



**SYLVANIA TOWNSHIP WATER AND SEWER DISTRICT  
LUCAS COUNTY**

**FINAL AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2008**



**Mary Taylor, CPA**  
Auditor of State



**SYLVANIA TOWNSHIP WATER AND SEWER DISTRICT  
LUCAS COUNTY**

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Sylvania Township Water and Sewer District  
Lucas County  
4927 Holland-Sylvania Road  
Sylvania, Ohio 43560

To the Board of Trustees:

We have audited the accompanying basic financial statements of the Sylvania Township Water and Sewer District, Lucas County, Ohio (the District), as of and for the year ended December 31, 2008, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the Sylvania Township Water and Sewer District, Lucas County, Ohio, as of December 31, 2008, and the changes in cash financial position for the year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2009, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

June 18, 2009

**SYLVANIA TOWNSHIP WATER AND SEWER DISTRICT  
LUCAS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(UNAUDITED)**

This discussion and analysis, along with the accompanying basic financial statements and notes to the basic financial statements, of Sylvania Township Water and Sewer District ("the District") is designed to provide our customers, creditors and other interested parties with a general overview of the District and its financial activities.

**Financial Highlights**

The District's net assets - cash basis decreased by \$4,160 (-113.9%).

The District's operating cash receipts increased by \$34,766 (315.2%). Operating cash disbursements increased by \$7,696 (401.0%).

**Overview Of Basic Financial Statements**

The District is a single enterprise fund using proprietary fund accounting, similar to private sector business. The basic financial statements are presented using the cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The Statements of Net Assets - Cash Basis and the Statements of Cash Receipts, Cash Disbursements and Changes in Net Assets - Cash Basis provide information on the District's cash basis operations over the past two years and the success of recovering all its costs through user fees, charges, and other income. Receipts are reported when received and disbursements are reported when paid.

The notes to the financial statements are an integral part of the basic financial statements and provide expanded explanation and detail regarding the information reported in the basic financial statements.

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District has elected to present its financial statements on the cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**SYLVANIA TOWNSHIP WATER AND SEWER DISTRICT  
LUCAS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(UNAUDITED)  
(Continued)**

**Statements Of Net Assets - Cash Basis**

Table 1 summarizes the Statements of Net Assets – Cash Basis of the District.

<b>Table 1</b>			
	<b>2008</b>	<b>2007</b>	<b>Change Amount</b>
Cash and Cash Equivalents	(\$507)	\$3,653	(\$4,160)
<b>Total Assets</b>	<b>(507)</b>	<b>3,653</b>	<b>(4,160)</b>
Net Assets -			
Unrestricted (Deficit)	(507)	3,653	(4,160)
<b>Total Net Assets</b>	<b>(507)</b>	<b>\$3,653</b>	<b>(\$4,160)</b>

The District's net assets decreased by \$4,160. The decrease was the result of an increase in loan repayments to Sylvania Township, legal fees and audit fees. These decreases were partially offset by an increase in tap-in charges.

**Statements Of Changes In Net Assets – Cash Basis**

Table 2 below summarizes the changes in Cash Receipts, Cash Disbursements and the resulting changes in Net Assets.

<b>Table 2</b>			
	<b>2008</b>	<b>2007</b>	<b>Change Amount</b>
Operating Cash Receipts	\$45,796	\$11,030	\$34,766
Operating Cash Disbursements	9,615	1,919	7,696
Operating Receipts Over Operating Disbursements	36,181	9,111	27,070
Non-Operating Cash Receipts	110	3,663	(3,553)
Non-Operating Cash Disbursements	40,451	11,030	29,421
Changes in Net Assets	(4,160)	1,744	(5,904)
Net Assets, January 1	3,653	1,909	1,744
Net Assets, December 31	(\$507)	\$ 3,653	(\$ 4,160)

From 2007 to 2008 operating cash receipts increased \$34,766 due to an increase in revenues collected from tap-in charges. Operating cash disbursements increased \$7,696 due to an increase in expenditures for legal and audit fees. These increases were partially offset by a decrease in expenditures for accounting fees. Non-operating cash receipts decreased \$3,553 due to a decrease in revenue from construction borrowing from Sylvania Township. Non-operating cash disbursements increased \$29,421 due to an increase in construction loan repayments to Sylvania Township.

**Capital Assets**

The District does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements. The District had no capital outlay disbursements during 2008.



**SYLVANIA TOWNSHIP WATER AND SEWER DISTRICT  
LUCAS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(UNAUDITED)  
(Continued)**

**Debt**

Under the cash basis of accounting the District does not report loans in the accompanying basic financial statements. However, in order to provide information to the readers of this report, we are providing the following detailed information about the District's outstanding loan.

