



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

Sandusky Township Sewer District
Sandusky County
551 Northcrest Avenue
Fremont, Ohio 43420-9010

We have performed the procedures enumerated below on Sandusky Township Sewer District's (the District) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2021 and 2020 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, 2021 and 2020 and certain compliance requirements related to these transactions and balances included in the information provided to us by the District.

The Board of Trustees and the management of the District have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing 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, 2021 and 2020, and certain compliance requirements related to these transactions and balances. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in 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.

For the purposes of performing these procedures, this report only describes exceptions exceeding \$10.

The procedures and the associated findings are as follows:

Cash and Investments

1. We recalculated the December 31, 2021 and December 31, 2020 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2020 beginning fund balance recorded in the Treasurer's Report to the December 31, 2019 balance in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2021 beginning fund balance recorded in the Treasurer's Report to the December 31, 2020 balance in the Treasurer's Report. We found no exceptions.
3. We agreed the 2021 and 2020 bank reconciliation balances as of December 31, 2021 and 2020 to the total fund cash balances reported in the Treasurers Report and the financial statements filed by the District in the Hinkle System. The amounts agreed.

4. We confirmed the December 31, 2021 bank account balances with the District's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2021 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2021 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, and determined the debits were dated prior to December 31. We found no exceptions.
6. We inspected investments held at December 31, 2021 and December 31, 2020 to determine that they were of a type authorized by Ohio Rev. Code § 6119.16. We found no exceptions.

Special Assessments Confirmable Cash Receipts

- We confirmed the individual amounts paid from Sandusky County to the District during 2021 and 2020 with the County. We found no exceptions.
- a. We inspected the Treasurer's Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We inspected the Treasurer's Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Charges for Services

We obtained the December 31, 2021 and 2020 Monthly Expense reports submitted by the Sandusky County Engineer, the organization responsible for collecting utility payments on behalf of the District. We agreed the total gross utilities per month to the District's Treasurer's report. The amounts agreed.

Debt

1. From the prior agreed-upon procedures documentation, we observed the following loans were outstanding as of December 31, 2019. These amounts agreed to the District's January 1, 2020 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2019:
OWDA Cap Project Loan 3245	\$798,204.37
OWDA Cap Project Loan 4405	509,426.49
OWDA Cap Project Loan 5524	177,681.71
OWDA Cap Project Loan 5804	251,087.45
OWDA Cap Project Loan 7242	94,622.94
OPWC Cap Project Loan CE38F	19,658.87
OPWC Cap Project Loan CE23B	55,082.00

2. We inquired of management, and inspected the Treasurer's Report and Monthly Expense Report for evidence of debt issued during 2021 or 2020 or debt payment activity during 2021 or 2020. All debt agreed to the summary we used in procedure 3.

3. We obtained a summary of loans and debt activity for 2021 and 2020 and agreed principal and interest payments from the related debt amortization schedules to debt service fund payments reported in the Expense Detail Report. 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 2021 and one payroll check for five employees from 2020 from the Payroll Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Report to supporting documentation (timecard, legislatively-approved rate or salary).
 - i. We inspected the employees' 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 recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
 - c. We inspected the fund and account codes to which the check was posted to determine the posting was allowable based on the employees' duties as documented in the employees' personnel files. We found no exceptions.
 - d. 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, 2021 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 2021. We observed the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes and Medicare (and social security, for employees not enrolled in pension system)	January 31, 2022	January 5, 2022	\$442.16	\$442.16
State income taxes	January 15, 2022	January 1, 2022	15.39	15.39
School District income tax	January 15, 2022	January 1, 2022	37.50	37.50
OPERS retirement	January 30, 2022	January 7, 2022	240.00	240.00

We found no exceptions.

Non-Payroll Cash Disbursements

1. From the Monthly Expense Ledger Report, we re-footed checks recorded as Contractual Services, and Office Supplies for 2021. We found no exceptions.
2. We obtained the December 31, 2021 and 2020 Monthly Expense reports submitted by the Sandusky County Engineer, the organization responsible for collecting utility payments on behalf of the District. We agreed the total gross utility fees and other services deductions per month to the District's Treasurer's reports. The amounts agreed.

3. We selected ten of the remaining disbursements from the Monthly Expense Ledger Report for the year ended December 31, 2021 and all six remaining from the year ended 2020 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 Treasurers Report 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.
 - d. The fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code § 5705.41(D). We found one instance where a disbursement requiring certification was not certified and there was also no evidence that a Then and Now Certificate was issued. Ohio Rev. Code § 5705.41(D) requires certifying at the time of a commitment, which should be on or before the invoice date, unless a Then and Now Certificate is used. Because we did not inspect all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

Compliance – Budgetary

1. Ohio Rev. Code § (§) 5705.28(B)(2) and 5705.41(B) prohibits 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, 2021 and 2020 for the General Fund. Expenditures did not exceed appropriations.
2. We inspected the Actual vs Budgeted Report for the years ended December 31, 2021 and 2020 for negative cash fund balances. 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. 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 selected the only public records request from the engagement period and inspected the request to determine the following:
 - a. The District was compliant and responded to the request in accordance with their adopted policy as required by Ohio Rev. Code § 149.43(B)(1). We found no exceptions.

Date Request Received	Date Request Fulfilled	Policy Response Time (in Business days)	Actual Response Time (in Business days)
8/2/2020	8/3/2020	Reasonable Period of Time	1

- b. The District did not have any denied public records requests during the engagement period.
 - c. 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 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.
 7. We selected the only application submitted to the Records Commission for one-time disposal of obsolete records, and management's review of the schedules of records retention and dispositions for the engagement period. We inspected the approval by the Records Commission for the total population selected and the review of the schedules. This was required by Ohio Rev. Code § 149.412. We found no exceptions.
 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
 - 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).
 - c. Formal governing board actions were adopted in open meetings.
- We found no exceptions.

Other Compliance

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 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, 2021 and 2020 in the Hinkle system. We found no exceptions.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review engagement, 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.

We are required to be independent of the District and to meet our ethical responsibilities, in accordance with the ethical requirements established by the Comptroller General of the United States' *Government Auditing Standards* related to our agreed upon procedures engagement.



Keith Faber
Auditor of State
Columbus, Ohio

May 25, 2022

OHIO AUDITOR OF STATE KEITH FABER



SANDUSKY TOWNSHIP SEWER DISTRICT

SANDUSKY 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 6/16/2022

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