



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

Maysville Regional Water District
Muskingum County
PO Box 95
White Cottage, Ohio 43791

We have performed the procedures enumerated below on the Maysville Regional Water District's, Muskingum County, Ohio (the Water 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 Water District. The Water 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 Water District.

The Board of Trustees and the management of the Water 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 Water 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

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 Cash Ledger Report 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 Cash Ledger Report to the December 31, 2020 balance in the Cash Ledger Report. We found no exceptions.
3. We agreed the 2021 and 2020 bank reconciliation Total Fund Balance and Adjusted Bank Balances as of December 31, 2021 and 2020 to the total fund cash balances reported in the Cash Ledger

Efficient • Effective • Transparent

Cash (Continued)

Report and the financial statements filed by the Water District in the Hinkle System. The amounts agreed.

4. We confirmed the December 31, 2021 bank account balances with the Water District's financial institutions. 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 of five reconciling debits (such as outstanding checks) from the December 31, 2021 bank reconciliation:
 - a. We traced each debit to the subsequent January and February 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.

Charges for Services

1. We selected 10 water collection cash receipts from the year ended December 31, 2021 and 10 water collection cash receipts from the year ended 2020 recorded in the Payment Posting Report and:
 - a. Agreed the receipt amount per the Payment Posting Report to the amount recorded to the customer's account in the System Status Report. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Aged Balances Report for the billing period. We found no exceptions.
 - ii. Complied with rates in force during the engagement period multiplied by the consumption amount recorded for the billing period, plus any applicable late penalties, plus unpaid prior billings. We found no exceptions.
 - c. Receipt was posted to the proper fund, and was recorded in the year received. We found no exceptions.
2. We inspected the Aged Balances Report.
 - a. This report listed \$132,059 and \$136,651 of accounts receivable as of December 31, 2021 and 2020, respectively.
 - b. Of the total receivables reported in procedure 2a, \$6,378 and \$0 were recorded as more than 90 days delinquent.
3. We inspected the Adjustment Transaction Report.
 - a. This report listed a total of \$2,155 and \$3,490 non-cash receipts adjustments for the years ended December 31, 2021 and 2020, respectively.
 - b. We selected five non-cash adjustments from 2021 and five non-cash adjustments from 2020, and observed that the Board of Trustees approved each adjustment over \$100 and the Office Manager approved all adjustments under \$100.

Other Receipts

- We selected the one other receipt (for sale of property) from the year ended December 31, 2021 and:
- a. Agreed the receipt amount recorded in the Receipt Ledger to supporting documentation. The amounts agreed.
 - b. Inspected the Receipt Ledger to determine the receipt was recorded in the proper year. We found no exceptions.

Debt

1. From the prior agreed-upon procedures documentation, we observed the following bonds were outstanding as of December 31, 2019. These amounts agreed to the Water District's January 1, 2020 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2019:
USDA Water Revenue Bonds - 1994	\$786,000
USDA Water Revenue Bonds - 1997	\$1,048,062
USDA Water Revenue Bonds - 2011	\$734,000

2. We inquired of management, and inspected the Receipt Ledger and Payment 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 bond debt activity for 2021 and 2020 and agreed principal and interest payments from the related debt amortization schedules to payments reported in the Payment Ledger. We also compared the date the debt service payments were due to the date the Water District made the payments. We found no exceptions.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2021 and one payroll check for five employees from 2020 from the Quickbooks Payroll Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Quickbooks Payroll Report to supporting documentation (timecard or legislatively-approved rate or salary).
 - i. We inspected the employees' personnel files and/or minute record for the Retirement system, Federal, State & 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 code to which the check was posted to determine the posting was allowable based on the employees' duties as documented in the employees' personnel files and/or minute record. 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, 2021 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 2021. We observed the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2022	December 31, 2021	\$1,827.44	\$1,827.44
State income taxes	January 15, 2022	December 31, 2021	\$851.76	\$851.76
OPERS retirement	January 30, 2022	January 4, 2022	\$8,854.53	\$8,854.53

We found no exceptions.

Non-Payroll Cash Disbursements

We selected 10 disbursements from the Payment 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 Payment 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 no exceptions.

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) plus any carryover appropriations for the years ended December 31, 2021 and 2020. Expenditures for 2020 exceeded total appropriations by \$173,380, contrary to Ohio Rev. Code § 5705.41(B).
2. We inspected the Cash Ledger Report for the years ended December 31, 2021 and 2020 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 Water 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 Water District management and determined:
 - a. The Water District did not have any completed public records requests during the engagement period.
 - b. The Water District did not have any denied public records requests during the engagement period.
 - c. The Water District did not have any public records requests with redactions during the engagement period.
3. We inquired with Water District management and determined that the Water 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).
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.

Sunshine Law Compliance (Continued)

5. We inspected the Water 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 Water District's poster describing their Public Records Policy was displayed conspicuously in all branches of the Water District as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
7. We inquired with Water District management and determined that the Water District did not have any applications for record disposal submitted to the Records Commission during the engagement period.
8. We inquired with Water District management and determined that the Water 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 Water 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 Water 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 for 2021. For 2020, financial information was filed on March 24, 2021 which was not within the allotted timeframe.

We were engaged by the Water 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 Water 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 Water 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

July 27, 2022

OHIO AUDITOR OF STATE KEITH FABER



MAYSVILLE REGIONAL WATER DISTRICT

MUSKINGUM 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 8/9/2022

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