



OHIO AUDITOR OF STATE
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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Carroll Water and Sewer District
Ottawa County
10340 West State Route 2
Oak Harbor, Ohio 43449-9013

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees (the Board) and the management of Carroll Water and Sewer District, Ottawa County, Ohio (the District), on the receipts, disbursements and balances recorded in the District's cash-basis accounting records for the years ended December 31, 2020 and 2019 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, 2020 and 2019 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, 2020 and December 31, 2019 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2019 beginning balance recorded in the Cash Journal spreadsheet to the December 31, 2018 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, 2020 beginning fund balance recorded in the Cash Journal spreadsheet to the December 31, 2019 balance in the Cash Journal spreadsheet. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2020 and December 31, 2019 cash balance reported in the Cash Journal spreadsheet and the financial statements filed by the District in the Hinkle system. The amounts agreed.
4. We observed the December 31, 2020 year-end bank balances on the financial institutions' websites. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2020 bank reconciliation without exception.
5. We selected all reconciling debits (such as outstanding checks) from the December 31, 2020 bank reconciliation:

- a. We traced each debit to the subsequent January bank statement. We found one reconciling debit has not cleared the bank as of April 30, 2021 and is still showing as a reconciling debit on the April 30, 2021 bank reconciliation (the latest reconciliation available).
 - b. We traced the amounts and dates to the Check Register spreadsheet, and determined the debits were dated prior to December 31. There were no exceptions.
6. We selected all reconciling credits (such as deposits in transit) from the December 31, 2020 bank reconciliation:
 - a. We traced each credit to the subsequent January bank statement. We found no exceptions.
 - b. We agreed the credit amounts to the Receipt Ledger spreadsheet and determined they were dated prior to December 31. We found no exceptions.
7. We inspected investments held at December 31, 2020 and December 31, 2019 to determine they were of a type authorized by Ohio Rev. Code § 6119.16. We found no exceptions.

Other Confirmable Cash Receipts

We confirmed the total amount paid from STAR Ohio to the District during 2019 with STAR Ohio. In addition, we confirmed the total amount paid from Croghan Colonial Bank to the District during 2019 with Croghan Colonial Bank. We also inspected the Receipt Ledger spreadsheet to determine whether the receipts were recorded in the proper year. We found no exceptions.

Charges for Services

1. We selected ten water/sewer collection cash receipts from the year ended December 31, 2020 and ten water/sewer collection cash receipts from the year ended December 31, 2019 recorded in the Batch Receipt Report and:
 - a. Agreed the receipt amount per the Batch Receipt Report to the amount recorded to the customer's account in the Summary Billing Register Report. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Summary Billing Register Report for the billing period. We found no exceptions.
 - ii. Complied with rates in force during the audit period multiplied by the consumption amount recorded for the billing 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 Standard Aging Report.
 - a. This report listed \$93,902 and \$82,143 of accounts receivable as of December 31, 2020 and 2019, respectively.
 - b. Of the total receivables reported in Procedure 2.a, \$24,300 and \$26,554 were recorded as more than 90 days delinquent as of December 31, 2020 and 2019, respectively.
3. We inspected the Batch Summary Report.
 - a. This report listed a total of \$15,127 and \$1,179 non-cash receipts adjustments for the years ended December 31, 2020 and 2019, respectively.
 - b. We selected five non-cash adjustments from 2020 and five non-cash adjustments from 2019, and noted that the Superintendent approved each adjustment.

Debt

1. From the prior agreed-upon procedures documentation, we observed the following loans were outstanding as of December 31, 2018. These amounts agreed to the District's January 1, 2019 balances on the summary we used in Procedure 3.

Issue	Principal outstanding as of December 31, 2018:
OPWC Loan - CE09H	\$23,248
Carroll Township Loan	1,697,721

