



**NOBLE COUNTY WATER AUTHORITY
NOBLE COUNTY
AGREED-UPON PROCEDURES
FOR THE YEARS ENDED DECEMBER 31, 2020-2019**

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OHIO AUDITOR OF STATE
KEITH FABER



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Board of Trustees
Noble County Water Authority
PO Box 127
Belle Valley, OH 43717

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Noble County Water Authority, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2019 through December 31, 2020. 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 Noble County Water 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

October 18, 2021

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NOBLE COUNTY WATER AUTHORITY
NOBLE COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

July 31, 2021

Noble County Water Authority
Noble County
PO Box 127
Belle Valley, OH 43717

We have performed the procedures enumerated below on the Noble County Water Authority (the Authority) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2020 and 2019 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, 2020 and 2019 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Authority.

The Board of Trustees and the management of the Authority have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing 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, 2020 and 2019, and certain compliance requirements related to these transactions and balances. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the 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.

For the purposes of performing these procedures, this report only describes exceptions exceeding \$10.

The procedures and the associated findings are as follows:

Cash and Investments

1. We recalculated the December 31, 2020 and December 31, 2019 bank reconciliations. We found no exceptions.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations
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Cash and Investments (Continued)

2. We agreed the January 1, 2019 beginning fund balances record in the Reconciliation Summary to the December 31, 2018 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, 2020 beginning fund balances recorded in the Reconciliation Summary to the December 31, 2019 balances in the Reconciliation Summary. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2020 cash balances reported in the General Ledger and the financial statements filed by the Authority in the Hinkle System. We found the bank reconciliation was overstated \$3,074.37 in 2019 and overstated \$961.47 in 2020 compared to the financial statements because the Authority did not include the Sewer Account and Petty Cash balances on the financial statements. We found no other exceptions.
4. We confirmed the December 31, 2020 bank account balances with the Authority's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2020 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2020 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 traced interbank account transfers occurring in December of 2020 and 2019 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, 2020 and December 31, 2019 to determine that they were of a type authorized by Ohio Rev. Code Sections 6119.16. We found no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

1. We haphazardly selected five receipts from the Noble County's Cross Reference Report from 2020 and five from 2019.
 - a. We compared the amount from the above report to the amount recorded in the General Ledger. The amounts agreed.
 - b. We inspected the General Ledger to determine that these receipts were allocated to the proper fund as required by Ohio Rev. Code §§ 5705.05-.06 and 5705.10. We found no exceptions.
 - c. We inspected the General Ledger to determine whether the receipts were recorded in the proper year. We found no exceptions.

Charges for Services

1. We haphazardly selected 10 water collection cash receipts from the year ended December 31, 2020 and 10 water collection cash receipts from the year ended 2019 recorded in the U/B Receipts Journal Report and:
 - a. Agreed the receipt amount per the "paid" billing stub to the amount recorded to the customer's account in the U/B Receipts Journal. The amounts agreed.

Charges for Services (Continued)

- b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the U/B Receipts Journal Report 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 U/B Trial Balance.
 - a. This report listed \$34,952.98 and \$31,968.45 of accounts receivable as of December 31, 2020 and 2019, respectively.
 - b. Of the total receivables reported in procedure 2a, the amount of receivables that are more than 90 days delinquent as of December 31, 2020 and 2019 is unknown. The Authority could not provide a breakdown of receivables that were outstanding based day count.
 3. We inspected the U/B Adjustment Journal.
 - a. This report listed a total of (\$138.54) and \$33.41 non-cash receipts adjustments for the years ended December 31, 2020 and 2019, respectively.
 - b. We haphazardly selected five non-cash adjustments from 2020 and five non-cash adjustments from 2019 and noted that the Board of Directors approved each adjustment.

Debt

1. From the prior agreed-upon procedures documentation, we observed the following bonds and loans were outstanding as of December 31, 2018. This amount agreed to the Authority's January 1, 2019 balance on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2018:
USDA Water System Revenue Bonds	\$626,000
OWDA Loan #6910	\$142,699

2. We inquired of management and inspected the General Ledger for evidence of debt issued during 2020 or 2019 or debt payment activity during 2020 or 2019. All debt noted agreed to the summary we used in procedure 3.
3. We obtained a summary of the bond and loan debt activity for 2020 and 2019 and agreed principal and interest payments from the related debt amortization schedule to General Fund payments recorded in the General Ledger. We also compared the date the debt service payments were due to the date the Authority made the payments. We found no exceptions.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2020 and one payroll check for five employees from 2019 from the Payroll Journal-Detailed Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Journal-Detailed Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary).
 - i. We inspected the employees' personal files for the Retirement system, Federal, State & Local income tax withholding authorization.
 - ii. We agreed these items to the information used to compute gross and net pay related to this check.

