



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Fayetteville-Perry Township Regional Sewer District  
Brown County  
PO Box 294  
Fayetteville, Ohio 45118

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Fayetteville-Perry Township Regional Sewer District (the District), on the receipts, disbursements and balances recorded in the Districts cash basis accounting records for the years ended December 31, 2019 and 2018 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the District. The District is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2019 and 2018 and certain compliance requirements related to these transactions and balances included in the information provided to us by the District. 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 and Investments

1. We recalculated the December 31, 2019 and December 31, 2018 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2018 beginning balance recorded in the General Ledger to the December 31, 2017 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2019 beginning fund balances recorded in the General Ledger to the December 31, 2018 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, 2019 and 2018 cash balances reported in the General Ledger and the financial statements filed by the District in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2019 bank account balances with the District's financial institution (for STAR Ohio) and through the Ohio Pooled Collateral System (for People's Bank). We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2019 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2019 bank reconciliation:
  - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
  - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. There were no exceptions.

6. We selected five reconciling credits (such as deposits in transit) from the December 31, 2019 bank reconciliation:
  - The District improperly carried deposits in transit totaling \$336. The deposits are dated from March 2015 through June 2019. We were unable to verify these reconciling credits to a subsequent bank statement or to the financial institutions website transaction listing. The District should make appropriate adjustments to remove these reconciling items from their bank reconciliation.
7. We inspected investments held at December 31, 2019 and December 31, 2018 to determine that they were of a type authorized by Ohio Rev. Code Section 6119.16. We found no exceptions.

### **Special Assessments and Intergovernmental Cash Receipts**

1. We selected both *Statement of Semiannual Apportionment of Special Assessment* receipts from 2019 and 2018:
  - a. We compared the amount from the above named report to the amount recorded in the General Ledger. The amounts agreed.
  - b. We inspected the General Ledger to determine whether the receipt was recorded in the proper year. The receipt was recorded in the proper year. We found no exceptions.
2. We confirmed the individual amounts paid from the Ohio Public Works Commission to vendors on behalf of the District during 2018 with the Ohio Public Works Commission. We found no exceptions.
  - a. We inspected the General Ledger to determine whether the receipts were recorded in the proper year. We found no exceptions.

### **Charges for Services**

1. We selected 10 sewer collection cash receipts from the year ended December 31, 2019 and 10 sewer collection cash receipts from the year ended 2018 from the billing stubs and:
  - a. Agreed the receipt amount per the billing stub to the amount recorded to the customer's account in the General Ledger. The amounts agreed.
  - b. Amount charged for the related billing period:
    - i. Agreed with the debit to accounts receivable in the General Ledger for the billing period. We found no exceptions.
    - ii. Complied with rates in force during the audit period, plus any applicable late penalties, plus unpaid prior billings. We found no exceptions.
  - c. Receipt was recorded in the year received. We found no exceptions.
2. We inspected the A/R Aging report.
  - a. This report listed \$41,058.92 and \$31,737.31 of accounts receivable as of December 31, 2019 and 2018, respectively.
  - b. Of the total receivables reported in procedure 2a, \$8,838.05 and \$8,201.35 were recorded as more than 90 days delinquent as of December 31, 2019 and 2018, respectively.

3. We inspected the General Ledger. We noted no non-cash receipt adjustments for the years ended December 31, 2019 and 2018.

**Debt**

1. From the prior agreed-upon procedures documentation, we observed the following loans were outstanding as of December 31, 2017. These amounts agreed to the District's January 1, 2018 balances on the summary we used in procedure 3.

<b>Issue</b>	<b>Principal outstanding as of December 31, 2017:</b>
USDA Loan	\$1,246,191
OPWC Loan CO914	33,549
OPWC Loan CO28M	85,808
OWDA Loan 3953	329,563
OWDA Loan 4518	225,464
OWDA Loan 5330	785,918
OWDA Loan 4734	1,153,838
OWDA Loan 7829	20,775
OWDA Loan 2258	83,644
OWDA Loan 6438	\$685,796

2. We inquired of management, and inspected the General Ledger for evidence of debt issued during 2019 or 2018 or debt payment activity during 2019 or 2018. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of loans debt activity for 2019 and 2018 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.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded per the General Ledger. The amounts agreed.

