



Dave Yost • Auditor of State

TRI-COUNTY WATER AUTHORITY
HARRISON COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Tri-County Water Authority
Harrison County
P.O. Box 26
Harrisville, Ohio 43974

We have performed the procedures enumerated below, with which the Board of Trustees and the management of the Tri-County Water Authority, Harrison County, Ohio (the Authority), 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, 2014 and 2013, 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, 2014 and December 31, 2013 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2013 beginning balance recorded in the Cash Journal to the December 31, 2012 balance in the prior year audited statements. We found no exception. We also agreed the January 1, 2014 beginning fund balance recorded in the Cash Journal to the December 31, 2013 balance in the Cash Journal. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2014 and 2013 cash balances reported in the Cash Journal. The amounts agreed.
4. We confirmed the December 31, 2014 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, 2014 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2014 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 Cash Journal, to determine the debits were dated prior to December 31. We noted no exceptions.
6. We tested investments held at December 31, 2014 and December 31, 2013 to determine that they were of a type authorized by Ohio Rev. Code §6119.16. We found no exceptions.

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Charges for Services

1. We haphazardly selected 10 water collection cash receipts from the year ended December 31, 2014 and 10 water collection cash receipts from the year ended 2013 recorded in the Daily Cash Receipts Journal Report and determined whether the:
 - a. Receipt amount per the Daily Cash Receipts Journal Report agreed to the amount recorded to the credit of the customer's account in the Customer Balance Report. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Customer Balance 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.

2. We read the Aged Customer Delinquent Report.
 - a. We noted this report listed \$10,736 and \$10,915 of accounts receivable as of December 31, 2014 and 2013, respectively.
 - b. Of the total receivables reported in step 2a, \$3,732 and \$3,573 were recorded as more than 90 days delinquent as of December 31, 2014 and 2013, respectively.

3. We read the Daily Cash Receipts Journal Adjustments Report.
 - a. We noted this report listed a total of \$1,671 and \$5,210 non-cash receipts adjustments for the years ended December 31, 2014 and 2013, respectively.
 - b. We reviewed the Daily Receipts Journal Adjustments Report throughout 2014 and 2013 and noted the Board Treasurer did not review and approve the adjustments posted to customer accounts. Not reviewing and approving adjustments to customer accounts could allow unauthorized or improper adjustments to customer accounts to go undetected. The Board Treasurer should review and approve all non-cash receipts adjustments, and document such approval through the use of initials or his signature.

Debt

1. From the prior audit documentation, we noted the following loan outstanding as of December 31, 2012. This amount agreed to the Authority's January 1, 2013 balance on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2012:
Ohio Water Development Authority Loan	\$158,237

2. We inquired of management, and scanned the Cash Journal and Appropriation Ledger for evidence of debt issued during 2014 or 2013 or debt payment activity during 2014 or 2013. All debt noted agreed to the summary we used in step 3.

3. We obtained a summary of loan debt activity for 2014 and 2013 and agreed principal and interest payments from the related debt amortization schedule to payments reported in the Cash Journal. We also compared the date 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 2014 and one payroll check for five employees from 2013 from the Payroll Summary Report and:
 - a. We compared the hours and pay rate, or salary amount recorded in the Payroll Summary Report to supporting documentation (timecard, or legislatively approved rate or salary). We found no exceptions.
 - b. 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. 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, 2014 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 2014. 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)	1/31/15	1/15/15	\$668	\$668
State income taxes	1/31/15	1/15/15	\$332	\$332
OPERS retirement	1/30/15	1/15/15	\$1,454	\$1,454

Non-Payroll Cash Disbursements

1. From the Appropriation Ledger, we re-footed checks recorded as Office Salaries and checks recorded as Water Purchases for 2014. We found no exceptions.

2. We haphazardly selected ten disbursements from the Cash Journal for the year ended December 31, 2014 and ten from the year ended 2013 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 Cash Journal 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 Amended Official Certificate of Estimated Resources, required by Ohio Rev. Code §§5705.28(B)(2) and 5705.36(A)(1), to the amounts recorded in the Cash Journal for the years ended December 31, 2014 and 2013. The amounts on the *Certificate* did not agree to the accounting system since no estimated receipts were entered into the accounting system. The Clerk/Secretary should enter estimated receipts into the accounting system, and periodically compare amounts recorded in the accounting system to amounts recorded on the *Amended Official Certificate of Estimated Resources* to assure they agree. If the amounts do not agree, the Trustees may be using inaccurate information for budgeting and monitoring purposes.

Compliance – Budgetary (Continued)

2. We scanned the appropriation measures adopted for 2014 and 2013 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 §§5705.28(B)(2) and 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Rev. Code §§5705.28(B)(2), 5705.38 and 5705.40, to the amounts recorded in the Appropriations Ledger for 2014 and 2013. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriations Ledger.
4. Ohio Rev. Code §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 resources for the years ended December 31, 2014 and 2013. Appropriations did not exceed estimated resources.
5. Ohio Rev. Code §§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, 2014 and 2013, as recorded in the Appropriation Ledger. Expenditures did not exceed appropriations.
6. We scanned the Cash Journal for the years ended December 31, 2014 and 2013 for negative cash fund balance. Ohio Rev. Code §5705.10(l) 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. 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 Authority'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 Authority, and is not intended to be, and should not be used by anyone other than these specified parties.



Dave Yost
Auditor of State
Columbus, Ohio

October 22, 2015



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TRI-COUNTY WATER AUTHORITY

HARRISON 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 5, 2015**