



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

Southern 5 Sewer District
Huron County
631 South Myrtle Avenue
Willard, Ohio 44890

We have performed the procedures enumerated below on Southern 5 Sewer District's, Huron County, Ohio (the District) receipts, disbursements and balances recorded in the cash-basis accounting records for the years ended December 31, 2024 and 2023 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, 2024 and 2023 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 its cash-basis accounting records for the years ended December 31, 2024 and 2023, 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, 2024 and December 31, 2023 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2023 beginning fund balance recorded in the Cash Journal Spreadsheet. We found no exceptions. We also agreed the January 1, 2024 beginning fund balance recorded in the Cash Journal Spreadsheet to the December 31, 2023 balance in the Cash Journal Spreadsheet. We found no exceptions.
3. We agreed the 2024 and 2023 bank reconciliation as of December 31, 2024 and December 31, 2023 to the fund cash balance reported in the Cash Journal Spreadsheet and the financial statements filed by the District in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2024 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, 2024 bank reconciliation without exception.

Southern 5 Sewer District
Huron County
Independent Accountant's Report on
Applying Agreed-Upon Procedures
Page 2

Other Receipts

We selected all other receipts from the year ended December 31, 2023 and:

- a. Agreed the receipt amount recorded in the General Ledger Report to supporting documentation. The amounts agreed.
- b. Confirmed the amounts charged complied with rates in force during the period, where applicable. We found no exceptions.
- c. Inspected the General Ledger Report to determine the receipt was recorded in the proper year. We found no exceptions.

Debt

1. The prior documentation disclosed no debt outstanding as of December 31, 2022.
2. We inquired of management and inspected the General Ledger Report for evidence of debt issued during 2024 or 2023 or debt payment activity during 2024 or 2023. We included the newly issued debt for 2024 and 2023 in the Summary Debt Table below.
3. From the summary of outstanding debt for 2024 and 2023 below:
 - a. We agreed the principal and interest from the related debt amortization schedules to payments reported in the General Ledger Report and included the total principal payments for both years in the table below. We found no exceptions.
 - b. We compared the date the debt service payments were due to the date the District made the payments. We found no exceptions.
 - c. Based on the principal payments made, we agreed the outstanding balances to debt amortization schedules or invoices and included the outstanding balances in the summary table below. We found no exceptions.
 - d. For any outstanding debt listed in the table below, we obtained the debt agreements and confirmed the District was in compliance with its debt covenants.

Summary Debt Table					
Debt Issued	Carry Forward Balance 1/1/2023	New Issue 2023	New Issue 2024	Total Principal Payments 2023/2024	Outstanding Balance 12/31/2024
OWDA Loan 10424	\$0	\$59,721	\$204,998	\$7,764	\$256,955
OWDA Loan 10425	0	81,783	707,774	23,732	765,825

4. For any new debt identified in *Debt Procedure 2* and added to the table in *Debt Procedure 3*, we agreed the amount of debt proceeds received for 2024 and 2023 from the debt documents to amounts recorded per the General Ledger Report. The amounts agreed.
5. For new debt issued during 2024 and 2023, we inspected the resolutions, which stated the District must use the proceeds for Holiday Lakes and Celeryville Sanitary Sewer Collection Systems. We inspected the General Ledger Report and observed the District used the proceeds for Holiday Lakes and Celeryville Sanitary Sewer Collection Systems in 2023 and 2024. We found no exceptions.

Wastewater Collection Projects

1. We inspected the General Ledger Report and noted the District had no expenditures subject to competitive bidding.
2. We selected all wastewater collection project disbursements from the General Ledger Report for the year ended December 31, 2024 and all from the year ended December 31, 2023 and determined whether:
 - a. The disbursements were for a proper purpose consistent with the purpose of projects. We found no exceptions.
 - b. The check number, date, payee name and amount recorded on the returned, canceled check or memo check agreed to the check number, date, payee name and amount recorded in the General Ledger Report and to the names and amounts on the supporting invoices or Ohio Water Development Authority audit confirmation. We found no exceptions.

Non-Payroll Cash Disbursements

We selected ten disbursements from the General Ledger Report for the year ended December 31, 2024 and ten from the year ended December 31, 2023 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 Report and to the names and amounts on the supporting invoices. We found no exceptions.

Compliance - Budgetary

1. Ohio Rev. Code §§ 5705.28(B)(2) and 5705.41(B) prohibits expenditures (disbursements plus contract commitments including outstanding encumbrances) 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, 2024 and 2023. Expenditures did not exceed appropriations for 2024. Expenditures for 2023 exceeded total appropriations by \$623, contrary to Ohio Rev. Code §§ 5705.28(B)(2) and 5705.41(B).
2. We inspected the Cash Journal Spreadsheet for the years ended December 31, 2024 and 2023 for negative cash fund balance. Ohio Rev. Code § 5705.10 (l) 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 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 inquired with District's management and determined that the District did not have any public records requests (completed, denied, or redacted) 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.

Southern 5 Sewer District
Huron County
Independent Accountant's Report on
Applying Agreed-Upon Procedures
Page 4

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's 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 inquired with the District's management and noted that they do not have a physical building therefore no poster could be displayed as required by Ohio Rev. Code § 149.43(E)(2).
7. Inquired with 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.
8. We inquired with 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).
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 its 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, 2024 and 2023 in the Hinkle System. We found no exceptions.

Southern 5 Sewer District
Huron County
Independent Accountant's Report on
Applying Agreed-Upon Procedures
Page 5

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
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

October 8, 2025

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OHIO AUDITOR OF STATE KEITH FABER



SOUTHERN 5 SEWER DISTRICT

HURON 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 11/6/2025

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