



**OHIO WATER DEVELOPMENT AUTHORITY  
FRANKLIN COUNTY**

**REPORT ON AGREED-UPON PROCEDURES**

**FOR THE PERIOD ENDED  
MARCH 31, 2000**



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

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**STATE OF OHIO**





STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

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## INDEPENDENT ACCOUNTANTS REPORT

Roy Torkelson, Director  
Merrill Lynch  
250 Vesey Street, 9<sup>th</sup> Floor  
New York, NY 10080

We have performed the procedures enumerated below, which were agreed to by you as Director of Merrill Lynch, solely to assist in the bond offering for the Ohio Water Development Authority. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the 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 procedures and associated findings are as follows:

We recalculated the principal and interest on revenue projections from the loans referenced in the revenue projections spreadsheet provided by the Authority and Merrill Lynch. We agreed the terms of the selected loans per the revenue projections to the loan agreements. This analysis was done for those borrowers whose loan amounts comprised more than 10% of the WPCLF loan portfolio which included Columbus and Northeast Ohio Regional Sewer District. Also included was a sampling of loans made since the last agreed upon procedures performed by Peat Marwick in November 1997.<sup>1</sup>

We found the following exceptions as a result of our procedures. One loan had a total balance outstanding of \$3,863,804, which exceeded the authorized loan amount of \$3,855,000. The result is the interest calculated for the life of the loan was overstated by \$3,333. When projected to our sample population the amount of overstatement approximated \$4,271.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the enterprise fund. Accordingly, we do not express such 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 use of the specified users listed above, however, the report is a matter of public record and distribution is not limited.

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

JIM PETRO  
Auditor of State

June 5, 2000

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<sup>1</sup> This audit was based on loans from "Water Pollution Control Loan Fund Revenue Bonds, State Match Series 2000, Participating Governmental Agencies Under Existing WPCLF Loan Agreements as of August 31, 1997."





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**OHIO WATER DEVELOPMENT AUTHORITY**

**FRANKLIN 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 25, 2000**