



Dave Yost • Auditor of State

**TUPPERS PLAINS REGIONAL SEWER DISTRICT
MEIGS COUNTY
DECEMBER 31, 2017 AND 2016**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Tuppers Plains Regional Sewer District
Meigs County
P.O. Box 175
Tuppers Plains, Ohio 45783

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Tuppers Plains Regional Sewer District, Meigs County, Ohio (the District), on the receipts, disbursements and balances recorded in the District's 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

1. We recalculated the December 31, 2017 and December 31, 2016 bank reconciliations. We found one exception. On the December 31, 2016 bank reconciliation, there was a variance of \$17,893 between the ending balance on the General Ledger and the ending General Ledger balance on the Account Reconciliation for the Farmers Bank Checking Account. This variance consisted of \$17,840 in checks outstanding that had cleared the bank at December 31, 2016 and a deposit in transit of \$53 that was omitted from the bank reconciliation.
2. We agreed the January 1, 2016 beginning balance recorded in the General Ledger Report to the December 31, 2015 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2017 beginning fund balances recorded in the General Ledger Report to the December 31, 2016 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, 2017 and 2016 Cash Balances reported in the General Ledger Reports. The amounts agreed.
4. We confirmed the December 31, 2017 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, 2017 bank reconciliation without exception.

Cash (Continued)

5. We selected three reconciling debits (such as outstanding checks) haphazardly from the December 31, 2017 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 one reconciling credit (such as deposit in transit) haphazardly from the December 31, 2017 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.

Confirmable Cash Receipts

We confirmed the amounts paid from the Ohio Water Development Authority (OWDA) to the District during 2016 and 2017 with the OWDA Transaction Listing on the AOS intranet.

- a. We compared the amount from the above reports to the amounts recorded in the General Ledger Report. The District did not report receipts totaling \$112,299 in 2016 and \$6,573 in 2017 relating to on-behalf payments for construction projects. These omissions had no effect on the ending fund balance at December 31, 2016 or 2017.
- b. We inspected the General Ledger Report to determine whether the receipts were recorded in the proper year. We found where some receipts were not posted to the financial records.

Charges for Services

1. We haphazardly selected 10 sewer collection cash receipts from the year ended December 31, 2017 and 10 water collection cash receipts from the year ended 2016 recorded in the General Ledger Report and:
 - a. Agreed the receipt amount per the General Ledger Report to the amount recorded to the customer's account in the Customer Ledger Report. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Customer Ledger Report for the billing period. We found no exceptions.
 - ii. Complied with rates in force during the audit period. We found no exceptions.
 - c. Receipt was recorded in the year received. We found no exceptions.
2. We inspected the Aged Receivables Report.
 - a. This report listed \$72,838 and \$71,560 of accounts receivable as of December 31, 2017 and 2016, respectively.
 - b. Of the total receivables reported procedure 2a, \$72,710 and \$66,580 were recorded as more than 90 days delinquent as of December 31, 2017 and 2016, respectively.
3. We inspected the Customer Ledger Report.
 - a. We noted non non-cash receipt adjustments for the year ended December 31, 2017 and 2016, respectively.

Debt

1. From the prior agreed-upon procedures 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 client summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2015:
Rural Development Water Resource Revenue Bonds	\$654,413
Ohio Public Works Commission Note	28,875
Ohio Public Works Commission Loan (OPWC) #CR25G	36,632

2. We inquired of management, and inspected the General Ledger Report and Check Register Report 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 bonds, notes, and loans debt activity for 2017 and 2016 and agreed principal and interest payments from the related debt amortization schedules to payments reported in the Check Register. We also compared the date the debt service payments were due to the date the District made the payments. During 2017, the Ohio Public Works Commission total principal and interest payments per the amortization schedule for second half of the year was \$4,125. The amount recorded in the Check Register Report was \$16,500. The variance of \$12,375 was due to paying the final four payments early in a lump sum payment. The 2017 and 2016 Rural Development Water Resource Revenue Bond actual principal and interest payments billed to and paid by the District were \$17 and \$56 less than the amortization schedule amounts, respectively. Also during 2016, payment due to Ohio Water Development Authority payment of \$1,308 due on July 1, 2016 was paid on July 11, 2016. These variances resulted from timing differences and had no effect on the District's fund balance.
4. We were unable to agree the amount of debt proceeds from the debt documents to amounts recorded per the Receipt Register Listing Report. The District obtained an OWDA loan resulting in debt proceeds totaling \$56,124 for construction project expenses paid to the contractor on behalf of the District in 2017. The District did not record the debt proceeds in the Receipt Register Listing Report.
5. For new debt issued during 2017 and 2016, we inspected the debt legislation, which stated the District must use the proceeds for wastewater treatment plant improvements.

Non-Payroll Cash Disbursements

We haphazardly selected ten disbursements from the Check Register Report 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 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.

Compliance – Budgetary

1. We attempted to compare the total estimated receipts from the *Certificate of the Total Amount From All Sources Available For Expenditures and Balances* required by Ohio Rev. Code §§ 5705.28(B)(2) and 5705.36(A)(1), to the amounts recorded in the accounting system for the years ended December 31, 2017 and 2016. While the District maintains a budgetary tracking spreadsheet outside of the accounting system, the estimated receipt amounts were not recorded in the accounting system.
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 §§ 5705.28(B)(2) and 5705.38(C). We found no exceptions.
3. We attempted to compare total appropriations required by Ohio Rev. Code §§ 5705.28(B)(2), 5705.38 and 5705.40, to the amounts recorded in the accounting system for 2017 and 2016. While the District maintains a budgetary tracking spreadsheet outside of the accounting system, the appropriation amounts were not recorded in the accounting system.
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 revenue for the years ended December 31, 2017 and 2016. Appropriations did not exceed estimated revenue.
5. Ohio Rev. Code §§ 5705.28(B)(2) and 5705.41(B) prohibit 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 Appropriation Report. Expenditures did not exceed appropriations.
6. We inspected the General Ledger for the years ended December 31, 2017 and 2016 for negative cash fund balance. Ohio Rev. Code § 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 § 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 refile 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 up on 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 year ended December 31, 2017 in the Hinkle system. For 2016, the complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy was filed on January 31, 2018, 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 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

June 21, 2018

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TUPPERS PLAINS REGIONAL SEWER DISTRICT

MEIGS 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 10, 2018**