018 and five non-cash adjustments from 2017 and noted that the Board of Directors approved each adjustment.

**Debt**

1. From the prior agreed-upon procedures documentation, we observed the following bonds were outstanding as of December 31, 2016. This amount agreed to the Authority's January 1, 2017 balance on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2016:
USDA Water System Revenue Bonds	\$658,000
OWDA Loan #6910	\$150,771

2. We inquired of management and inspected the General Ledger for evidence of debt issued during 2018 or 2017 or debt payment activity during 2018 or 2017. All debt noted agreed to the summary we used in procedure 3.
  
3. We obtained a summary of the bond and loan debt activity for 2018 and 2017 and agreed principal and interest payments from the related debt amortization schedule to General Fund payments recorded in the General Ledger. We also compared the date and the debt service payments were due to the date the Authority made the payments. We found no exceptions.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2018 and one payroll check for five employees from 2017 from the Payroll Summary Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Summary Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
  - b. We inspected the General Ledger to confirm whether the account codes to which the check was posted were reasonable based on the employees' duties as documented in the minute record. We also confirmed the payment was posted to the proper year. We found no exceptions.

**Payroll Cash Disbursements (Continued)**

2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2018 to confirm 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 2018. We observed 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 & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2019	December 31, 2018	\$ 465.01	\$ 465.01
State income taxes	January 31, 2019	December 31, 2018	\$ 103.98	\$ 103.98
OPERS retirement	January 31, 2019	December 31, 2018	\$ 1,165.56	\$ 1,165.56

**Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the Check Detail Report for the year ended December 31, 2018 and ten from the year ended 2017 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 Appropriation 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.
  - d. The fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev Code Section 5705.41(D). We found no exceptions.

**Compliance – Budgetary**

1. We compared the total estimated receipts approved by the Trustees from the Excel Budgetary spreadsheet, required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.36(A)(1), to the amounts recorded in the Profit & Loss Budget vs. Actual Report for the years ended December 31, 2018 and 2017. The amounts agreed.
2. We inspected the appropriation measures adopted for 2018 and 2017 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 Profit & Loss Budget vs. Actual Report for 2018 and 2017. The amounts on the appropriation resolutions agreed to the amounts recorded in the Profit & Loss Budget vs. Actual Report.

#### **Compliance – Budgetary (Continued)**

4. Ohio Rev. Code Sections 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, 2018 and 2017. 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, 2018 and 2017, as recorded in the Profit & Loss Budget vs. Actual Report. Expenditures for 2018 exceeded total appropriations by \$5,803, contrary to Ohio Rev. Code Sections 5705.28(B)(2) and 5705.41(B). The Fiscal Officer should not certify the availability of funds and should deny payment requests exceeding appropriations. The Fiscal Officer may request the Trustees to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary, and if resources are available.
6. We inspected the Cash Summary Report for the years ended December 31, 2018 and 2017 for negative cash fund balances. 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. The Authority does not use multiple funds. No funds had a negative cash fund balance.

#### **Other Compliance**

Ohio Rev. Code Section 117.38 requires Authority's 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, in addition to filing extensions granted for extenuating circumstances, allow for refile complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System for December 31, 2018 and 2017 fiscal year ends included in the 2015-2016 or 2017-2018 agreed upon procedure engagements, subsequent to the Authority's deadline where the initial filing was filed on time but incomplete. We confirmed the Authority filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy, within the allotted timeframe for the year ended December 31, 2018 and 2017 in the Hinkle system, however, the 2017 financial statements did not include the notes to the financial statements as required. The financial statements were refiled by the Authority on February 12, 2019 and included the notes to the financial statements as required.

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 Authority'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 Authority's receipts, disbursements, and balances recorded in their cash-basis accounting records for the years ended December 31, 2018 and 2017, and certain compliance requirements related to these transactions and balances is not suitable for any other purpose.

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

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

# OHIO AUDITOR OF STATE KEITH FABER



**NOBLE COUNTY WATER AUTHORITY**

**NOBLE 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 21, 2019**