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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 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, 2011 and 2010, 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, 2011 and December 31, 2010 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2010 beginning balance recorded in the Check Register Report to the December 31, 2009 balances 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, 2011 and 2010 cash balances reported in the Balance Sheets. We noted variances. We were able to determine that the variances were the result of the manner in which the District's system reports expenditures. At December 31, 2010, the bank balance was \$87,909 and the book balance was \$87,762 and at December 31, 2011, the bank balance was \$107,667 and the book balance was \$107,370. We recommend the District establish procedures for reconciling their monthly Profit and Loss Statement and monthly Balance Sheet.
4. We confirmed the December 31, 2011 bank account balances with the District's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amount appearing in the December 31, 2011 bank reconciliations without exception.
5. We selected all reconciling debits (such as outstanding checks) from the December 31, 2011 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. We found no exceptions.

Cash – (Continued)

- 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 (such as deposits in transit) from the December 31, 2011 bank reconciliation:
 - a. We traced each credit to the subsequent March bank statement. We found no exceptions.
 - b. We agreed the credit amounts to the Account Quick Report. Each credit was recorded as a December receipt for the same amount recorded in the reconciliation.

Charges for Services

1. We haphazardly selected 10 sewer collection cash receipts from the year ended December 31, 2011 and 10 sewer collection cash receipts from the year ended 2010 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. 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 Delinquent List.
 - a. We noted this report listed \$13,706 and \$15,919 of accounts receivable as of December 31, 2010 and 2011, respectively.
 - b. Of the total receivables reported in step 2a, none were recorded as more than 90 days delinquent as of December 31, 2011 or 2010.
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 2011 and five non-cash adjustments from 2010, and noted that the Board of Trustees approved each adjustment.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2011 and one payroll check for five employees from 2010 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.

Payroll Cash Disbursements – (Continued)

- 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 code to which the check was posted was 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.

We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2011 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 2011. We noted the following:

Withholding plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2012	January 13, 2012	\$800	\$800
State income taxes	January 15, 2012	January 13, 2012	\$208	\$208
OPERS retirement	January 30, 2012	January 30, 2012	\$1,789	\$1,789

Non-Payroll Cash Disbursements

- 1. We haphazardly selected ten disbursements from the Account Quick Report for the year ended December 31, 2011 and ten from the year ended 2010 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 Performance Report for the General Fund for the years ended December 31, 2011 and 2010. The amounts were not recorded in the accounting system. The fiscal officer should enter the estimated receipts approved by the 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.
- 2. We scanned the appropriation measures adopted for 2011 and 2010 to determine whether, for the General Fund 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.

Compliance – Budgetary – (Continued)

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 and Loss Budget Performance report for 2011 and 2010 for the General Fund. The amounts on the appropriation resolutions were not recorded in the Profit and Loss Budget Performance Report. The fiscal officer should enter the appropriations approved by the Trustees into the District's accounting system. If the amounts are not entered, the Trustees may be using inaccurate information for budgeting and monitoring purposes.
4. Ohio Rev. Code Section 5705.28(B)(2)(c) prohibits appropriations from exceeding the estimated resources available for expenditure (receipts plus beginning unencumbered cash). We compared total appropriations to total estimated resources for the years ended December 31, 2011 and 2010. Appropriations did not exceed estimated resources.
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, 2011 and 2010 as recorded in the Account Quick books and the Annual Appropriations measure. Expenditures did not exceed appropriations.

Compliance – Contracts & Expenditures

1. We inquired of management and scanned the Account Quick Report for the years ended December 31, 2011 and 2010 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 did not receive a response from Officials to the exceptions reported above.

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

August 15, 2012



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D8ILLONVALE 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
NOVEMBER 8, 2012**