



Certified Public Accountants, A.C.

**EASTERN OHIO REGIONAL WASTEWATER AUTHORITY  
BELMONT COUNTY  
Agreed-Upon Procedures  
For the Years Ended December 31, 2018 and 2017**

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304 422 2203

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OHIO AUDITOR OF STATE  
KEITH FABER



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Board of Directors  
Eastern Ohio Regional Wastewater Authority  
P.O. Box 508  
Bridgeport, Ohio 43912

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of Eastern Ohio Regional Wastewater Authority, Belmont County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the period January 1, 2017 through December 31, 2018. 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. Eastern Ohio Regional Wastewater Authority is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads 'Keith Faber'.

Keith Faber  
Auditor of State  
Columbus, Ohio

August 30, 2019

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EASTERN OHIO REGIONAL WASTEWATER AUTHORITY  
BELMONT COUNTY

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

July 10, 2019

Eastern Ohio Regional Wastewater Authority  
Belmont County  
P.O. Box 508  
Bridgeport, Ohio 43912

We have performed the procedures enumerated below, which were agreed to by the Board of Directors and the management of **Eastern Ohio Regional Wastewater Authority**, Belmont County (the Authority) and the Auditor of State, on the receipts, disbursements and balances recorded in the Authority's cash basis accounting records for the years ended December 31, 2018 and 2017 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Authority. The Authority is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2018 and 2017 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Authority. 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, 2018 and December 31, 2017 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2017 beginning balance recorded in the Balance Sheet Audit Trail to the December 31, 2016 balance in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2018 beginning balance recorded in the Balance Sheet Audit Trail to the December 31, 2017 balance in the Balance Sheet Audit Trail. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2018 and 2017 cash balances reported in the Balance Sheet Audit Trail. The amounts agreed.
4. We observed the year-end bank balances on the financial institutions' websites. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2018 bank reconciliation without exception.

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Members: American Institute of Certified Public Accountants  
\* Ohio Society of CPAs \* West Virginia Society of CPAs \* Association of Certified Fraud Examiners \* Association of Certified Anti-Money Laundering Specialists \*

### **Cash and Investments (Continued)**

5. We selected a sample (agreed upon) of five reconciling debits (such as outstanding checks) from the December 31, 2018 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 all reconciling credits (such as deposits in transit) from the December 31, 2018 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 Revenue Audit Trail. Each credit was recorded as a December receipt for the same amount recorded in the reconciliation.
7. We inspected investments held at December 31, 2018 and December 31, 2017 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 selected a sample (agreed upon) of 10 sewer collection cash receipts from the year ended December 31, 2018 and 10 sewer collection cash receipts from the year ended 2017 recorded in the U/B Cycle Receipts Journal and:
  - a. Agreed the receipt amount per the U/B Cycle Receipts Journal to the amount recorded to the customer's account in the Billing Journal. The amounts agreed.
  - b. Amount charged for the related billing period:
    - i. Agreed with the debit to accounts receivable in the Billing Journal 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. 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 U/B Aged Trial Balance.
  - a. This report listed \$219,695 and \$40,046 of accounts receivable as of December 31, 2018 and 2017, respectively.
  - b. Of the total receivables reported in procedure 2a, \$41,329 and \$3,075 were recorded as more than 90 days delinquent as of December 31, 2018 and 2017, respectively.
3. We inspected the U/B Adjustment Journal.
  - a. This report listed a total of \$681,593 and \$668,446 non-cash receipts adjustments for the years ended December 31, 2018 and 2017, respectively.
  - b. We selected a sample (agreed upon) of five non-cash adjustments from 2018 and five non-cash adjustments from 2017, and noted that the Board of Trustees approved each adjustment.



**Debt**

1. From the prior audit documentation, we observed the following bond and note were outstanding as of December 31, 2016. These amounts agreed to the Authority's January 1, 2017 balances on the summary we used in procedure 3.

