



Dave Yost • Auditor of State

**OHIO-LEE TOWNSHIP WATER AND SEWER AUTHORITY
MONROE COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Ohio-Lee Township Water and Sewer Authority
Monroe County
P.O. Box 182
Hannibal, Ohio 43931

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Ohio-Lee Township Water and Sewer Authority, Monroe County, Ohio (the Authority), agreed, solely to assist the Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2011 and 2010, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management and the Board are responsible for complying with the compliance requirements. 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*. 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. The Authority processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to provide attest services to the Authority because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to perform this engagement, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to perform attest services for Ohio governments.

This report only describes exceptions exceeding \$10.

Cash

1. We tested the mathematical accuracy of the December 31, 2011 and December 31, 2010 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2010 beginning balance recorded in the Cash Summary by Fund Report to the December 31, 2009 balance in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2011 and 2010 cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2011 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, 2011 bank reconciliation without exception.

Charges for Services

1. We haphazardly selected 10 water and sewer collection cash receipts from the year ended December 31, 2011 and 10 water and sewer collection cash receipts from the year ended 2010 recorded in the RVS Utility Billing System (UBS) Daily Receipt Allocation Report and determined whether the:
 - a. Amount recorded to the credit of the customer's account per the Daily Allocation Report agreed to the applicable deposit ticket and/or bank statement. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Monthly Reconciliation 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. We found no exceptions.
 - c. Receipt was recorded in the year received. We found no exceptions.
2. We read the System Totals Report.
 - a. We noted this report listed \$10,151 and \$10,967 of accounts receivable as of December 31, 2011 and 2010, respectively.
 - b. Of the total receivables reported in step 2a, \$621 and \$501 were recorded as more than 60 days delinquent as of December 31, 2011 and 2010, respectively.
3. We read the Sales and Receivables Report.
 - a. We noted this report listed a total of \$5,464 and \$8,574 non-cash receipts adjustments for the years ended December 31, 2011 and 2010, respectively.
 - b. We selected five non-cash adjustments from 2011 and five non-cash adjustments from 2010, and noted that the Board of Trustees approved each adjustment.

Debt

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2009.
2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2011 or 2010 or debt payment activity during 2011 or 2010. We noted no new debt issuances, nor any debt payment activity during 2011 or 2010.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2011 and one payroll check for five employees from 2010 from the Employee Detail Adjustment Report and:
 - a. We compared the hours and pay rate, or salary amount recorded in the Employee Detail Adjustment Report to supporting documentation (timecard, or legislatively approved rate or salary). We found no exceptions.
 - b. We determined whether the account code to which the check was posted were reasonable based on the employees' duties as documented in the employee's personnel file and minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.

Payroll Cash Disbursements (Continued)

2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2011 to determine whether 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 2011. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	1/31/12	1/9/12	\$1,152.32	\$1,152.32
State income taxes	1/15/12	1/9/12	\$248.50	\$248.50
OPERS retirement	1/30/12	1/9/12	\$1,217.36	\$1,217.36

Non-Payroll Cash Disbursements

We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2011 and ten from the year ended 2010 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 Payment Register Detail Report and to the names and amounts on the supporting invoices. We found no exceptions.

Compliance – Budgetary

1. We compared the Authority's Board of Trustees approved operating budget, which included an estimate of receipts from all sources (estimated revenue) as required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.36(A)(1), to the amounts recorded in the Revenue Status Reports for the years ended December 31, 2011 and 2010. The amounts agreed.
2. We scanned the appropriation measures adopted for 2011 and 2010 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), 5705.38 and 5705.40, to the amounts recorded in the Appropriation Status Report for 2011 and 2010. The amounts on the Permanent Appropriation Budgets agreed to the amounts recorded in the Appropriation Status 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, 2011 and 2010. Appropriations did not exceed estimated revenue.

Compliance – Budgetary (Continued)

5. Ohio Rev. Code Sections 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, 2011 and 2010, as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.

Compliance – Contracts & Expenditures

We inquired of management and scanned the Payment Register Detail report for the years ended December 31, 2011 and 2010 for expenditures, other than for the acquisition of real estate and interests in real estate, the discharge of non-contractual claims, personal services, the joint use of facilities or the exercise of powers with other political subdivisions, or the product or services of public utilities, which exceeded twenty-five thousand dollars (Ohio Rev. Code Section 6119.10).

We identified no purchases subject to the aforementioned bidding requirements.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the Authority's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and those charged with governance, and others within the Authority, and is not intended to be, and should not be used by anyone other than these specified parties.



Dave Yost
Auditor of State

March 30, 2012



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OHIO LEE TOWNSHIP WATER AND SEWER AUTHORITY

MONROE 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
APRIL 17, 2012**