



OHIO AUDITOR OF STATE  
**KEITH FABER**







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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Toledo Area Sanitary District  
Lucas County  
5015 Stickney Avenue  
Toledo, Ohio 43612-3718

We have performed the procedures enumerated below on Toledo Area Sanitary District, Lucas County, Ohio's (the District) 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 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 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, 2020 and 2019, 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

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 fund balances for the General Fund recorded in the Receipts and Disbursements book to the December 31, 2018 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2020 beginning fund balances for the General Fund recorded in the Receipts and Disbursements book to the December 31, 2019 balances in the Receipts and Disbursements book. We found no exceptions.

3. We agreed the totals per the bank reconciliations to the total of the December 31, 2020 and 2019 fund cash balances reported in the Receipts and Disbursements book and the financial statements filed by the District in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2020 bank account balances with the District's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2020 bank reconciliation without exception.
5. We selected five 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 no exceptions.
  - b. We traced the amounts and dates to the check register and determined the debits were dated prior to December 31. There were no exceptions.

### **Maintenance Assessments**

We selected all receipts from the *Statement of Semiannual Apportionment of Taxes* from 2020 and all from 2019:

- a. We compared the amounts from the Semi-Annual Apportionment of Taxes to the amount recorded in the Receipts and Disbursements book. The amounts agreed.
- b. We inspected the Receipts and Disbursements book to determine whether the receipt was recorded the proper year. The receipt was recorded in the proper year. We found no exceptions.

### **Debt**

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2018.
2. We inquired of management, and inspected the Receipts and Disbursements book for evidence of debt issued during 2020 or 2019 or debt payment activity during 2020 or 2019. There were no new debt issuances, nor any debt payment activity during 2020 or 2019.

### **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 Employee Earnings Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Employee Earnings Report and the Data Entry Worksheet to supporting documentation (timecard, legislatively-approved rate or salary).
    - i. We inspected the Payroll Report book 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 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 annual salary notification (for permanent employees), and to the New Employee Payroll form (for new employees). 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:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes and Medicare	January 31, 2021	December 12, 2020	\$14,438.65	\$14,438.65
State income taxes	January 15, 2021	December 17, 2020	2,729.25	2,729.25
School District Income Tax	January 15, 2021	December 17, 2020	220.27	220.27
Local income tax	January 15, 2021	December 17, 2020	2,894.35	2,894.35
OPERS retirement	January 30, 2021	December 15, 2020	45,816.78	45,816.78

**Non-Payroll Cash Disbursements**

1. From the Receipts and Disbursements book, we re-footed checks recorded as General Fund disbursements for *Field Expenses* for 2020. We found no exceptions.
2. We selected 10 disbursements from the Receipts and Disbursements book for the year ended December 31, 2020 and 10 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 Receipts and Disbursements 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.
  - 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 two instances where the certification date was after the vendor invoice date, 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 § 5705.41(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) for the years ended December 31, 2020 and 2019 for the General fund. Expenditures did not exceed appropriations.
2. We inspected the Cash Summary by Fund Report 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. The District operates with one General Fund. There were no months in the Receipts and Disbursement ledger where the General Fund had a negative cash fund balance.

**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 5 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 their adopted policy as required by Ohio Rev. Code § 149.43(B)(1). We found no exceptions. See the table below.

<b>Date Request Received</b>	<b>Date Request Fulfilled</b>	<b>Policy Response Time (in Business days)</b>	<b>Actual Response Time (in Business days)</b>
11/14/2019	11/15/2019	No time frame given	1
11/5/2019	11/6/2019	No time frame given	1
11/19/2020	11/30/2020	No time frame given	6
3/24/2020*	6/15/2020	No time frame given	58
6/17/2019	6/17/2019	No time frame given	0

\* Records request was received two days before the State of Ohio instituted the Stay at Home order of 2020. The General Manager/Records Custodian responded to the requestor by email that the State was instituting a Stay at Home Order and they were not in the office with the records. The requestor acknowledged the Stay at Home Order. The request was completed to the requestor's satisfaction when the General Manager returned to office work.

- 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) and 149.43(B)(3). 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 one application and the review of the schedules. This was required by Ohio Rev. Code § 149.412. (Note: the records retention schedule is not the same policy as the public records policy.) 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.No found no exceptions.

### **Other Compliance**

Ohio Rev. Code § 117.38 requires 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, 2020 and 2019 in the Hinkle system. There were no exceptions.

### **Related Party Transactions**

1. We inquired with management and identified the following Related Party Transactions:
  - a. Disbursements for general counsel and other related legal fees to Russell Miller, Secretary-Treasurer of the Executive Board and associated with the law firm Rohrbacher Cron Manahan Trimble & Zimmerman Co. LPA. We found no exceptions.
2. We confirmed the transactions with the Director of Administration at Rohrbacher Cron Manahan Trimble & Zimmerman Co. LPA. We found no exceptions.
3. We obtained supporting evidence for the Related Party Transactions noted in procedure 1. 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

August 31, 2021



# OHIO AUDITOR OF STATE KEITH FABER



**TOLEDO AREA SANITARY DISTRICT**

**LUCAS 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 9/14/2021**

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