**Non-Payroll Cash Disbursements**

1. We selected 10 disbursements from the General Ledger for the year ended December 31, 2019 and 10 from the year ended 2018 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 fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code Section 5705.41(D). We found no exceptions.

### **Compliance – Budgetary**

1. Ohio Rev. Code Sections 5705.28(B)(2) and 5705.41(B) prohibit expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total approved appropriations (Ohio Rev. Code Section 5705.38 and 5705.40) plus any carryover appropriations for the years ended December 31, 2019 and 2018. Expenditures did not exceed appropriations for 2019. Expenditures for 2018 exceeded total appropriations by \$158,830, contrary to Ohio Rev. Code Sections 5705.28(B)(2) and 5705.41(B). The Fiscal Officer should not certify the availability of funds and should deny payment requests exceeding appropriations. The Fiscal Officer may request the Trustees to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary, and if resources are available.
2. We inspected the General Ledger for the years ended December 31, 2019 and 2018 for negative cash fund balances. 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. There were no funds having negative cash fund balances.

### **Sunshine Law Compliance**

1. We obtained and inspected the District's Public Records Policy to determine the policy was in accordance with Ohio Rev. Code §§ 149.43(E)(2) and 149.43(B)(7)(c) and did not limit the number of responses that may be made to a particular person, limit the number of responses during a specified period of time, or establish a fixed period of time before it will respond unless that period is less than eight hours. We found no exceptions.
2. We inquired with District management and determined that the District did not have any completed public records requests during the engagement period.
3. We inquired with District management and determined that the District did not have any denied public records requests during the engagement period.
4. We inquired with District management and determined that the District did not have any public records requests with redactions during the engagement period.
5. We inquired with District management and determined that the District did not have a records retention schedule during the engagement period and therefore could not make it readily available to the public as required by Ohio Rev. Code § 149.43(B)(2). Per the District's public records policy all District records are maintained and if disposition of documents is contemplated, a formal records retention schedule will be developed.
6. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
7. We inquired with District management and determined that the District did not have a policy manual during the engagement period because they do not have any employees, therefore the public records policy could not be included as required by Ohio Rev. Code § 149.43(E)(2).
8. We observed that the District's poster describing their Public Records Policy was displayed conspicuously in all branches of the District as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
9. We inquired with District management and determined that the District did not have any applications for record disposal submitted to the Records Commission during the engagement period.

10. We inquired with District management and determined that the District did not have any elected officials subject to the Public Records Training requirements during the engagement period as required by Ohio Rev. Code §§ 149.43(E)(1) and 109.43(B).
11. We inspected the public notices for the public meetings held during the engagement period and determined the District notified the general public and news media of when and where meetings during the engagement period were to be held as required by Ohio Rev. Code § 121.22(F). We found no exceptions.
12. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Rev. Code § 121.22(C) and determined whether they were:
  - a. Prepared – a file is created following the date of the meeting
  - b. Filed – placed with similar documents in an organized manner
  - c. Maintained - retained, at a minimum, for the engagement period
  - d. Open to public inspection – available for public viewing or request.

We found no exceptions.

13. We inspected the minutes from the engagement period in accordance with Ohio Rev. Code § 121.22(G) and determined the following:
  - a. No executive sessions were held at regular or special meetings.
  - b. The purpose for the meetings and going into an executive session (when applicable) correlated with one of the matters listed in Ohio Rev. Code Section 121.22(G).
  - c. Formal governing board actions were adopted in open meetings.

We found no exceptions.

### **Other Compliance**

1. Ohio Rev. Code Section 117.38 requires these districts to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies, regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. We confirmed the District filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended December 31, 2019 and 2018 in the Hinkle system. There were no exceptions.

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*. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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This report is to provide assistance in the evaluation of the District's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2019 and 2018, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Keith Faber  
Auditor of State

Columbus, Ohio

October 5, 2020



# OHIO AUDITOR OF STATE KEITH FABER



**FAYETTEVILLE- PERRY TOWNSHIP REGIONAL SEWER DISTRICT**

**BROWN COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 11/10/2020**

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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)