



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

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999-1998**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**RIDGEVILLE TOWNSHIP WATER AND SEWER DISTRICT  
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## REPORT OF INDEPENDENT ACCOUNTANTS

Ridgeville Township Water and Sewer District  
Henry County  
20524 US Highway 6  
PO Box C  
Ridgeville Corners, Ohio 43555-0017

To the Board of Trustees:

We have audited the accompanying financial statements of Ridgeville Township Water and Sewer District, Henry County, Ohio, (the District) as of and for the years ended December 31, 1999 and 1998. 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 audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about 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 that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the District prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the District as of December 31, 1999 and 1998, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2000 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 grants.

This report is intended solely for the information and use of management, the Board of Trustees, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

**Jim Petro**  
Auditor of State

June 21, 2000

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**RIDGEVILLE TOWNSHIP WATER AND SEWER DISTRICT  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES  
IN CASH BALANCES - ENTERPRISES FUNDS  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

	<b>1999</b>	<b>1998</b>
<b>Operating Cash Receipts:</b>		
Charges for Services	\$161,203	\$150,405
Special Assessments	21,950	21,518
Investment Earnings	21,583	26,076
Miscellaneous	25,133	32,348
 Total Operating Cash Receipts	 229,869	 230,347
<b>Operating Cash Disbursements:</b>		
Salaries and Benefits	8,970	8,708
Utilities	25,777	23,228
Contractual Services	3,911	22,019
Contract Labor	19,989	20,332
Supplies and Materials	48,796	35,652
Capital Outlay	26,034	50,294
Miscellaneous	30,708	50,718
 Total Operating Cash Disbursements	 164,185	 210,951
 Operating Income	 65,684	 19,396
<b>Non-Operating Cash Disbursements:</b>		
Debt Service	50,477	50,477
 Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers	 15,207	 (31,081)
 Transfers-In		41,852
Transfers-Out		(41,852)
 Net Receipts Over/(Under) Disbursements	 15,207	 (31,081)
 Cash Balances, January 1	 470,664	 501,745
 <b>Cash Balances, December 31</b>	 <b>\$485,871</b>	 <b>\$470,664</b>

*The notes to the financial statements are an integral part of this statement.*

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**RIDGEVILLE TOWNSHIP WATER AND SEWER DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Ridgeville Township Water and Sewer District, Henry 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 is directed by an appointed five-member Board of Trustees. Board members are appointed by Ridgeville Township. The District provides water and sewer services to residents of the District.

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

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Deposits and Investments**

Certificates of deposit and repurchase agreements are valued at cost.

Investments are reported as assets and are valued at cost. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts.

**D. Budgetary Process**

The District's Board of Trustees currently does not adopt an operating budget. Recent Ohio Attorney General Opinion No. 99-020 has clarified that the budget process described in Chapter 5705, Revised Code, applies to the District, regardless of whether the District levies property taxes. The District must henceforth adopt annual appropriations, limited by estimated resources. Expenditures will be limited by appropriations.

**E. Property, Plant and Equipment**

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

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The District invests in Certificates of deposit, and repurchase agreements. The carrying amount of cash and investments including \$200 petty cash at December 31 was as follows:

**RIDGEVILLE TOWNSHIP WATER AND SEWER DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

	<u>1999</u>	<u>1998</u>
Demand deposits	\$198,280	\$193,762
Certificates of deposit	<u>232,361</u>	<u>276,887</u>
Total deposits	430,641	470,649
Repurchase Agreement	<u>55,230</u>	<u>15</u>
Total deposits and investments	<u><u>\$485,871</u></u>	<u><u>\$470,664</u></u>

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the District, or (3) collateralized by the financial institution's public entity deposit pool.

**Investments:** Repurchase agreements are held in book-entry form by the Financial Institution, in the name of the District's financial institution. The financial institution maintains records identifying the District as owner of these securities.

**3. DEBT**

Debt outstanding at December 31, 1999 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan	<u><u>\$147,102</u></u>	8%

The Ohio Water Development Authority (OWDA) loan relates to the construction of the Ridgeville Corners Wastewater Treatment Facilities. The loan will be repaid in semiannual installments of \$50,447, including interest over 18 years.

Amortization of the above debt, including interest, is scheduled as follows:

	<u>Year ending December 31: OWDA Loan</u>
2000	\$50,447
2001	50,447
2002	50,447
2003	<u>50,447</u>
Total	<u><u>\$201,788</u></u>

**4. RETIREMENT SYSTEMS**

The District's employee belongs to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including post retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

**RIDGEVILLE TOWNSHIP WATER AND SEWER DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries. The District has paid all contributions required through December 31, 1999.

**5. RISK MANAGEMENT**

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Ridgeville Township Water and Sewer District  
Henry County  
20524 US Highway 6  
PO Box C  
Ridgeville Corners, Ohio 43555-0017

To the Board of Trustees:

We have audited the accompanying financial statements of Ridgeville Township Water and Sewer District, Henry County, Ohio, (the District) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 21, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated June 21, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated June 21, 2000.

Ridgeville Township Water and Sewer District  
Henry County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

This report is intended for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

June 21, 2000



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OFFICE OF THE AUDITOR

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**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  
JULY 20, 2000**