



Mary Taylor, CPA
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 the 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, 2009 and 2008, 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'* independence requirements would normally preclude the Auditor of State from performing this engagement, 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(B) and 115.56 mandate 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, 2009 and December 31, 2008 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2008 beginning balance recorded in the Cash Summary by Fund Report to the December 31, 2007 balance in the prior year audited statements. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2009 and 2008 cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2009 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, 2009 bank reconciliation without exception.

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Cash (Continued)

5. We selected all outstanding checks from the December 31, 2009 bank reconciliation:
 - a. We traced each check to the debit appearing in the subsequent January and February bank statements. We found no exceptions.
 - b. We traced the amounts and date written to the check register, to determine the checks were dated prior to December 31. We noted no exceptions.

Charges for Services

1. We haphazardly selected 10 water and sewer collection cash receipts from the year ended December 31, 2009 and 10 water and sewer collection cash receipts from the year ended 2008 recorded in the RVS Utility Billing System (UBS) Daily Receipt Register 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 complied with rates in force during the audit period multiplied by the consumption amount recorded for the billing period. We found no exceptions.
 - c. Amount charged was posted as a receivable in the Monthly Reconciliation Report for the billing period. We found no exceptions.
 - d. Receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.
2. We read the System Totals Report.
 - a. We noted this report listed \$10,941 and \$12,070 of accounts receivable as of December 31, 2009 and 2008, respectively.
 - b. Of the total receivables reported in step 2a, \$365 and \$923 were recorded as more than 60 days delinquent as of December 31, 2009 and 2008, respectively.
3. We read the Sales and Receivables Report.
 - a. We noted this report listed a total of \$5,423 and \$6,677 non-cash receipts adjustments for the years ended December 31, 2009 and 2008, respectively.
 - b. We read the Adjustment/Etc. Report and selected five non-cash adjustments from 2009 and five non-cash adjustments from 2008, and noted that the Board of Trustees approved each adjustment.

Debt

We noted no new debt issuances or any debt payment activity during 2009 or 2008.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2009 and one payroll check for five employees from 2008 from the Employee Detail Adjustment Report and determined whether the following information in the employees' personnel file was consistent with the information used to compute gross and net pay related to this check:
 - a. Name.
 - b. Authorized salary or pay rate.
 - c. Accounts to which the check should be charged.
 - d. Retirement system participation and payroll withholding.
 - e. Federal, State & Local income tax withholding authorization and withholding.
 - f. Any other deduction authorizations (deferred compensation, etc.).

Payroll Cash Disbursements (Continued)

We found no exceptions related to steps a. – f. above.

2. We tested the checks we selected in step 1, as follows:
 - a. We compared the hours and pay rate, or salary amount used in computing gross pay to supporting documentation (timesheet, minute record, and/ or ordinance). We found no exceptions.
 - b. We determined whether the account code to which the check was posted was reasonable based on the employees' duties as documented in the employees' personnel file and minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.
3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2009 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld during the final withholding period during 2009. We noted the following:

Withholding	Date Due	Date Paid	Amount Withheld	Amount Paid
Federal income taxes	1/31/10	1/11/10	\$205.89	\$205.89
State income taxes	1/15/10	1/11/10	\$202.23	\$202.23
OPERS retirement (withholding plus employer share)	1/30/10	1/11/10	\$1,192.81	\$1,192.81

Non-Payroll Cash Disbursements

- We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2009 and ten from the year ended 2008 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, 2009 and 2008. The amounts agreed.
2. We scanned the Authority's Board of Trustees approved Permanent Appropriation Budget adopted for 2009 and 2008 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.

Compliance – Budgetary (Continued)

3. We compared the Authority's Board of Trustees approved Permanent Appropriation Budget, which included a statement of all taxing unit expenses that are anticipated to occur (appropriations) as required by Ohio Rev. Code Sections 5705.28(B)(2), 5705.38 and 5705.40, to the amounts recorded in the Appropriation Status Reports for 2009 and 2008. The amounts agreed.
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, 2009 and 2008. Appropriations did not exceed estimated revenue.
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, 2009 and 2008 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, 2009 and 2008 for expenditures, other than for the acquisition of real estate and interests in real estate, the discharge of noncontractual 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 is not intended to be, and should not be used by anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

August 11, 2010



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Auditor of State

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
AUGUST 24, 2010