We found no exceptions.
 - b. We inspected the fund and account code to which the check was posted to determine the posting was allowable based on the employees' duties as documented in the minute record. We found no exceptions.
 - c. We 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, 2020 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 2020. 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, 2021	January 28, 2021	\$ 580.04	\$ 580.04
State income taxes	January 31, 2021	February 3, 2021	\$ 108.89	\$ 108.89
OPERS retirement	January 31, 2021	January 31, 2021	\$ 1,165.56	\$ 1,165.56

As stated above, the Authority did not pay State income tax due as required by Ohio Rev. Code §§ 145.47 and 145.48 by January 31, 2021.

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the General Ledger for the years ended December 31, 2020 and 2019:
 - 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 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 § 5705.41(D). We found no exceptions.

Compliance – Budgetary

1. 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 approved appropriations (Ohio Rev. Code Section 5705.38 and 5705.40) plus any carryover appropriations for the year ended December 31, 2020. Expenditures did not exceed appropriations.
2. We inspected the General Ledger for the year ended December 31, 2020 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.

Sunshine Law Compliance

1. We obtained and inspected the Authority's Public Records Policy to determine the policy was in accordance with Ohio Rev. Code §§ 149.43(E)(2) and 149.43(B)(7)(c) and did not limit the number of responses that may be made to a particular person, limit the number of responses during a specified period of time, or establish a fixed period of time before it will respond unless that period is less than eight hours. We found no exceptions.
2. We selected all public records requests from the engagement period and inspected each request to determine the following:
 - a. We inquired with Authority management and determined that the Authority did not have any completed public records requests during the engagement period.
 - b. We inquired with Authority management and determined that the Authority did not have any denied public records requests during the engagement period.
 - c. We inquired with Authority management and determined that the Authority did not have any public records requests with redactions during the engagement period.
3. We inquired whether the Authority had a records retention schedule, and observed that it was readily available to the public as required by Ohio Rev. Code § 149.43(B)(2). We found no exceptions.
4. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
5. We inquired with Authority management and determined that the Authority did not have a policy manual during the engagement period therefore the public records policy could not be included as required by Ohio Rev. Code § 149.43(E)(2).
6. We observed that the Authority's poster describing their Public Records Policy was not displayed conspicuously in all branches of the Authority as required by Ohio Rev. Code § 149.43(E)(2).
7. We inquired with Authority management and determined that the Authority did not have any applications for record disposal submitted to the Records Commission during the engagement period.

Sunshine Law Compliance (Continued)

8. We inquired with Authority management and determined that the Authority did not have any elected officials subject to the Public Records Training requirements during the engagement period as required by Ohio Rev. Code §§ 149.43(E)(1) and 109.43(B).
9. We inspected the public notices for the public meetings held during the engagement period and determined the Authority notified the general public and news media of when and where meetings during the engagement period were to be held as required by Ohio Rev. Code § 121.22(F). We found no exceptions.
10. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Rev. Code § 121.22(C) and determined whether they were:
 - a. Prepared – a file is created following the date of the meeting
 - b. Filed – placed with similar documents in an organized manner
 - c. Maintained - retained, at a minimum, for the engagement period
 - d. Open to public inspection – available for public viewing or request.We found no exceptions.
11. We inspected the minutes from the engagement period in accordance with Ohio Rev. Code § 121.22(G) and determined the following:
 - a. Executive sessions were only held at regular or special meetings.
 - b. The purpose for the meetings and going into an executive session (when applicable) correlated with one of the matters listed in Ohio Rev. Code Section 121.22(G).
 - c. Formal governing board actions were adopted in open meetings.We found no exceptions.

Other Compliance

1. Ohio Rev. Code § 117.38 requires these authority'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, 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, 2020 and 2019 in the Hinkle system. There were no exceptions.
2. For all credit card accounts we obtained:
 - a list of all credit card account transactions.
 - a. We selected 1 credit card transaction from each credit card account for testing. For selected transactions we inspected documentation to determine that:
 - i. Each transaction was supported with original invoices and for a proper public purpose.We found no exceptions.
 - b. We selected 3 credit card statements from each credit card account for testing. For selected statements we inspected documentation to determine that:
 - i. No unpaid beginning balance was carried forward to the current billing cycle,
 - ii. Ending statement balance was paid in full, and
 - iii. Statement contained no interest or late fees.We found no exceptions.

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review engagement, 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.

We are required to be independent of the Authority and to meet our ethical responsibilities, in accordance with the ethical requirements established by the Comptroller General of the United States' *Government Auditing Standards* related to our agreed upon procedures engagement.

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

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

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OHIO AUDITOR OF STATE KEITH FABER



NOBLE COUNTY WATER AUTHORITY

NOBLE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 11/4/2021

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This report is a matter of public record and is available online at
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