



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Monroe Township Water and Sewer District
Miami County
4 E. Main Street
Tipp City, Ohio 45371

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Monroe Township Water and Sewer District (the District), on the receipts, disbursements and balances recorded in the Districts cash basis accounting records for the years ended December 31, 2019 and 2018 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, 2019 and 2018 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

1. We recalculated the December 31, 2019 and December 31, 2018 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2018 beginning balance recorded in the General Ledger to the December 31, 2017 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2019 beginning fund balances recorded in the General Ledger to the December 31, 2018 balances in the General Ledger. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2019 and 2018 cash balances reported in the General Ledger and the financial statements filed by the District in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2019 bank account balance with the District's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2019 bank reconciliation without exception.
5. We selected of all reconciling debits (such as outstanding checks) from the December 31, 2019 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 Transaction Detail Report, to determine the debits were dated prior to December 31. There were no exceptions.

Special Assessments and Other Confirmable Cash Receipts

1. We selected all receipts from the *Statement of Semiannual Apportionment of Taxes –from 2019 and 2018*,
 - a. We compared the amount from the above named report to the amount recorded in the General Ledger. The amounts agreed. However, we noted that during 2019, the District posted the receipts at net of fees, rather than gross. This resulted in the receipts and expenditures being understated by \$199 during 2019. Special Assessments should be reported at gross amount collected by county, with fees withheld by the county being recorded as disbursements.
 - b. We inspected the General Ledger to determine the receipts were allocated to the proper fund as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. We found no exceptions
 - c. We inspected the General Ledger to determine whether the receipt was recorded in the proper year. The receipt was recorded in the proper year. We found no exceptions.
2. We confirmed the total amounts paid for water and sewer collections by Miami County to the District during 2019 with the Miami County Sanitary Engineering Department. We found no exceptions-
 - a. We inspected the General ledger Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. From the prior audit documentation, we observed the following Loans were outstanding as of December 31, 2017. These amounts agreed to the District's January 1, 2018 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2017:
Monroe Township Loan	\$40,000
OWDA Loan #7572	\$2,281,985

2. We inquired of management, and inspected the General Ledger Report and Transaction Detail Report for evidence of debt issued during 2019 or 2018 or debt payment activity during 2019 or 2018. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of loan activity for 2019 and 2018 and agreed principal and interest payments to the related invoices from lending bank, and confirmation from the Ohio Water Development Authority (OWDA) available online at Loans.OWDA.org 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.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the General Ledger. The amounts agreed.
5. For new debt issued during 2018, we inspected the debt legislation, which stated the District must use the loan proceeds for the construction of the water and sewer system and line of credit proceeds for operating expenses. We inspected the Transaction Detail Report and General Ledger Report and observed the District used OWDA loans to pay for construction and technical support services for the completion of the water and sewer system and line of credit for operating expenses during 2018.

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Transaction Detail Report for the year ended December 31, 2019 and 10 from the year ended 2018 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. We noted six disbursements during 2018 where the date of the check in the Transaction Detail Report did not agree to the check date on cancelled check. Additionally, we noted three disbursements during 2019 where the check numbers on the Transaction Detail Report did not agree to the cancelled check number. Due care should be taken to verify that the information on the check agrees to the accounting system. Failure to do so could result in errors/ omissions going unnoticed and problems during bank reconciliation process.
 - 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 Section 5705.41(D). We found no exceptions.

Compliance – Budgetary

1. Ohio Rev. Code Sections 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 Section 5705.38 and 5705.40) plus any carryover appropriations for the years ended December 31, 2019 and 2018. Expenditures for 2019 exceeded total appropriations by \$3,541, and expenditures for 2018 exceeded total appropriations by \$1,325, contrary to Ohio Rev. Code Sections 5705.28(B)(2) and 5705.41(B). The Fiscal Officer should not certify the availability of funds and should deny payment requests exceeding appropriations. The Fiscal Officer may request the Trustees to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary, and if resources are available.
2. We inspected the General Ledger for the years ended December 31, 2019 and 2018 for negative cash fund balance. Ohio Rev. Code Section 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 found no exceptions.

Sunshine Law Compliance

1. We obtained and inspected the Monroe Township Water and Sewer District's Public Records Policy to determine the policy was in accordance with Ohio Rev. Code § 149.43(E)(2) 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 the District's management and determined that the District did not have any completed public records requests during the engagement period.

Sunshine Law Compliance (Continued)

3. We inquired with the District's management and determined that the District did not have any denied public records requests during the engagement period.
4. We inquired with the District's management and determined that the Monroe Township Water and Sewer District did not have any public records requests with redactions during the engagement period.
5. We inquired with the District's 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).
6. 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.
7. We inspected the Monroe Township Water and Sewer 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.
8. We inquired with the District's Management that the District's poster describing their Public Records Policy was displayed conspicuously in Monroe Township Building as required by Ohio Rev. Code § 149.43(E)(2). We observed that the District's Public Records Policy was posted on the District's website. We found no exceptions.
9. We inquired with the District's management and determined that the District did not have any applications for record disposal submitted to the Records Commission during the engagement period.
10. We inquired with the District's 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).
11. 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.
12. 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.
13. 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 Section 121.22(G).
 - c. Formal governing board actions were adopted in open meetings.We found no exceptions.

Other Compliance

1. Ohio Rev. Code Section 117.38 requires these district's 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, 2019 and 2018 in the Hinkle system. There were 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 their cash-basis accounting records for the years ended December 31, 2019 and 2018, 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

July 23, 2020

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OHIO AUDITOR OF STATE KEITH FABER



MONROE TOWNSHIP WATER AND SEWER DISTRICT

MIAMI 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 8/27/2020

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This report is a matter of public record and is available online at
www.ohioauditor.gov