



Dave Yost • Auditor of State





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## 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, Ohio (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, 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 District 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 District 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 and Investments

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 fund balances recorded in the Fund Status Report to the December 31, 2009 balances 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 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We observed the December 31, 2011 bank account balances on the financial institution's website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2011 bank reconciliation without exception.

5. We selected the only debit (outstanding check) from the December 31, 2011 bank reconciliation:
  - a. We traced the debit to the subsequent January bank statement. We found no exceptions.
  - b. We traced the amount and date written to the check register, to determine the debit was dated prior to December 31. We noted no exceptions.
6. We tested investments held at December 31, 2011 and December 31, 2010 to determine that they were of a type authorized by Ohio Rev. Code Section 6119.16. We found no exceptions.

### **Charges for Services**

1. We haphazardly selected 10 water/sewer collection cash receipts from the year ended December 31, 2011 and 10 water/sewer collection cash receipts from the year ended December 31, 2010 recorded in the Receipt Report and determined whether the:
  - a. Receipt amount per the Receipt 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:
    - i. Agreed with the debit to accounts receivable in the Accounts History Report for the billing period. We found no exceptions.
    - ii. 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. Receipt was posted to the proper fund, and was recorded in the year received. We found no exceptions.
2. We read the Aged Accounts Receivable Report.
  - a. We noted this report listed \$1,677.63 and \$293.44 of accounts receivable as of December 31, 2011 and 2010, respectively.
  - b. Of the total receivables reported in step 2a, \$944.25 and \$0 were recorded as more than 90 days delinquent as of December 31, 2011 and 2010, respectively.
3. We read the Account History Report.
  - a. We noted this report listed a total of \$77.12 and \$14.25 non-cash receipts adjustments for the years ended December 31, 2011 and 2010, respectively.
  - b. We noted only three non-cash adjustments from 2011 and three non-cash adjustments from 2010, and noted that a board member approved each adjustment.

**Debt**

1. From the prior agreed-upon procedures documentation, we noted the following loan outstanding as of December 31, 2009. This amount agreed to the Districts January 1, 2010 balance on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2009:
Ohio Water Development Authority (OWDA) Loan	\$319,710

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. All debt noted agreed to the summary we used in step 2.
3. We obtained a summary of the debt activity for 2011 and 2010 and agreed principal and interest payments from the related debt amortization schedule to the enterprise debt service reserve 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

**Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2011 and ten from the year ended December 31, 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 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 *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, 2011 and 2010. The amounts agreed.
2. We scanned the appropriation measures adopted for 2011 and 2010 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 2011 and 2010 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 appropriations from exceeding the estimated revenue available for expenditure (receipts plus beginning unencumbered cash). We compared total appropriations to total estimated revenue for the Sewer Operating and Enterprise Debt Service Reserve Funds for the years ended December 31, 2011 and 2010. Appropriations did not exceed estimated revenue for these funds.
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, 2011 and 2010 for the Sewer Operating and Enterprise Debt Service Reserve Funds, as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.

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, those charged with governance, and others within the District, and is not intended to be, and should not be used by anyone other than these specified parties.



**Dave Yost**  
Auditor of State

March 1, 2012



# Dave Yost • 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  
MARCH 20, 2012**