

ADAMS COUNTY REGIONAL WATER DISTRICT
ADAMS COUNTY
AGREED-UPON PROCEDURES
FOR THE YEAR ENDED DECEMBER 31, 2024



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Board of Trustees
Adams County Regional Water District
9203 State Route 136
West Union, Ohio 45693

We have reviewed the *Independent Accountant's Report on Applying Agreed-Upon Procedures* of the Adams County Regional Water District, prepared by Millhuff-Stang, CPA, Inc., for the period January 1, 2024 through December 31, 2024. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Adams County Regional Water District is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

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

July 25, 2025

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Adams County Regional Water District
Adams County
Table of Contents
For the Year Ended December 31, 2024

<u>Title</u>	<u>Page</u>
Independent Accountant's Report on Applying Agreed-Upon Procedures	1

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Independent Accountant's Report on Applying Agreed-Upon Procedures

Adams County Regional Water District
Adams County
9203 State Route 136
West Union, Ohio 45693

We have performed the procedures enumerated below on the Adams County Regional Water District's (the District) receipts, disbursements and balances recorded in the accounting records for the year ended December 31, 2024 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 accounting records for the year ended December 31, 2024 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 accounting records for the year ended December 31, 2024, and certain compliance requirements related to these transactions and balances. Additionally, the Auditor of State has agreed to and acknowledged that the procedures performed are appropriate to meet their purposes. 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, 2024 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2024 beginning cash balances recorded in the General Ledger to the December 31, 2023 balances in the prior year audited statements. We found no exceptions.
3. We agreed the 2024 bank reconciliation register balance as of December 31, 2024 to the total cash balances reported in the Balance Sheet and the financial statements filed by the District in the Hinkle System. The District did not include its change fund or petty cash fund in its reconciliation report, resulting in a difference of \$191.
4. We confirmed the December 31, 2024 bank account balances with the District's financial institution and Ohio Pooled Collateral System. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2024 bank reconciliation. The Certificate of Deposit balances were reported as \$3,061,903 on the District's reconciliation while amounts confirmed by the District's financial institution were \$3,066,378, a difference of \$4,475.

5. We selected 5 reconciling debits (such as outstanding checks) from the December 31, 2024 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 check register, and determined the debits were dated prior to December 31. We found no exceptions.
6. We inspected investments held at December 31, 2024 to determine that they were of a type authorized by Ohio Rev. Code § 6119.16. We found no exceptions.

Intergovernmental Cash Receipts

1. We selected a total of 5 receipts from the State Distribution Transaction Lists (DTL) and the County Auditor Audit Trail by Vendor from 2024:
 - a. We compared the amount from the above named report(s) to the amount recorded in the General Ledger. The amounts agreed.
 - b. We inspected the General Ledger to determine the receipts were allocated to the proper fund(s) as required by Ohio Rev. Code §§ 5705.05 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.

Charges for Services

1. We selected 10 water collection cash receipts from the year ended December 31, 2024 recorded in the U/B Receipts Posting Journal and:
 - a. Agreed the receipt amount per the U/B Receipts Posting Journal to the amount recorded to the customer's account in the Billing Journal. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Billing Journal 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 unpaid prior billings. We found no exceptions.
 - c. Receipt was posted to the proper fund and was recorded in the year earned. We found no exceptions.
2. We inspected the Billing Journal.
 - a. The District was unable to retroactively run a Billing Journal report as of December 31, 2024. Therefore, we were unable to identify total accounts receivable recorded in the system as of December 31, 2024.
 - b. The District was unable to retroactively run a Billing Journal report as of December 31, 2024. Therefore, we were unable to identify total accounts receivable more than 90 days delinquent as of December 31, 2024.
3. We inspected the U/B Adjustment Journal.
 - a. This report listed a total of \$813,428 non-cash receipts adjustments for the year ended December 31, 2024.
 - b. We selected 5 non-cash adjustments from 2024 and observed that the Assistant General Manager approved each adjustment.

Other Receipts

We selected 10 other receipts from the year ended December 31, 2024 and:

- a. Agreed the receipt amount recorded in the General Ledger to supporting documentation. We identified one instance in which supporting documentation could not be provided for a deposit of \$245 related to a water vending machine.