<b>Issue</b>	<b>Principal outstanding as of December 31, 2016:</b>
Series 2013 Bond	\$ 3,080,000
OWDA Loan 7449	\$ 1,156,349

2. We inquired of management, and inspected the Revenue Audit Trail and Expense Audit Trail for evidence of debt issued during 2018 or 2017 or debt payment activity during 2018 or 2017. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of bond and notes debt activity for 2018 and 2017 and agreed principal and interest payments from the related debt amortization schedules to Enterprise Fund payments reported in the Expense Audit Trail. We also compared the date the debt service payments were due to the date the Authority made the payments. We found no exceptions.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded per the Revenue Audit Trail. The amounts agreed.
5. For new debt issued during 2018 and 2017, we inspected the debt legislation, which stated the Authority must use the proceeds to upgrade an anaerobic digester. We inspected the Expense Audit Trail and observed the Authority made upgrades to an anaerobic digester throughout the year.

**Payroll Cash Disbursements**

1. We selected one payroll check for five employees from 2018 and one payroll check for five employees from 2017 from the Current Period Register Report and:
  - a. We compared the hours and pay rate, or salary amount recorded in the Current Period Register Report to supporting documentation (timecard, legislatively approved rate or salary). We found no exceptions.
  - b. We inspected the Current Period Register Report to confirm whether the account codes to which the check was posted were 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.

**Payroll Cash Disbursements (Continued)**

2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2018 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 during 2018. 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, 2019	December 31, 2018	\$ 7,160.88	\$ 7,160.88
State income taxes	January 15, 2019	January 2, 2019	\$ 1,793.74	\$ 1,793.74
Local Income Tax	January 15, 2019	January 2, 2019	\$ 722.12	\$ 722.12
OPERS retirement	January 30, 2019	January 2, 2019	\$ 14,703.02	\$ 14,703.02

3. We selected and recomputed one termination payment (unused vacation, etc.) using the following information, and agreed the computation to the amount paid as recorded in the Current Period Register Report:
  - a. Accumulated leave records
  - b. The employee's pay rate in effect as of the termination date
  - c. The Authority's payout policy.

The amount paid was consistent with the information recorded in a. through c. above.

**Non-Payroll Cash Disbursements**

1. We selected a sample (agreed upon) of 10 disbursements from the Expense Audit Trail for the year ended December 31, 2018 and 10 from the year ended 2017 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 Expense Audit Trail 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 Operating Budget, required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.36(A)(1), to the amounts recorded in the Revenue Report for the years ended December 31, 2018 and 2017. The amounts for 2018 agreed. The Revenue Report recorded budgeted (i.e. certified) resources of 3,897,771 for 2017. However, the final Annual Operating Budget reflected 3,997,771. The fiscal officer should periodically compare amounts recorded in the Revenue Report to amounts recorded on the Annual Operating Budget 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 inspected the appropriation measures adopted for 2018 and 2017 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 Expense Report for 2018 and 2017. The amounts on the appropriation resolutions did not agree to the amounts recorded in the Expense Report.
4. Ohio Rev. Code Sections 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, 2018 and 2017. Appropriations did not exceed estimated revenue.
5. We inspected the Balance Sheet Audit Trail for the years ended December 31, 2017 and 2018 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. There were no funds having negative cash fund balances.

### Other Compliance

1. Ohio Rev. Code Section 117.38 requires these authority's to file their financial information in the HINKLE system within 150 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 regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. We confirmed the Authority 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, 2018 and 2017 in the Hinkle system. There were no exceptions.
2. For all credit card accounts we obtained:
  - copies of existing internal control policies,
  - a list of authorized users, and
  - a list of all credit card account transactions.
  - a. We inspected the established policy obtained above and determined it is:
    - i. in compliance with the HB 312 statutory requirements, and
    - ii. implemented by the entity.We found no exceptions.
  - b. We selected 3 credit card transactions for testing. For selected transactions we inspected documentation to determine that:
    - i. Use was by an authorized user within the guidelines established in the policy, and
    - ii. Each transaction was supported with original invoices and for a proper public purpose.

We found 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 Authority'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 Authority's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2018 and 2017, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

# OHIO AUDITOR OF STATE KEITH FABER



**EASTERN OHIO REGIONAL WASTEWATER AUTHORITY**

**BELMONT 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 12, 2019**