**Table 3**

	<u>2008</u>	<u>2007</u>	<u>Change Amount</u>
Sylvania Township Loan	<u>\$1,044,417</u>	<u>\$1,084,868</u>	<u>\$40,451</u>
Total Long Term Debt	<u>\$1,044,417</u>	<u>\$1,084,868</u>	<u>\$40,451</u>

Additional information regarding debt can be found in note 4 to the basic financial statements.

**Cash**

Cash and cash equivalents on December 31, 2008 was (\$507).

**Subsequent Event**

The District Board of Trustees, in conjunction with legal counsel, is in the process of dissolving the District. A hearing was held on December 11, 2008 in Lucas County Common Pleas Court whereby the District was decreed to be dissolved pending payment of final audit costs.

**Contact Information**

Questions regarding this report and requests for additional information should be forwarded to the Sylvania Township Water and Sewer District, 4927 Holland-Sylvania, Sylvania, Ohio 43560.

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**SYLVANIA TOWNSHIP WATER AND SEWER DISTRICT  
LUCAS COUNTY**

**STATEMENTS OF NET ASSETS - CASH BASIS  
AS OF DECEMBER 31, 2008**

	<u>2008</u>
<b>Assets</b>	
Cash and Cash Equivalents	<u><u>(\$507)</u></u>
<b>Net Assets</b>	
Unrestricted (Deficit)	<u><u>(\$507)</u></u>

*See accompanying notes to the basic financial statements.*

**SYLVANIA TOWNSHIP WATER AND SEWER DISTRICT  
LUCAS COUNTY**

**STATEMENTS OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN  
NET ASSETS - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<b>2008</b>
<b>Operating Cash Receipts</b>	
Tap-in charges	\$45,796
<b>Operating Cash Disbursements</b>	
Other contractual services	9,604
General operating	11
Total operating cash disbursements	9,615
Excess of operating receipts over operating disbursements	36,181
<b>Non-operating Cash Receipts</b>	
Interest receipts	110
<b>Non-operating Cash Disbursements</b>	
Principal payments to township	40,451
Changes in net assets	(4,160)
Net assets - cash basis, January 1	3,653
Net assets - cash basis, December 31	(\$507)

*See accompanying notes to the basic financial statements.*

**SYLVANIA TOWNSHIP WATER AND SEWER DISTRICT  
LUCAS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008**

**1. NATURE OF ORGANIZATION**

The Sylvania Township Water & Sewer District, Lucas County, (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District was created on March 2, 2000, by the Court of Common Pleas, Lucas County, to provide water and sewer services to the residents of Sylvania Township in accordance with the provisions of Ohio Revised Code Section 6119.01. A five (5) member appointed Board of Trustees manages the District.

**A. Primary Government**

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the District. The District provides water and sewer services to residents of the District.

**B. Component Units**

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide support to, the organization; or the District is obligated for the debt of the organization. The District is also financially accountable for any organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the District, are accessible to the District and are significant in amount to the District. Based on these criteria, the District has no component units.

The District's management believes these financial statements present all activities for which the District is financially accountable.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed further in Note 2.B, these financial statements are presented on the cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The District does not apply FASB statements issued after November 30, 1989, to its enterprise fund. Following are the more significant of the District's accounting policies.

**A. Basis of Presentation**

The District's basic financial statements consist of a statement of net assets - cash basis and a statement of cash receipts, cash disbursements, and changes in net assets - cash basis.

**SYLVANIA TOWNSHIP WATER AND SEWER DISTRICT  
LUCAS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED  
DECEMBER 31, 2008  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**1. Fund Financial Statements**

The District has one enterprise fund. This fund is established to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing certain goods or services to the general public on a continuing basis are financed or received primarily through user charges.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the fund's principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

**B. Basis of Accounting**

The District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

**C. Budgetary Process**

All funds are legally required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount the District Board may appropriate.

The appropriations resolution is the District Board's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the District Board. The legal level of control has been established at the function/object level for its fund. The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the District Secretary/Treasurer.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The District did not certify resources for 2008.

**D Cash**

For reporting purposes, the District considers "Net Assets" and "Cash and Cash Equivalents" to be cash on hand and demand deposits.

**E. Capital Assets**

Acquisitions of capital assets (property, plant and equipment) are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

**SYLVANIA TOWNSHIP WATER AND SEWER DISTRICT  
LUCAS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED  
DECEMBER 31, 2008  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Long-Term Obligations**

The District's cash basis financial statements do not report liabilities for loans or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception.

