

SUNDAY CREEK VALLEY WATER DISTRICT

ATHENS COUNTY, OHIO

AGREED-UPON PROCEDURES

For the Years Ended December 31, 2016 and 2015





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 Charles E. Harris & Associates, Inc., for the period January 1, 2015 through December 31, 2016. 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 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 12, 2017

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**SUNDAY CREEK VALLEY WATER DISTRICT
ATHENS COUNTY
Agreed-Upon Procedures
For the Years Ended December 31, 2016 and 2015**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Sunday Creek Valley Water District (the District) and the Auditor of State on the receipts, disbursements and balances recorded in the District's cash basis accounting records for the years ended December 31, 2016 and 2015 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the District. The District is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2016 and 2015 and certain compliance requirements related to these transactions and balances included in the information provided to us by the District. 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, 2016 and December 31, 2015 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2015 beginning balance recorded in the General Ledger Report to the December 31, 2014 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2016 beginning balances recorded in the Annual Financial Report to the December 31, 2015 balances in the General Ledger Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2016 and 2015 cash balances reported in the Annual Financial Report. The amounts agreed.
4. We confirmed the December 31, 2016 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, 2016 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2016 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 selected three reconciling credits (such as deposits in transit) haphazardly from the December 31, 2016 bank reconciliation:

- a. We traced each credit to the subsequent January bank statement. We found no exceptions.
 - b. We agreed the credit amounts to the General Ledger Report. Each credit was recorded as a December receipt for the same amount recorded in the reconciliation.
7. We inspected investments held at December 31, 2016 and December 31, 2015 to determine that they were of a type authorized by Ohio Rev. Code Section 6119.16. We found no exceptions.

Charges for Services

1. We haphazardly selected 10 water collection cash receipts from the year ended December 31, 2016 and 10 water collection cash receipts from the year ended December 31, 2015 recorded in the Daily Receipt List and:
 - a. Agreed the receipt amount per the Daily Receipt List to the amount recorded to the customer's account in the Billing Register. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Billing Register 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 inspected the Billing Register.
 - a. This report listed \$70,979 and \$66,110 of accounts receivable as of December 31, 2016 and 2015, respectively.
 - b. Of the total receivables reported in step 2a, \$5,813 and \$6,052 were recorded as more than 90 days delinquent as of December 31, 2016 and 2015, respectively.
3. We inspected the Billing Register.
 - a. This report listed a total of \$1,840 and (\$474) non-cash receipts adjustments for the years ended December 31, 2016 and 2015, respectively.
 - b. We haphazardly selected five non-cash adjustments from 2016 and five non-cash adjustments from 2015, and noted that no one approved the adjustments.

Debt

1. From the prior audit documentation, we observed the following loans outstanding as of December 31, 2014. These amounts agreed to the District's January 1, 2015 balances on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2014:
OWDA 3332	\$ 131,180
OWDA 3196	\$ 179,365
OWDA 4841	\$ 506,762
OWDA 3577	\$ 731,445
OPWC CR09F	\$ 62,511

2. We inquired of management, and inspected the General Ledger Report for evidence of debt issued during 2016 or 2015 or debt payment activity during 2016 or 2015. All debt observed agreed to the summary we used in step 3. We noted no new debt issuances, during 2016 or 2015.
3. We obtained a summary of loan debt activity for 2016 and 2015 and agreed principal and interest payments from the related debt amortization schedules to debt service payments reported in the General Ledger Report. 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 2016 and one payroll check for five employees from 2015 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.
 - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
 - c. We inspected the Payroll Register 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 and on employees' timesheets. We also confirmed the payment was posted to the proper year. We found no exceptions.
2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2016 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 2016. We observed 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, 2017	January 9, 2017	\$ 1,990.54	\$1,990.54
State income taxes	January 15, 2017	January 6, 2017	\$ 391.55	\$ 391.55
School District Income Tax	January 31, 2017	January 6, 2017	\$ 6.84	\$ 6.84
OPERS retirement	January 30, 2017	January 6, 2017	\$ 4,275.29	\$ 4,275.29

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the General Ledger Report for the year ended December 31, 2016 and ten from the year ended December 31, 2015 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 General Ledger 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.

- 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

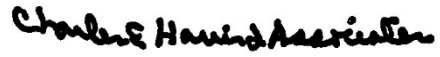
1. We compared the total estimated receipts from the Annual Budget, required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.36(A)(1), to the amounts recorded in the Statement on Income and Expense for the years ended December 31, 2016 and 2015. The amounts agreed.
2. We inspected the appropriation measures adopted for 2016 and 2015 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 Statement on Income and Expense for 2016 and 2015. The amounts on the appropriation resolutions agreed to the amounts recorded in the Statement on Income and Expense.
4. Ohio Rev. Code Sections 5705.28(B)(2)(c) prohibit 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, 2016 and 2015. Appropriations did not exceed estimated revenue
5. Ohio Rev. Code Sections 5705.28(B)(2) and 5705.41(B) prohibit disbursements (disbursements plus certified commitments) from exceeding appropriations. We compared total disbursements to total appropriations for the years ended December 31, 2016 and 2015 as recorded in the Statement on Income and Expense. Disbursements did not exceed appropriations.
6. We inspected the General Ledger Report for the years ended December 31, 2016 and 2015 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. There were no funds having negative cash fund balances.

Other Compliance

Ohio Rev. Code Section 117.38 requires entities to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. We confirmed the District filed their complete financial statements, as defined by AOS Bulletin 2016-007 within the allotted timeframe for the years ended December 31, 2016 and 2015. There were no exceptions.

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 District'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 for the use of the District to assist in evaluating its receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2016 and 2015, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
June 15, 2017



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 25, 2017**