

**WHITEWATER TOWNSHIP REGIONAL
SEWER & WATER DISTRICT
HAMILTON COUNTY**

AGREED-UPON PROCEDURES

**FOR THE YEARS ENDED
DECEMBER 31, 2013 AND 2012**



Dave Yost • Auditor of State

Board of Trustees
Whitewater Township Regional Sewer and Water District
P. O. Box 532
Miamitown, Ohio 45041

We have reviewed the *Agreed-Upon Procedures* of the Whitewater Township Regional Sewer and Water District, Hamilton County, prepared by Bastin & Company, LLC, for the period January 1, 2012 through December 31, 2013. 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 Whitewater Township Regional Sewer and 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 10, 2014

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Bastin & Company, LLC

Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Whitewater Township Regional Sewer & Water District
Hamilton County
P.O. Box 532
Miamitown, Ohio 45041

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Whitewater Township Regional Sewer & 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, 2013 and 2012, 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, 2013 and December 31, 2012 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2012 beginning balances recorded in the Check, Savings and Star-Ohio Registers to the December 31, 2011 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2013 beginning fund balances recorded in the Check, Savings and Star-Ohio Registers to the December 31, 2012 balances in the Check, Savings and Star-Ohio Registers. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the totals of the December 31, 2013 and 2012 cash balances reported in the Check, Savings and Star-Ohio Registers. The amounts agreed.
4. We confirmed the December 31, 2013 bank account balances with the District's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2013 bank reconciliation without exception.
5. We selected the one reconciling debit (outstanding check) from the December 31, 2013 bank reconciliation:
 - a. We traced the debit to the January 2014 bank statement. We found no exceptions.
 - b. We traced the amount and date to the Check Register, to determine the debit was dated prior to December 31. We noted no exceptions.
6. We tested an interbank account transfer that occurred in December of 2013 to determine if it was properly recorded in the accounting records and on each bank statement. We found no exceptions.

Cash and Investments (Continued)

7. We tested investments held at December 31, 2013 and December 31, 2012 to determine that they were of a type authorized by Ohio Rev. Code Section 6119.16. We found no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

1. We confirmed the special assessments receipts collected by Hamilton County and paid to the District during 2013 and 2012 with the Hamilton County Detailed Expense Report.
 - a. We compared the amounts from the above reports to the amounts recorded in the District's Check Register. We noted that for both years the District recorded distributions in the net amount, instead of the gross amount. County auditor fees that reduced the receipt to the net amount totaled \$3,620 for 2013 and \$4,140 for 2012, were not recorded.
 - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.
2. We confirmed the amounts paid from the Ohio Water Development Authority (OWDA) to the District during 2013 and 2012 with OWDA.
 - a. We compared the amounts from the confirmations to the amounts recorded in the District's Check Register. Loan proceeds in the amount of \$2,044,942 for 2013 and \$109,742 for 2012 were disbursed directly from OWDA to applicable contractors, for fees or for capitalized interest. Of those amounts, the District did not record \$341,531 for 2013 and \$18,493 for 2012 for these "on-behalf-of" receipts/disbursements in its accounting records. AOS Bulletin 2000-008 provides guidance for cash basis accounting for on-behalf funding. We recommend the District review this bulletin to ensure all on-behalf funding is recorded in the District's accounting records.
 - b. For those items recorded by the District, we determined those receipts/disbursements were recorded in the proper year.
3. We obtained supporting documentation for payments made by the Metropolitan Sewer District of Greater Cincinnati to the District for the reimbursement of costs incurred for the Miamiview Acres Project during 2013 and 2012 and for the Miamitown Phase II Project during 2013.
 - a. We traced the receipts from the supporting documentation to the amount recorded in the Check Register. We found no exceptions.
 - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. From the prior audit documentation, we noted the following loans outstanding as of December 31, 2011. These amounts agreed to the Districts January 1, 2012 balances on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2011:
OWDA Construction Loan #3502	\$ 912,089
OWDA Construction Loan #4275	2,103,318
OPWC Loan Project #CB22G	270,000
OWDA Construction Loan #5260	382,656
OWDA Construction Loan #5904	317,948

2. We inquired of management, and scanned the Check, Savings and Star-Ohio Registers for evidence of debt issued during 2013 or 2012 or debt payment activity during 2013 or 2012. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of debt activity for 2013 and 2012 and agreed principal and interest payments from the related debt amortization schedules to payments reported in the Check Register. We also compared the date the debt service payments were due to the date the District made the payments. We found no exceptions.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded per the Check Register. We noted that \$341,531 of debt proceeds were not recorded in the Check Register in 2013 and \$18,493 in 2012.
5. For new debt issued during 2013, we inspected the debt legislation, noting the District must use the proceeds to make improvements to the Force Main Crossing Sewer Lines. The unspent balance of the new debt as of December 31, 2013, was \$24,585.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2013 and one payroll check for five employees from 2012 from the Check Register and:
 - a. We compared the hours and pay rate, or salary amount recorded in the Check Register to supporting documentation (legislatively approved rate or salary). We found no exceptions.
 - b. We recomputed gross and net pay and agreed it to the amount recorded in the Check 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.

Payroll Cash Disbursements (Continued)

2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2013 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 2013. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security for employees not enrolled in pension system)	January 31, 2014	January 17, 2014	\$76.13	\$76.13
OPERS retirement	January 30, 2014	January 30, 2014	\$210.00	\$210.00

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Check, Savings and Star-Ohio Registers for the year ended December 31, 2013 and ten from the year ended 2012 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 Treasurer 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 from the Amended Official Certificate of Estimated Resources, required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.36(A)(1), to the amounts recorded in the Budgetary Report for the years ended December 31, 2013 and 2012. The amounts agreed.
2. We scanned the appropriation measures adopted for 2013 and 2012 to determine whether the Board of 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 Budgetary Report for 2013 and 2012. The amounts on the appropriation resolutions agreed to the amounts recorded in the Budgetary Report.
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, 2013 and 2012. 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, 2013 and 2012, as recorded in the Budgetary Report. We noted that expenditures for 2013 exceeded total appropriations by \$118,194 and for 2012 expenditures exceeded total appropriations by \$22,813, contrary to Ohio Rev. Code Sections 5705.28(B)(2) and 5705.41(B). The Treasurer should not certify the availability of funds and should deny payment requests exceeding appropriations. The Treasurer 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 scanned the financial statements for the years ended December 31, 2013 and 2012 for a negative cash fund balance. We noted no negative cash fund balance.

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.

Bastin & Company, L L C

Cincinnati, Ohio
June 30, 2014

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Dave Yost • Auditor of State

WHITEWATER TOWNSHIP REGIONAL SEWER DISTRICT

HAMILTON 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 22, 2014**