



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Maysville Regional Water District
Muskingum County
P.O. Box 95
White Cottage, Ohio 43791

We have performed the procedures enumerated below on the Maysville Regional Water District's, Muskingum County, Ohio (the District) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2023 and 2022 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, 2023 and 2022 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, 2023 and 2022, 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, 2023 and December 31, 2022 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2022 beginning fund balance recorded in the Cash Ledger Report to the December 31, 2021 balances in documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2023 beginning fund balances for each fund recorded in the Cash Ledger Report to the December 31, 2022 balances in the Cash Ledger Report. We found no exceptions.
3. We agreed the 2023 and 2022 bank reconciliation Total Fund Balance and Adjusted Bank Balances as of December 31, 2023 and 2022 to the total fund cash balances reported in the Cash Ledger Report and the financial statements filed by the District in the Hinkle System. The amounts agreed.

Efficient • Effective • Transparent

Cash (Continued)

4. We confirmed the December 31, 2023 bank account balances with the District's financial institution and Ohio Pooled Collateral System. We found no exceptions. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2023 bank reconciliation without exception.
5. We selected of 5 reconciling debits (such as outstanding checks) from the December 31, 2023 bank reconciliation:
 - a. We traced each debit to the subsequent January and February bank statements. 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, 2023 and 10 water collection cash receipts from the year ended 2022 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 Aged Balances 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 on the System Status Report
 - a. This report listed \$45,709 and \$31,755 of accounts receivable as of December 31, 2023 and 2022, respectively.
 - b. Of the total receivables reported in procedure 2a, \$7,537 and \$6,557 were recorded as more than 90 days delinquent.
3. We inspected the Adjustment Transaction Report.
 - a. This report listed a total of \$17,149 and \$5,272 non-cash receipts adjustments for the years ended December 31, 2023 and 2022, respectively.
 - b. We selected 5 non-cash adjustments from 2023 and 5 non-cash adjustments from 2022, and observed that the Board of Trustees approved each adjustment.

Debt

1. From the prior agreed-upon procedures documentation, we observed the following bonds were outstanding as of December 31, 2021.
 - a. These amounts agreed to the District's January 1, 2022 balances on the summary we used in procedure 3.
 - b. We inspected the debt's bond resolutions and trust agreement for all outstanding debt, and we confirmed the District was in compliance with the debt covenants listed below.

Debt (Continued)

Issue	Principal outstanding as of December 31, 2021:	Debt Covenant
USDA Water Revenue Bonds - 1994	\$704,000	Per bond resolution, upon default in the payments of any principal and accrued interest on the bonds, the Government may declare the entire principal amount then outstanding and accrued interest immediately due and payable.
USDA Water Revenue Bonds - 1997	\$969,285	Per the trust agreement, in case of an event of default, the Trustee can declare the principal of all bonds outstanding due and payable immediately.
USDA Water Revenue Bonds - 2011	\$631,000	Per bond resolution, upon default in the payments of any principal and accrued interest on the bonds, the Government may declare the entire principal amount then outstanding and accrued interest immediately due and payable.

2. We inquired of management and inspected the Receipt Ledger and Payment Ledger for evidence of debt issued during 2023 or 2022 or debt payment activity during 2023 or 2022. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of bonds debt activity for 2023 and 2022 and agreed principal and interest payments from the related debt amortization schedules to enterprise fund payments reported in the Payment Ledger. We also compared the date the debt service payments were due to the date the District made the payments. We found no exceptions.

Payroll Cash Disbursements

1. We selected 1 payroll check for 5 employees from 2023 and 1 payroll check for 5 employees from 2022 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, legislatively approved rate or salary). 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 selected 3 new employees from 2023 and:
 - a. We inspected the employees' personnel files and minute record for the Retirement system, Federal, State & Local income tax withholding authorization.
 - b. We agreed the items in a above to the Quickbooks Payroll Report.
We found no exceptions.
3. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2023 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 2023. We observed the following:

Payroll Cash Disbursements (Continued)

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, 2024	January 11, 2024	\$2,131	\$2,131
State income taxes	January 15, 2024	January 16, 2024	\$757	\$757
OPERS retirement	January 30, 2024	January 10, 2024	\$8,203	\$8,203

We found the District failed to pay State income tax withholdings by the required due date. We found no other exceptions.

Non-Payroll Cash Disbursements

We selected 10 disbursements from the Payment Ledger for the year ended December 31, 2023 and 10 from the year ended 2022 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 Ledgers 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.

Compliance – Budgetary

1. Ohio Rev. Code § (§) 5705.28(B)(2) and 5705.41(B) prohibits expenditures (disbursements plus certified 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, 2023 and 2022. Expenditures for 2022 exceeded total appropriations by \$93,044, contrary to Ohio Rev. Code § (§) 5705.28(B)(2) and 5705.41(B).
2. We inspected the Cash Ledger Report for the years ended December 31, 2023 and 2022 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.

Sunshine Law Compliance (Continued)

2. We inquired with District management and determined:
 - a. The District did not have any completed public records requests during the engagement period.
 - 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). We found no exceptions.
4. We inquired with District management and determined written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2) was not maintained.
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 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 were unable to inspect public notices for the public meetings held during the engagement period and determined the District did not notify 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). The District was unable to provide documentation to show the District adopted a reasonable method whereby any person may determine the time and place of all regularly scheduled meetings and the time, place, and purpose of all special meetings.
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 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, 2023 and 2022 in the Hinkle system. For 2023, financial information was filed on March 5, 2024 which was not within the allotted timeframe. We found no exceptions for 2022.

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

December 4, 2024

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 12/17/2024

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