

***WALNUT CREEK SEWER DISTRICT***

**FAIRFIELD COUNTY**

**AGREED-UPON PROCEDURES**

**For the Years Ended December 31, 2016 and 2015**







# Dave Yost • Auditor of State

Board of Trustees  
Walnut Creek Sewer District  
P.O. Box 599  
Pleasantville, Ohio 43148

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Walnut Creek Sewer District, Fairfield 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 Walnut Creek Sewer 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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**WALNUT CREEK SEWER DISTRICT  
FAIRFIELD COUNTY  
Agreed-Upon Procedures  
For the Years Ended December 31, 2016 and 2015**

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

Walnut Creek Sewer District  
Fairfield County  
P.O. Box 599  
Pleasantville, Ohio 43148

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Walnut Creek Sewer 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 Financial Summary Report to the December 31, 2014 balance in the prior year audited statements. We found a variance of \$430 due to voided checks from a prior period. We also agreed the January 1, 2016 beginning fund balance recorded in the Financial Summary Report to the December 31, 2015 balance in the Financial Summary 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 General Ledger Report. The amounts agreed.
4. We observed the year-end bank balances on the financial institution's website. The balances agreed. 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 and February bank statements. 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 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 confirmed the amounts paid from the Village of Pleasantville and the Village of Thurston, the service organizations that performed the sewer billings for the District during 2016 and 2015 with the Village of Pleasantville and the Village of Thurston. We inspected the General Ledger:
  - a. To determine whether these receipts were allocated to the proper fund. We found no exceptions.
  - b. To determine whether the receipts were recorded in the proper year. We found no exceptions.

**Debt**

1. From the prior audit documentation, we observed the following bonds and 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:
USDA Rural Development Bonds	\$ 127,239
OWDA Loan 4060	27,292
ODWA Loan 5194	35,022
OPWC Loan CQ28L	203,316
OPWC Loan CQ29M	505,651

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. There were no new debt issuances during 2016 or 2015.
3. We obtained a summary of bonded and 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 the only employee from 2016 and one payroll check for the only employee from 2015 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 inspected the Payroll Summary Report to confirm whether the account code to which the check was posted was reasonable based on the employees' duties as documented in the employees' personnel files. 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:



<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2017	January 4, 2017	\$ 197.34	\$ 197.34
State income taxes	January 15, 2017	January 3, 2017	\$ 5.00	\$ 5.00
Local income tax	January 15, 2017	January 4, 2017	\$ 21.35	\$ 21.35
OPERS retirement	January 30, 2017	December 31, 2016	\$ 219.32	\$ 219.32

### Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Check Register 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 Check Register 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 Certificate of the Total Amount From All Sources Available For Expenditures and Balances, required by Ohio Rev. Code Section [(s) 5705.28(B)(2) and 5705.36(A)(1), to the amounts recorded in the Income and Expense Report 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 Section 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 Income and Expense Report for 2016 and 2015. The amounts on the appropriation resolutions agreed to the amounts recorded in the Income and Expense 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, 2016 and 2015. Appropriations did not exceed estimated revenue.
5. Ohio Rev. Code Section (s) 5705.28(B)(2) and 5705.41(B) prohibit disbursements (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2016 and 2015, as recorded in the Annual Appropriation Report. 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 balance. 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. The District's only fund did not have negative fund balance.

#### **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. Financial information was filed on June 21, 2017, which was not within the allotted timeframe.

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 27, 2017



# Dave Yost • Auditor of State

**WALNUT CREEK SEWER DISTRICT**

**FAIRFIELD 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**