



Dave Yost • Auditor of State

**CLINTON TOWNSHIP WATER AND SEWER DISTRICT
KNOX COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Clinton Township Water and Sewer District
Knox County
350 Johnson Ave.
Mount Vernon, OH 43050

We performed the procedures enumerated below, with which the Board of Trustees and the management of Clinton Township Water and Sewer District (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, 2012 and 2011, 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

1. We tested the mathematical accuracy of the December 31, 2012 and December 31, 2011 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2011 beginning balance recorded in the General Ledger to the December 31, 2010 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2012 beginning fund balance recorded in the General Ledger to the December 31, 2011 balance in the General Ledger. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2012 and 2011 cash balances reported in the General Ledger. The amounts agreed.
4. We confirmed the December 31, 2012 bank account balance with the District's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2012 bank reconciliation without exception.
5. We selected the only reconciling debit (outstanding check) from the December 31, 2012 bank reconciliation:
 - a. We traced the debit to the subsequent January bank statement. We found no exceptions.
 - b. We traced the amount and date to the check register, to determine the debit was dated prior to December 31. We noted no exceptions.

Confirmable Cash Receipts

We confirmed the special assessments tax receipts collected by Knox County and paid to the District during 2012 and 2011 with the Knox County Detailed Expense Report.

- a. We compared the amounts from the above reports to the amounts recorded in the General Ledger. The amounts agreed.
- b. We determined these receipts were recorded in the proper year.

Charges for Services

We obtained the December 31, 2012 and 2011 Expenditure History by Vendor report submitted by the City of Mount Vernon, the agency responsible for collecting water and sewer receipts on behalf of the Clinton Township Water and Sewer District. We agreed the total sewer receipts for 2012 and 2011 to the District's receipt ledger. We noted no exceptions.

Debt

1. From the prior audit documentation, we noted the following loans outstanding as of December 31, 2010. These amounts agreed to the Districts January 1, 2011 balances on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2010:
1997 – OWDA Loan	\$1,926,625
1998 – OWDA Loan	667,982
1999 – OWDA Loan	728,934
2000 – OWDA Loan	1,062,858
2005 – OWDA Loan	412,915

2. We inquired of management, and scanned the General Ledger for evidence of debt issued during 2012 or 2011 or debt payment activity during 2012 or 2011. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of debt activity for 2012 and 2011 and agreed principal and interest payments from the related debt amortization schedules to payments reported in the General Ledger. We also compared the date the debt service payments were due to the date the District made the payments. We found no exceptions.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for all employees from 2012 and one payroll check for all employees from 2011 from the General Ledger and:
 - a. We compared the hours and pay rate, or salary amount recorded in the General Ledger to supporting documentation (Payroll Check Authorization Form).
 - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register.
 - c. We determined whether the account code to which the check was posted were reasonable based on the employees' duties as documented in the employees' personnel files and/or minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.

Payroll Cash Disbursements (Continued)

2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2012 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 2012. We noted the following:

Withholding plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Medicare and social security	January 31, 2013	January 22, 2013	\$77.81	\$77.81

Non-Payroll Cash Disbursements

We selected all disbursements from the General Ledger for the year ended December 31, 2012 and all from the year ended 2011 and determined whether:

- a. The disbursements were for a proper public purpose.
- 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 General Ledger and to the names and amounts on the supporting invoices.
- c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used.

Compliance – Budgetary

1. We compared the total estimated receipts from the Permanent Budget, required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.36(A)(1), to the amounts recorded in the Budgetary Report for the years ended December 31, 2012 and 2011. The amounts agreed.
2. We scanned the appropriation measures adopted for 2012 and 2011 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.
3. We compared total appropriations required by Ohio Rev. Code Sections 5705.28(B)(2), 5705.38 and 5705.40, to the amounts recorded in the Budgetary Report for 2012 and 2011. The amounts on the appropriation resolutions agreed to the amounts recorded in the Budgetary 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 years ended December 31, 2012 and 2011. Appropriations did not exceed estimated revenue.
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, 2012 and 2011, as recorded in the Profit and Loss Detail 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

February 20, 2014



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CLINTON TOWNSHIP WATER AND SEWER DISTRICT

KNOX 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 11, 2014**