



OHIO AUDITOR OF STATE
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INDEPENDENT ACCOUNTANT'S 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 on the Fayetteville Perry Township Regional 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 General Ledger to the December 31, 2019 balance in the 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 General Ledger to the December 31, 2020 balance in the General Ledger. We found no exceptions.
3. We agreed the 2021 and 2020 bank reconciliations as of December 31, 2021 and 2020 to the total fund cash balance reported in the General Ledger and the financial statements filed by the District in the Hinkle System. The amounts agreed for 2020. The 2021 bank reconciliation and General

Ledger balances were \$518 higher than the total fund cash balance on the financial statements filed by the District in the Hinkle System.

4. We confirmed the December 31, 2021 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, 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 and Intergovernmental Cash Receipts

1. We selected both Statement of Semiannual Apportionment of Special Assessment receipts from 2021 and 2020:
 - a. We compared the amounts from the above named report to the amount recorded in the General Ledger. The amounts agreed, however they were posted at the net amount instead of the gross amount.
 - b. We inspected the General Ledger to determine whether the receipts were recorded in the proper year. The receipts were recorded in the proper year. We found no exceptions.
2. The District incorrectly recorded \$140,879 as intergovernmental revenue on their 2021 financial statements that was actually a correction from a prior year that should have been posted to retained earnings in the District's Quickbooks accounting system and beginning fund balance on the District's financial statements. No adjustment to the accounting system is required as ending fund balance is unchanged.

Charges for Services

1. We selected 10 sewer collection cash receipts from the year ended December 31, 2021 and 10 sewer collection cash receipts from the year ended 2020 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 engagement 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 Accounts Receivable (A/R) Aging Summary Reports.
 - a. This report listed \$32,239 and \$41,059 of accounts receivable as of December 31, 2021 and 2020, respectively.
 - b. Of the total receivables reported in procedure 2a, \$10,120 and \$8,838 were recorded as more than 90 days delinquent.
3. We inquired with management and determined there is no ledger for non-cash adjustments.

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:
USDA Loan	1,175,839
OPWC Loan CO28M	73,434
OWDA Loan #3953	294,993
OWDA Loan #4518	205,245
OWDA Loan #5330	729,247
WWTP Loan #4734	1,056,180
OWDA Loan #7829	106,652
OWDA Loan #6438	641,977

2. We inquired of management, and inspected the General Ledger 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 debt activity for 2021 and 2020 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.

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the General Ledger for the year ended December 31, 2021 and 10 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 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 § 5705.41(D). We found no exceptions.

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. Expenditures did not exceed appropriations.
2. We inspected the General Ledger 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 inquired with District management and determined that the District did not have any completed, denied or redacted public records requests during the engagement period.
3. 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.
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) but the records custodian did not sign the acknowledgement during the audit period.
5. 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 employees, therefore the requirement to include the public records policy in a policy manual did not apply to the District.
6. We inquired with District management and determined that the District did not have a poster describing their public records policy because the District does not have employees and does not have a physical location during the engagement period, therefore Ohio Rev. Code § 149.43(E)(2)'s requirement that a public office display a poster describing their public records policy did not apply to the District.
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
 - 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

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 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

January 18, 2023

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 2/2/2023

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