



**RIDGEVILLE TOWNSHIP WATER  
AND SEWER DISTRICT  
HENRY COUNTY**

**AGREED-UPON PROCEDURES**

**FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2009**



**Mary Taylor, CPA**  
Auditor of State



RIDGEVILLE TOWNSHIP WATER AND SEWER DISTRICT  
HENRY COUNTY

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Ridgeville Township Water and Sewer District  
Henry County  
P.O. Box C  
Ridgeville Corners, Ohio 43555-0017

To the Board of Trustees:

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Ridgeville Township Water and Sewer District, Henry County (the District) 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 District 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 fund balances recorded in the Fund Status Report to the December 31, 2007 balances in the prior year audited statements. We found no exceptions.

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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 observed the December 31, 2009 bank account balance on the financial institution's website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2009 bank reconciliation without exception.
5. We selected the only outstanding check from the December 31, 2009 bank reconciliation:
  - a. We traced the check to the debit appearing in the subsequent January bank statement. We found no exceptions.
  - b. We traced the amount 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/sewer collection cash receipts from the year ended December 31, 2009 and 10 water/sewer collection cash receipts from the year ended December 31, 2008 recorded in the Receipt Register Report and determined whether the:
  - a. Receipt amount per the Receipt Register Report agreed to the amount recorded to the credit of the customer's account in the Accounts History Report. The amounts agreed.
  - b. Amount charged for the related billing period complied with rates in force during the audit period and/or multiplied by the consumption amount recorded for the billing period. We found no exceptions.
  - c. Amount charged was posted as a receivable in the Accounts History Report for the billing period. We found no exceptions.
  - d. Receipt was posted to the proper funds, and was recorded in the proper year. We found no exceptions.
2. We read the Aged Accounts Receivable Report.
  - a. We noted this report listed \$524.89 and \$174 of accounts receivable as of December 31, 2009 and 2008, respectively.
  - b. Of the total receivables reported in step 2a, \$211.31 and \$0 were recorded as more than 90 days delinquent as of December 31, 2009 and 2008, respectively.
3. We read the Account History Report.
  - a. We noted this report listed a total of \$6.75 and \$21 non-cash receipts adjustments for the years ended December 31, 2009 and 2008, respectively.
  - b. We noted only two non-cash adjustments from 2009 and three non-cash adjustments from 2008, and noted that the Fiscal Officer approved each adjustment.

### **Debt**

1. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of bonded or note debt issued during 2009 or 2008 or outstanding as of December 31, 2009 or 2008. All debt noted agreed to the summary we used in step 2.
2. We obtained a summary of the note debt activity for 2009 and 2008 and agreed principal and interest payments from the related debt amortization schedule to the enterprise debt service fund payments reported in the Payment Register Detail Report. We also compared the date the debt service payments were due to the date the District made the payments. We found no exceptions.
3. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Enterprise Debt Service Reserve Fund per the Receipt Register Report. The amounts agreed.

4. For new debt issued during 2009 and 2008, we inspected the debt legislation, noting the District must use the proceeds for wastewater treatment pump station improvements. We scanned the Payment Register Detail Report and noted the District wastewater treatment pump station improvements were made from January of 2009 through December 31, 2009.

**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 Payroll Excel Spreadsheet and Payment Register by Vendor – by Name and determined whether the following information in the employees' personnel files and minute record 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. Account to which the check should be charged.
  - d. Retirement system participation and payroll withholding.
  - e. Federal, State and Local income tax withholding authorization and withholding.
  - f. Any other deduction authorizations (deferred compensation, etc.)

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 (timecard, or legislatively approved rate or salary). We found no exceptions.
  - b. We recomputed gross and net pay and agreed it to the amount recorded in the Payroll Register. We found no exceptions.
  - c. We determined whether the account code(s) to which the check was posted was reasonable based on the employees' duties as documented in the employees' personnel files, minute record and Payment Register by Vendor – by Name. 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:

<b>Withholding</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Withheld</b>	<b>Amount Paid</b>
Federal income taxes	January 31, 2010	1.20.10	\$522.71	\$522.71
OPERS retirement (withholding plus employer share)	January 30, 2010	1.14.10	\$194.23	\$194.23

**Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2009 and ten from the year ended December 31, 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.
- 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 from the Certificate of Estimated Resources required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.36(A)(1), to the amounts recorded in the Revenue Status Report for the Water Operating, Sewer Operating and Enterprise Debt Service Reserve Funds for the years ended December 31, 2009 and 2008. The amounts agreed.
2. We scanned the appropriation measures adopted for 2009 and 2008 to determine whether, for the Sewer Operating and Enterprise Debt Service Reserve Funds, 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), and 5705.38 and 5705.40, to the amounts recorded in the Appropriation Status Report for 2009 and 2008 for the Sewer Operating and Enterprise Debt Service Reserve Funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status Report.
4. Ohio Rev. Code Section 5705.28(B)(2)(c) prohibits total appropriations from each fund of a taxing unit that does not levy a tax from exceeding the total estimated revenue available for expenditures (receipts plus beginning unencumbered cash) from the fund. We compared total appropriations to total estimated revenue for the years ended December 31, 2009 and 2008. We noted Sewer Fund appropriations for 2009 and 2008 exceeded estimated revenue by \$110,282, and \$302,874, respectively contrary to Ohio Rev. Code Section 5705.28(B)(2)(c). The Trustees should not pass appropriations exceeding estimated revenue. Allowing this to occur could cause the District to incur fund balance deficits.
5. 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 appropriations for the years ended December 31, 2009 and 2008 for the Sewer Operating and Enterprise Debt Service Reserve Funds, as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.

### **Compliance – Contracts and Expenditures**

1. 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 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 a wastewater treatment – pump station improvement project exceeding \$25,000, subject to Ohio Rev. Code Section 6119.10. For this project, we noted that the Board advertised the project in a local newspaper, and selected the lowest and/or best bidder.



2. For the building project described in step 1 above, we read the contract and noted that it required the contractor to pay prevailing wages to their employees as required by Ohio Rev. Code Sections 4115.04 and 4115.05. The contract included the Ohio Department of Commerce's schedule of prevailing rates, and also required the contractor to incorporate the prevailing wage requirements into its subcontracts.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the District'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

September 13, 2010

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**Mary Taylor, CPA**  
Auditor of State

**RIDGEVILLE TOWNSHIP WATER AND SEWER DISTRICT**

**HENRY 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  
OCTOBER 5, 2010**