

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

AGREED-UPON PROCEDURES

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016



Dave Yost • Auditor of State

Board of Trustees
Whitewater Township Regional Sewer & Water District
P.O. Box 532
Miami town, Ohio 45041

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of Whitewater Township Regional Sewer & Water District, Hamilton County, prepared by Bastin & Company, LLC, for the period January 1, 2016 through December 31, 2017. 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. Whitewater Township Regional Sewer & 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

August 21, 2018

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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
Miami town, Ohio 45041

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of the Whitewater Township Regional Sewer & Water District (the District) and the Auditor of State, on the receipts, disbursements and balances recorded in the Districts cash basis accounting records for the years ended December 31, 2017 and 2016 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, 2017 and 2016 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, 2017 and December 31, 2016 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2016 beginning balances recorded in the Checking, Savings, Star-Ohio and Star Plus Registers to the December 31, 2015 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2017 beginning fund balances recorded in the Checking, Savings, Star-Ohio and Star Plus Registers to the December 31, 2016 balances in the Checking, Savings, Star-Ohio and Star Plus Registers. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2017 and 2016 bank balances reported in the Checking, Savings, Star-Ohio and Star Plus Registers. The amounts agreed.
4. We confirmed the December 31, 2017 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, 2017 bank reconciliation without exception.
5. We selected the one reconciling debit (outstanding check) from the December 31, 2017 bank reconciliation:
 - a. We traced the debit to the subsequent January 2018 bank statement. We found no exceptions.
 - b. We traced the amount and date to the Checking Register, to determine the debit was dated prior to December 31. There were no exceptions.

6. We traced interbank account transfers occurring in December of 2017 and 2016 to the accounting records and bank statements to determine if they were properly recorded. We found no exceptions.
7. We inspected investments held at December 31, 2017 and December 31, 2016 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 haphazardly selected a special assessment receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2017 and one from 2016:
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Checking Register. The amounts agreed.
 - b. We inspected the Checking Register to confirm whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We inspected the Checking Register to determine whether it included two special assessment receipts for 2017 and 2016. The Checking Register included the proper number of special assessment receipts for each year.
3. We confirmed the amount paid from the Ohio Water Development Authority (OWDA) to the District during 2017 with OWDA.
 - a. We compared the amount from the confirmation to the amount recorded in the Checking Register. The amount agreed.
 - b. We inspected the Checking Register to confirm whether the receipt was recorded in the proper year. The receipt were recorded in the proper year.
4. We agreed amounts from supporting documentation for amounts received from the Metropolitan Sewer District of Greater Cincinnati to reimbursement the District for project costs. We found no exceptions.
 - a. We compared the amounts from the supporting documentation to the amounts recorded in the Checking Register. The amounts agreed.
 - b. We inspected the Checking Register to confirm whether the receipts were recorded in the proper year. The receipts were recorded in the proper year.

Debt

1. From the prior audit documentation, we observed the following loans were outstanding as of December 31, 2015. These amounts agreed to the District's January 1, 2016 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2015:
OWDA Construction Loan #3502	\$ 637,606
OWDA Construction Loan #4275	1,572,837
OPWC Loan Project #CB22G	200,000
OWDA Construction Loan #5260	320,970
OWDA Construction Loan #5904	2,149,768
OWDA Construction Loan #6437	290,702

2. We inquired of management, and inspected the Checking Register for evidence of debt issued during 2017 or 2016 or debt payment activity during 2017 or 2016. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of loan debt activity for 2017 and 2016 and agreed principal and interest payments from the related debt amortization schedules to debt service payments reported in the Checking 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 in the Checking Register. The amounts agreed.
5. For new debt issued during 2017, we inspected the debt legislation, which stated the District must use the proceeds to make improvements to the Miamitown Collection Sewers. We inspected the Checking Register and observed the District made payments for improvements to the Miamitown Collection Sewers during 2016.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2017 and one payroll check for five employees from 2016 from the Checking Register and:
 - a. We compared the hours and pay rate, or salary amount recorded in the Checking 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 Checking Register. We found no exceptions.
 - c. We inspected the Checking 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. 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, 2017 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 2017. 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, 2018	December 19, 2017	\$87.00	\$87.00
OPERS retirement	January 30, 2018	December 19, 2017	\$240.00	\$240.00

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Checking Register for the year ended December 31, 2017 and ten from the year ended 2016 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 Checking Register and to the names and amounts on the supporting invoices. We found no exceptions.
 - c. 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 *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, 2017 and 2016. The amounts agreed.
2. We inspected the appropriation measures adopted for 2017 and 2016 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) and 5705.38 and 5705.40, to the amounts recorded in the Budgetary Report for 2017 and 2016. 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, 2017 and 2016. 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, 2017 and 2016, as recorded in the Budgetary Report. Expenditures did not exceed appropriations.
6. We inspected the Checking, Savings, Star-Ohio and Star Plus Registers for the years ended December 31, 2017 and 2016 for a 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. There were no funds having negative cash fund balances.

Other Compliance

Ohio Rev. Code Section 117.38 requires these district's to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies, in addition to filing extensions granted for extenuating circumstances, allow for refiling complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System for December 31, 2017 and 2016 fiscal year ends included in 2015-2016 or 2016-2017 agreed upon procedure engagements, subsequent to the District's deadline where the initial filing was filed on time but incomplete. We confirmed the District filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended December 31, 2017 and 2016 in the Hinkle system. 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 to provide assistance in the evaluation of the District's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2017 and 2016, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Cincinnati, Ohio
June 20, 2018

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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
SEPTEMBER, 4 2018