

**SUNDAY CREEK VALLEY WATER DISTRICT
ATHENS COUNTY
Agreed-Upon Procedures
For the Years Ended December 31, 2010 and 2009**

Perry & Associates
Certified Public Accountants, A.C.



Dave Yost • Auditor of State

Board of Trustees
Sunday Creek Valley Water District
15945 Second Street
Millfield, Ohio 45761

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Sunday Creek Valley Water District, Athens County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the period January 1, 2009 through December 31, 2010. 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. Sunday Creek Valley Water District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 15, 2011

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**SUNDAY CREEK VALLEY WATER DISTRICT
ATHENS COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

June 22, 2011

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

To the Board of Trustees:

We have performed the procedures enumerated below, with which the Board of Trustees and the management of **Sunday Creek Valley Water District** (the District) and the Auditor of State 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, 2010 and 2009, 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, 2010 and December 31, 2009 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2009 beginning balance recorded in the Bank Account Balance Report to the December 31, 2008 balance in the prior year audited statements. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2010 and 2009 cash balances reported in the Bank Account Balance Reports. The amounts agreed.
4. We confirmed the December 31, 2010 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, 2010 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2010 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and dates written to the disbursement ledger, to determine the debits were dated prior to December 31. We noted no exceptions.

Cash and Investments (Continued)

6. We tested investments held at December 31, 2010 and December 31, 2009 to determine that they were of a type authorized by Ohio Rev. Code Section 6119.16. We found no exceptions.

Charges for Service

1. We haphazardly selected 10 water collection cash receipts from the year ended December 31, 2010 and 10 water collection cash receipts from the year ended December 31, 2009 recorded in the Daily Receipt Lists 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:
 - a. Agreed with the debit to accounts receivable in the Billing Register for the billing period. We found no exceptions.
 - b. 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.
 - 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 \$19,043 and \$20,342 of accounts receivable as of December 31, 2010 and 2009 respectively.
 - b. Of the total receivables reported in step 2a, \$10,545 and \$13,542 were recorded as more than 90 days delinquent as of December 31, 2010 and 2009, respectively.
3. We read the Adjustments Report.
 - a. We noted this report listed a total of \$295 and \$688 non-cash receipts adjustments for the years ended December 31, 2010 and 2009, respectively.
 - b. We selected five non-cash adjustments from 2010 and five non-cash adjustments from 2009 and noted that the Board of Trustees did not approve any adjustments.

Debt

1. From the prior audit report, we noted the following loans outstanding as of December 31, 2008. These amounts agreed to the District's January 1, 2009 balances on the summary we used in step 3.

<u>Issue</u>	<u>Principal Outstanding as of December 31, 2008</u>
OPWC #CR09F	\$ 96,319
OPWC #CR27A	38,966
OWDA #3577	941,313
OWDA #3332	194,781
OWDA #3196	261,859
OWDA #4841	603,133
Total	<u>\$ 2,136,371</u>

Debt (Continued)

2. We inquired of management, and scanned the disbursement ledger for evidence of bonded or note debt issued during 2010 or 2009 or outstanding as of December 31, 2010 or 2009. We noted no new debt issuances during 2010 or 2009. All outstanding debt noted agreed to the summary we used in Step 3.
3. We obtained a summary of note debt activity for 2010 and 2009 and agreed principal and interest payments from the related debt amortization schedules to debt service payments reported in the disbursement 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 2010 and one payroll check for five employees from 2009 from the Payroll Reports and:
 - a. We compared the hours and pay rate, or salary amount recorded in the Payroll Reports to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found that authorized salary information is not maintained. Pay raises are noted in the minutes, but not original salaries. We also found that Trustees are not paid as employees or issued a W-2, but rather are paid as contract labor and issued a 1099.
 - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll report. We found no exceptions.
 - c. We determined whether the account code to which the check was posted was reasonable based on the employees' duties as documented in the minute record or as required by statute. 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, 2010 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 2010. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2011	January 1, 2011	\$ 1,153.00	\$ 1,153.00
State income taxes	January 15, 2011	January 10, 2011	\$ 297.37	\$ 297.37
OPERS retirement	January 30, 2011	January 13, 2011	\$ 2,959.88	\$ 2,959.89
School tax	January 30, 2011	January 10, 2011	\$ 2.34	\$ 2.34

Non-Payroll Cash Disbursements

1. From the General Ledger, we refooted checks recorded as *water costs* and *licenses and permits* for 2010. We found no exceptions.

Non-Payroll Cash Disbursements (Continued)

2. We haphazardly selected ten disbursements from the disbursement ledger for the year ended December 31, 2010 and ten from the year ended 2009 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. The District does not file a *Certificate of Estimated Resources*, required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.36(A)(1).
2. We scanned the appropriation measures adopted for 2010 and 2009 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 Section 5705.38(C). We found no exceptions.
3. The District maintains total appropriations required by Ohio Rev. Code Sections 5705.28(B)(2), 5705.38 and 5705.40.
4. Ohio Rev. Code Section 5705.28 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, 2010 and 2009. 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, 2010 and 2009 as recorded in the Statements on Income and Expenses for the Fiscal Year. Expenditures did not exceed appropriations.

Compliance – Contracts & Expenditures

1. We inquired of management and scanned the disbursement ledger for the years ended December 31, 2010 and 2009 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 a building project exceeding \$25,000, subject to Ohio Rev. Code Section 6119.10. For this project, we noted that the Board did not complete the necessary bidding requirements.

Official's Response – We did not receive a response from Officials to the exceptions reported above.

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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, the Auditor of State, and others within the District, and is not intended to be, and should not be used by anyone other than these specified parties.

Respectfully Submitted,

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

Perry and Associates
Certified Public Accountants, A.C.



Dave Yost • Auditor of State

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
JULY 28, 2011**