- b. Confirmed the amounts charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the General Ledger to determine the receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

Debt

1. From the prior audit report, we observed bonds and loans were outstanding as of December 31, 2023. These outstanding balances are included in the "Summary Debt Table - Carry Forward Balance" column in the summary chart in procedure 3.
2. We inquired of management and inspected the General Ledger for evidence of debt issued during 2024 or debt payment activity during 2024. We included the newly issued debt for 2024 in the Summary Debt table below.
3. From the summary of outstanding debt for 2024 below:
 - a. We agreed the principal and interest payments from the related debt amortization schedules to debt service payments reported in the General Ledger and accounting records and included the total principal payments 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 schedule 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. We found no exceptions.

Summary Debt Table				
Debt Issued	Carry Forward Balance 1/1/2024	New Issue 2024	Total Principal Payments 2024	Outstanding Balance 12/31/2024
USDA Water Resource Revenue Bond	\$567,300	\$0	\$15,200	\$552,100
OPWC – CO13M	\$104,228	\$0	\$5,791	\$98,437
OPWC – CO03S	\$84,577	\$0	\$3,452	\$81,125
OWDA - #2138	\$71,751	\$0	\$47,174	\$24,577
OWDA - #2598	\$131,370	\$0	\$131,370	\$0
OWDA - #2599	\$155,070	\$0	\$103,021	\$52,049
OWDA - #3127	\$100,634	\$0	\$100,634	\$0
OWDA - #3287	\$1,845,282	\$0	\$576,835	\$1,268,447
OWDA - #6405	\$195,413	\$0	\$8,132	\$187,281
OWDA - #6950	\$126,481	\$0	\$9,332	\$117,149
OWDA - #7402	\$7,727	\$0	\$514	\$7,213
OWDA - #7949	\$42,520	\$0	\$2,583	\$39,937
OWDA - #7976	\$219,692	\$0	\$14,174	\$205,518
OWDA - #11023	\$0	\$16,839	\$0	\$16,839

4. For any new debt identified in procedure 2 and added to the table in procedures 3, we agreed the amount of debt proceeds received for 2024 from the debt documents to amounts recorded in the accounting records. The amounts agreed.
5. For new debt issued during 2024, we inspected the loan agreement, which stated the District must use the proceeds for the water system improvement project. We inspected the accounting records and observed the District recorded on-behalf payments issued by Ohio Water Development Authority for engineering services related to this project in October 2024. We found no exceptions.

Payroll Cash Disbursements

1. We selected 1 payroll check for 5 employees from 2024 from the Payroll Summary report and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Summary report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. We inspected the fund and account code(s) 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 all new employees from 2024 and:
 - a. We inspected the employees' personnel files for the Retirement system, Federal, State & Local income tax withholding authorization.
 - b. We agreed the items in a above to the Payroll Item Detail Report.
We found no exceptions.
3. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2024 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 2024. 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 1, 2025	December 30, 2024 & December 31, 2024	\$2,987.16	\$2,987.16
State income taxes	January 15, 2025	December 30, 2024	\$2,815.61	\$2,815.61
OPERS retirement	January 31, 2025	January 7, 2025	\$24,591.15	\$24,591.15

We found no exceptions.

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the General Ledger for the year ended December 31, 2024 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 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 § 5705.28(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 year ended December 31, 2024. Expenditures did not exceed appropriations.

2. We inspected the General Ledger for the year ended December 31, 2024 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 all public records requests from the engagement period and inspected each 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. 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 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 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 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

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 year ended December 31, 2024 in the Hinkle system. We found no exceptions.

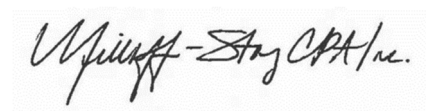
Related Party Transactions

1. We inquired with management in order to identify any related party transactions and confirm if the required elected officials abstained from voting. We identified the following:
 - a. Baxla Tractor Sales
 - b. Semple Service CenterWe found no exceptions.
2. We confirmed the transactions with the other party. We found no exceptions.
3. We obtained supporting evidence for the Related Party Transactions identified in procedure 1. 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.

Respectfully,



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

June 23, 2025

OHIO AUDITOR OF STATE KEITH FABER



ADAMS COUNTY REGIONAL WATER DISTRICT

ADAMS 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 8/7/2025

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