**G. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District reported no restricted amounts for 2008.

**3. DEPOSITS AND INVESTMENTS**

Monies held by the District are classified by State statute into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Trustees has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts, including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Interim monies can be deposited or invested in the following securities:

1. United States Treasury notes, bills, bonds, or any other obligation or securities issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

**SYLVANIA TOWNSHIP WATER AND SEWER DISTRICT  
LUCAS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED  
DECEMBER 31, 2008  
(Continued)**

**3. DEPOSITS AND INVESTMENTS (Continued)**

4. Bonds and other obligations of the State of Ohio, its political subdivisions, or other units or agencies of this State or its political subdivisions;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) of this footnote and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the District lends securities and the eligible institution agrees to exchange either securities described in division (1) or (2), or cash, or both securities and cash, equal value for equal value;
9. High grade commercial paper in an amount not to exceed five percent of the District's total average portfolio; and
10. Bankers acceptances for a period not to exceed 270 days and in an amount not to exceed ten percent of the District's average portfolio.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**A. Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agency or instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The District's policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateralization of public funds.

The District's bank balance was \$1,515 as of December 31, 2008. The entire bank balances for the year ended December 31, 2008 was covered by federal deposit insurance.



**SYLVANIA TOWNSHIP WATER AND SEWER DISTRICT  
LUCAS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED  
DECEMBER 31, 2008  
(Continued)**

**4. DEBT**

Debt outstanding at December 31, 2008 is as follows:

	<b>Interest Rate</b>	<b>Balance at 1/1/2008</b>	<b>Issued</b>	<b>(Retired)</b>	<b>Balance at 12/31/2008</b>
Sylvania Township	6.00%	\$1,084,868		(\$40,451)	\$1,044,417

The District entered into a loan agreement with Sylvania Township for construction and operating purposes. The loan was entered into on May 25, 2000 with no expiration date assigned and a maximum borrowing amount of \$1,500,000. Although the original loan agreement carried a 6.00% interest rate, no interest is being reported or accrued on this loan as per agreement with the Township. No additional funds were obtained during 2008. Currently, a loan repayment schedule has not been established; therefore, the future principal and interest payments have not been determined.

On October 16, 2008 the District and Sylvania Township entered into an Assignment and Assumption Agreement where all future Tap-In fees that are collected are by the County Engineer are directly assigned to Sylvania Township for repayment of debt.

**5. RISK MANAGEMENT**

The District is exposed to various risks of loss due to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District contracted with HCC Insurance Company for commercial liability insurance. The coverage insures up to \$1,000,000 each occurrence and \$3,000,000 aggregate for general liability, \$5,000,000 each occurrence and \$5,000,000 aggregate for excess/umbrella liability and \$1,000,000 each occurrence and \$1,000,000 aggregate for public officials liability. Settlement amounts did not exceed insurance coverage for the past three fiscal years. There has not been any significant reduction in coverage from the prior year.

**6. RELATED PARTY TRANSACTIONS**

The District is a related organization of Sylvania Township. The Township appoints four of the five Trustees that manage the District. The District did not require additional loan funds from the Township in 2008. The District made principal payments to the Township of \$40,451 in 2008.

One of the District's five board members also serves as the Assistant Sanitary Engineer within the Lucas County Sanitary Engineer's office. As the Assistant Engineer, he is responsible for overseeing all functions of the office.

The Lucas County Sanitary Engineer's office is responsible for assessing tap in charges for the District and paying the District any fees it receives on its behalf. The District received \$45,796 in tap fees for 2008.

**7. SUBSEQUENT EVENTS**

The District Board of Trustees, in conjunction with legal counsel, is in the process of dissolving the District. A hearing was held on December 11, 2008 in Lucas County Common Pleas Court whereby the District was decreed to be dissolved pending payment of final audit costs.

On January 27, 2009, Sylvania Township paid the District \$507 to cover their negative cash balance. The District remitted those funds to the bank and subsequently closed the bank account.

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Sylvania Township Water and Sewer District  
Lucas County  
4927 Holland-Sylvania Road  
Sylvania, Ohio 43560

To the Board of Trustees:

We have audited the basic financial statements of the Sylvania Township Water and Sewer District, Lucas County, (the District) as of and for the year ended December 31, 2008, and have issued our report thereon dated June 18, 2009, wherein, we noted the District uses a comprehensive basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the audit committee, management, and the Board of Trustees. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

June 18, 2009



**Mary Taylor, CPA**  
Auditor of State

**SYLVANIA TOWNSHIP WATER AND SEWER DISTRICT**  
**LUCAS 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 23, 2009**