



Dave Yost • Auditor of State

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

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Ohio and Lee Township Water and Sewer Authority
Monroe County
Box 182
Hannibal, Ohio 43931

We have performed the procedures enumerated below, with which the Board of Trustees and the management of the Ohio and 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, 2015 and 2014, 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.

This report only describes exceptions exceeding \$10.

Cash and Investments

1. We tested the mathematical accuracy of the December 31, 2015 and December 31, 2014 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2014 beginning balance recorded in the Fund Ledger Report to the December 31, 2013 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2015 beginning balance recorded in the Fund Ledger Report to the December 31, 2014 balance in the Fund Ledger Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2015 and 2014 cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2015 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, 2015 bank reconciliation without exception.
5. We selected all four outstanding checks from the December 31, 2015 bank reconciliation:
 - a. We traced three of the outstanding checks to the subsequent January bank statement. We found no exceptions. The remaining outstanding check was voided and reissued on April 30, 2016.
 - b. We traced the amounts and dates to the check register, to determine the outstanding checks were dated prior to December 31. We noted no exceptions.

Cash and Investments (Continued)

6. We tested interbank account transfers occurring in December of 2015 and 2014 to determine if they were properly recorded in the accounting records and on each bank statement. We found no exceptions.
7. We tested investments held at December 31, 2015 and December 31, 2014 to determine that they were of a type authorized by Ohio Rev. Code § 6119.16. We found no exceptions.

Charges for Services

1. We haphazardly selected 10 water collection cash receipts from the year ended December 31, 2015 and 10 water collection cash receipts from the year ended 2014 recorded in the Daily Receipts Allocation Report and determined whether the:
 - a. Receipt amount per the Daily Receipts Allocation Report agreed to the amount recorded to the credit of the customer's account in the Audit History Report. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Audit History 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 read the Past Due List:
 - a. We noted this report listed \$4,077 and \$5,101 of accounts receivable as of December 31, 2015 and 2014, respectively.
 - b. Of the total receivables reported in step 2a, \$1,627 and \$2,171 were recorded as more than 60 days delinquent as of December 31, 2015 and 2014, respectively.
3. We read the Adjustments Report:
 - a. We noted this report listed a total of \$6,397 and \$7,372 non-cash receipts adjustments for the years ended December 31, 2015 and 2014, respectively.
 - b. We selected five non-cash adjustments from 2015 and five non-cash adjustments from 2014, and noted that the Board of Trustees approved each adjustment.

Debt

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2013.
2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2015 or 2014 or debt payment activity during 2015 or 2014. We noted no new debt issuances, nor any debt payment activity during 2015 or 2014.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2015 and one payroll check for five employees from 2014 from the Wage Detail Report and:
 - a. We compared the hours and pay rate, or salary amount recorded in the Wage Detail Report to supporting documentation (timecard, or legislatively approved rate or salary). We found no exceptions.

Payroll Cash Disbursements (Continued)

- b. We determined whether the account code to which the check was posted was reasonable based on the employees' duties as documented in the minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2015 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 2015. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	1/31/16	1/11/16	\$1,467.27	\$1,467.27
State income taxes	1/15/16	1/11/16	\$266.57	\$266.57
OPERS retirement	1/30/16	1/11/16	\$1,131.59	\$1,131.59

Non-Payroll Cash Disbursements

We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2015 and ten from the year ended 2014 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.
- 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 compared the total estimated receipts from the Revenue Budget required by Ohio Rev. Code §§ 5705.28(B)(2) and 5705.36(A)(1), to the amounts recorded in the Revenue Status Report for the years ended December 31, 2015 and 2014. The amounts agreed.
- 2. We scanned the appropriation measures adopted for 2015 and 2014 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 compared total appropriations required by Ohio Rev. Code §§ 5705.28(B)(2), 5705.38 and 5705.40, to the amounts recorded in the Appropriation Status Report for 2015 and 2014. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status Report.
- 4. Ohio Rev. Code § 5705.28(B)(2)(c) prohibits appropriations from exceeding the estimated revenue available for expenditure (estimated receipts plus beginning unencumbered cash). We compared total appropriations to total estimated revenue for the years ended December 31, 2015 and 2014. Appropriations did not exceed estimated revenue.

Compliance – Budgetary (Continued)

5. Ohio Rev. Code §§ 5705.28(B)(2) and 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2015 and 2014 as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.
6. We scanned the Cash Summary by Fund Report for the years ended December 31, 2015 and 2014 for a negative cash balance. Ohio Rev. Code § 5705.10(l) 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. We noted no negative cash balance.

Other Compliance

Ohio Rev. Code § 117.38 requires entities to file their financial information in the HINKLE system formerly known as the Annual Financial Data Reporting System (AFDRS) within 60 days after the close of the fiscal year. We reviewed AFDRS to verify the Authority filed their financial information within the allotted timeframe for the years ended December 31, 2015 and 2014. No exceptions noted.

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, 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
Columbus, Ohio

July 8, 2016



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OHIO AND 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
JULY 26, 2016**