



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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

Walnut Creek Sewer District  
Fairfield County  
8125 Maple Street  
PO Box 178  
Thurston, Ohio 43157

We have performed the procedures enumerated below on the Walnut Creek Sewer District'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 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 fund balance for each fund recorded in the General Ledger Report to the December 31, 2018 balances in documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2020 beginning fund balances for each fund recorded in the General Ledger Report to the December 31, 2019 balances in the General Ledger Report. We found no exceptions.

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3. We agreed the totals per the bank reconciliations to the total of the December 31, 2020 and 2019 cash balances reported in the General Ledger Report. The amounts agreed. We agreed the totals per the bank reconciliations to the total of the December 31, 2020 and 2019 financial statements filed by the District in the Hinkle System. In 2020, there was a variance of \$66,697. In 2019, there was a variance of \$66,318.
4. We confirmed the December 31, 2020 bank account balances for the District through the Ohio Pooled Collateral System. 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 of five reconciling debits (such as outstanding checks) from the December 31, 2020 bank reconciliation:
  - a. We traced four debits to the subsequent January bank statement. The fifth debit was voided in March 2021. 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.
6. We inspected investments held at December 31, 2020 and December 31, 2019 to determine that they were of a type authorized by Ohio Rev. Code § 6119.16. We found no exceptions.

**Charges for Services**

1. We obtained the December 31, 2020 and 2019 Total Distributions from the Payment Register Detail Reports from the Village of Pleasantville and Village of Thurston, the Villages responsible for collecting sewer fees on behalf of the District. We agreed the total gross sewer fees per year to the District's General Ledger. The amounts for 2020 agreed. In 2019, we found one receipt of \$1,417 for waste water/back wash recorded as charges for services that should have been recorded as miscellaneous.

**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.

<b>Issue</b>	<b>Principal outstanding as of December 31, 2018:</b>
OWDA 4060	\$23,657
OWDA 5194	\$35,045
OPWC CQ28L	\$173,740
OPWC CQ29M	\$427,460

2. We inquired of management, and inspected the Transaction Detail Report for evidence of debt issued during 2020 or 2019 or debt payment activity during 2020 or 2019. Debt payments agreed to the summary we used in procedure 3. There was a new debt issuance during 2020.
3. We obtained a summary of loans debt activity for 2020 and 2019 and agreed principal and interest payments from the related debt amortization schedules to payments reported in the Transaction Detail Reports. 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 Transaction Detail Report. The amounts agreed.

5. For new debt issued during 2020, we inspected the debt legislation, which stated the District must use the proceeds to expand the waste water treatment plant, a new sewer and pump station and infiltration/inflow investigation. We inspected the Transaction Detail Report and observed the District paid for plant expansion starting in May of 2020 through year end.

### **Non-Payroll Cash Disbursements**

1. We selected 10 disbursements from the Transaction Detail Report for the year ended December 31, 2020 and 10 from the year ended 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 Transaction Detail Report and to the names and amounts on the supporting invoices. For 2020, we found no exceptions. For 2019, we found the Township did not maintain supporting documentation for a portion of check number 1542 dated June 27, 2019 in the amount of \$465. There was an agreement in place for rent which included water cost as well. The agreement had a monthly rental cost of \$450, however does not provide the total cost for water at \$15. Ohio Rev. Code § 149.351 provides that records of the public office shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of except as provided by law.
  - 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, 2020 and 2019. 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. 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.
  - 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 inquired with District management and determined that the District did not have a policy manual during the engagement period therefore the public records policy could not be included as required by Ohio Rev. Code § 149.43(E)(2).
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 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. 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, 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(s) of authorized users, and
  - a list of all credit card account transactions.
- a. We inspected the established policy obtained above and determined it is :
  - i. in compliance with the HB 312 statutory requirements, and
  - ii. implemented by the entity.We found no exceptions.
- b. We selected 1 credit card transaction from each credit card account for testing. For selected transactions we inspected documentation to determine that:
  - i. Use was by an authorized user within the guidelines established in the policy, and
  - ii. Each transaction was supported with original invoices and for a proper public purpose.We found no exceptions.
- c. We selected 3 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.

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 26, 2021

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# OHIO AUDITOR OF STATE KEITH FABER



**WALNUT CREEK SEWER DISTRICT**

**FAIRFIELD 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)