

CLINTON TOWNSHIP WATER AND SEWER DISTRICT

KNOX COUNTY, OHIO

AGREED-UPON PROCEDURES

For the Years Ended December 31, 2014 and 2013





Dave Yost • Auditor of State

Board of Trustees
Clinton Township Water and Sewer District
350 Johnson Ave.
Mount Vernon, Ohio 43050

We have reviewed the *Independent Auditor's Report on Applying Agreed-Upon Procedures* of the Clinton Township Water and Sewer District, Knox County, prepared by Charles E. Harris & Associates, Inc., for the period January 1, 2013 through December 31, 2014. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Clinton Township Water and Sewer District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 14, 2015

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CLINTON TOWNSHIP WATER AND SEWER DISTRICT
KNOX COUNTY
Agreed-Upon Procedures
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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, with which the Board of Trustees and the management of the Clinton Township Water and Sewer District (the District) and the Auditor of State 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, 2014 and 2013, 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, 2014 and December 31, 2013 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2013 beginning balance recorded in the General Ledger to the December 31, 2012 balances in the documentation in the prior year Agreed-Upon Procedures workpapers. We found no exceptions. We also agreed the January 1, 2014 beginning fund balances recorded in the General Ledger to the December 31, 2013 balances in the General Ledger. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2014 and 2013 cash balances reported in the General Ledger. The amounts agreed.
4. We observed the December 31, 2014 bank balance on the financial institution's website. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2014 bank reconciliation without exception.

Confirmable Cash Receipts

1. We confirmed special assessment tax receipts collected by the Knox County Auditor and paid to the District during 2014 and 2013. We found no exceptions.
 - a. We compared the amounts from the above confirmation to the amounts recorded in the General Ledger. The amounts agreed.
 - b. We determined these receipts were recorded in the proper year. We found no exceptions.

Charges for Services

1. We obtained the December 31, 2014 and 2013 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 water and sewer for 2014 and 2013 to the District's General Ledger. We noted no exceptions.

Debt

1. From the prior *agreed-upon procedures* documentation, we noted the following loans outstanding as of December 31, 2012. These amounts agreed to the District's January 1, 2013 balances on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2012:
1997 – OWDA Loan	\$ 1,729,258
1998 – OWDA Loan	604,268
1999 – OWDA Loan	666,863
2000 – OWDA Loan	980,771
2005 – OWDA Loan	396,891

2. We inquired of management, and scanned the General Ledger for evidence of debt issued during 2014 or 2013 or debt payment activity during 2014 or 2013. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of debt activity for 2014 and 2013 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 2014 and one payroll check for all employees from 2013 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). We found no exceptions.
 - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
 - 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. We also determined whether the payment was posted to the proper year. We found no exceptions.

2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2014 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 2014. We noted the following:

Withholding plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Medicare and social security	January 31, 2015	January 19, 2015	\$150.16	\$150.16

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the General Ledger for the year ended December 31, 2014 and ten from the year ended 2013 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 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. 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 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, 2014 and 2013. The amounts agreed.
2. We scanned the appropriation measures adopted for 2014 and 2013 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 2014 and 2013. 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, 2014 and 2013. 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, 2014 and 2013, as recorded in the Profit and Loss Detail Report. Expenditures did not exceed appropriations.

6. We scanned the General Ledger for the years ended December 31, 20XX+1 and 20XX for negative cash fund balance. Ohio Rev. Code Section 5705.10 (I) provides that money paid into a fund must be used for the purposes for which such fund is established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another. We noted no funds having a negative cash fund balance.

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, the Auditor of State, and others within the District, and is not intended to be, and should not be used by anyone other than these specified parties.



Charles E. Harris & Associates, Inc.
June 5, 2015



Dave Yost • Auditor of State

CLINTON TOWNSHIP & 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
JULY 28, 2015**