2. We inquired of management, and inspected the Receipt Ledger spreadsheet and Check Register spreadsheet for evidence of debt issued during 2020 or 2019 or debt payment activity during 2020 or 2019. All debt agreed to the summary we used in Procedure 3.
3. We obtained a summary of loan debt activity for 2020 and 2019 and agreed principal payments from the related debt amortization schedule and Loan Agreement Addendum No. 1 to payments reported in the Check Register spreadsheet. 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 selected one payroll check for five employees from 2020 and one payroll check for five employees from 2019 from the Payroll Calculation Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Calculation Report to supporting documentation (timecard or legislatively-approved rate or salary).
 - i. We inspected the employee's personnel files for the retirement system, federal, state, and local income tax withholding authorization.
 - ii. We agreed these items to the information used to compute gross and net pay related to this check.
We found no exceptions.
 - b. We inspected the account code to which the check was posted to determine the posting was allowable based on the employee's duties as documented in the employee's personnel files and/or minute record. We found no exceptions.
 - c. We confirmed the payment was posted to the proper year. We found no exceptions.
2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2020 to confirm 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 2020. We observed the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes and Medicare	February 1, 2021	December 15, 2020	\$4,615	\$4,615
State income taxes	January 15, 2021	January 7, 2021	2,054	2,054
OPERS retirement	February 1, 2021	January 13, 2021	6,210	6,210

3. We inspected the Detail Expenditure spreadsheet and quarterly 941 forms to determine the District properly credited the paid leave costs against the tax obligations. We found no exceptions.

Non-Payroll Cash Disbursements

1. From the Check Register spreadsheet, we re-footed checks recorded as *personal service* disbursements and checks recorded as *utilities* disbursements for 2020. We found no exceptions.
2. We selected ten disbursements from the Check Register spreadsheet for the year ended December 31, 2020 and ten from the year ended December 31, 2019 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 Check Register spreadsheet and to the names and amounts on the supporting invoices. We found no exceptions.

Compliance - Budgetary

1. Ohio Rev. Code §§ 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 §§ 5705.38 and 5705.40) plus any carryover appropriations for the years ended December 31, 2020 and 2019. Expenditures did not exceed appropriations.
2. We inspected the Cash Journal spreadsheet for the years ended December 31, 2020 and 2019 for negative cash fund balance. Ohio Rev. Code § 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 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 selected five public records requests from the engagement period and inspected each request to determine the following:
 - a. The District was compliant and responded to the request in accordance with its adopted policy as required by Ohio Rev. Code § 149.43(B)(1). We found no exceptions.
 - b. We inquired with District management and determined that the District did not have any denied public records requests during the engagement period.
 - c. We inquired with District management and determined that the District did not have any public records requests with redactions during the engagement period.
3. We inquired whether the District had a records retention schedule, and observed that it was readily available to the public as required by Ohio Rev. Code § 149.43(B)(2). We found no exceptions.
4. 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.
5. We inspected the District's policy manual and determined the public records policy was included as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.

6. We observed that the District's poster describing its Public Records Policy was not displayed conspicuously in all branches of the District as required by Ohio Rev. Code § 149.43(E)(2).
7. 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.
8. 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).
9. 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.
10. 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; and
 - d. Open to public inspection - available for public viewing or request.We found no exceptions.
11. We inspected the minutes from the engagement period in accordance with Ohio Rev. Code § 121.22(G) and determined the following:
 - a. Executive sessions were only 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 § 121.22(G); and
 - c. Formal Board actions were adopted in open meetings.We found two instances on January 16, 2019 and November 20, 2019 where the purpose of going into executive session did not correlate with one of the matters listed in Ohio Rev. Code § 121.22(G), as the minutes listed "Mr. Biggert's evaluation" (not an enumerated reason to enter into executive session) as the reason for entering into the executive sessions. Failure to enter into executive session for allowable reasons could result in an illegal public meeting.

Other Compliance

1. Ohio Rev. Code § 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 its 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, 2020 and 2019 in the Hinkle system. There were no exceptions.
2. For all credit card accounts we obtained:
 - copies of existing internal control policies,
 - a list of authorized users, and
 - a list of all credit card account transactions.

- a. We selected one credit card transaction from each credit card account for testing. For selected transactions we inspected documentation to determine that each transaction was supported with original invoices and for a proper public purpose. We found no exceptions.
- b. We selected three credit card statements from each credit card account for testing. For selected statements we inspected documentation to determine that:
 - i. No unpaid beginning balance was carried forward to the current billing cycle,
 - ii. Ending statement balance was paid in full, and
 - iii. Statement contained no interest or late fees.We found 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.

This report is to provide assistance in the evaluation of the District's receipts, disbursements and balances recorded in its cash-basis accounting records for the years ended December 31, 2020 and 2019, 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

June 29, 2021

OHIO AUDITOR OF STATE KEITH FABER



CARROLL WATER AND SEWER DISTRICT

OTTAWA 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 7/13/2021

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This report is a matter of public record and is available online at
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