

**MAYSVILLE REGIONAL WATER DISTRICT
MUSKINGUM COUNTY**

AGREED UPON PROCEDURES

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

**Wilson, Phillips & Agin, CPA's, Inc.
1100 Brandywine Blvd., Building G
Zanesville, Ohio 43701**

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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(800) 282-0370

Board of Trustees
Maysville Regional Water District
P.O. Box 95
White Cottage, Ohio 43791

We have reviewed the *Independent Accounts' Report on Applying Agreed-Upon Procedures* of Maysville Regional Water District, Muskingum County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the period January 1, 2018 through December 31, 2019. 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. Maysville Regional Water District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

August 21, 2020

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**WILSON, PHILLIPS, & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD., BUILDING G
ZANESVILLE, OHIO 43701**

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Maysville Regional Water District, Muskingum County, Ohio (the District) and the Auditor of State on the receipts, disbursements and balances recorded in the District's cash basis accounting records for the years ended December 31, 2019 and 2018 and certain compliance requirements related to those transaction 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 and Investments

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 balances recorded in the Cash Ledger Report to the December 31, 2017 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2019 beginning balances recorded in the Cash Ledger Report to the December 31, 2018 balances in the Cash Ledger Report. We found no exceptions.
3. We agreed the totals per the bank reconciliation to the total of December 31, 2019 and 2018 fund cash balances reported in the Cash Ledger Reports. The amounts agreed.
4. We confirmed the December 31, 2019 bank account balances 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 five 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 check register, to determine the debits were dated prior to December 31. We found no exceptions.
6. We inspected investments held at December 31, 2019 and December 31, 2018 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We found no exceptions.
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. We noted no exceptions.

Charges for Services

1. We selected 10 Water collection cash receipts from the year ended December 31, 2019 and 10 Water collection cash receipt from the year ended December 31, 2018 recorded in the Payment Posting Report and determined whether the:
 - a. Receipt amount per the Payment Posting Report agreed to the amount recorded to the credit of 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. We found no exceptions.
 - ii. Complied with rates in force during the audit period multiplied by the consumption amount for 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 observed the Aged Balance Report.
 - a. This report listed \$135,492 and \$141,172 of accounts receivable as of December 31, 2019 and 2018, respectively.
 - b. Of the total receivables reported in the preceding step, \$4,224 and \$3,905 were recorded as more than 90 days delinquent.
3. We observed the Adjustment Transaction Report.
 - a. This report listed a total of \$3,184 and \$4,561 non-cash adjustments for the year ended December 31, 2019 and 2018, respectively.
 - b. We haphazardly selected five non-cash adjustments from 2019 and five non-cash adjustments from 2018 and observed that the Board approved each adjustment.

Debt

1. From the prior audit documentation, we observed the following bonds were outstanding as of December 31, 2017.

USDA Water Bond 91-03	\$	860,000
USDA Water Bond 91-04		1,119,685
USDA Water Bond 91-06		830,300

2. We inquired of management and inspected the Cash Ledger 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 debt activity for 2019 and 2018 and agreed principal and interest payments from the related debt amortization schedule to payments reported in the Cash Ledger Report. 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 one payroll check for five employees from 2019 and one payroll check for five employees from 2018 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 or statutorily approved rate or salary). We found no exceptions.
 - b. We inspected the account codes to which the check was posted to determine the posting was reasonable based on the employee's duties as documented in the minute record, timesheets or as required by statute. We also confirmed the payment was posted to the proper year. We found no exceptions.
 - c. For any new employees selected in procedure 1 we inspected the personnel files and or minute record for the following information and compared it with information used to compute gross and net pay related to this check.
 - i. Name
 - ii. Authorized salary or pay rate and departments and funds to which the check should be charged.
 - iii. Retirement system, Federal, State & Local income tax withholding authorization and withholding.

We found no exceptions related to procedures i.-iii. Above.

2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2019 to confirm remittances were timely paid, and that the amounts paid agreed to the amounts withheld, plus the employer's share, where applicable during the final withholding period during 2019. We noted the following:

Withholding (plus employer share Where applicable)	Due Date	Date Paid	Amount W/H	Amount
Federal Income Taxes	January 31, 2020	December 20, 2019	\$ 3,130.84	\$ 3,130.84
State Income Taxes	January 15, 2020	January 2, 2020	554.50	554.50
OPERS Retirement	January 31, 2020	January 2, 2020	5,659.19	5,659.19

Non-payroll Cash Disbursements

1. We selected ten disbursements from the Payment Register Detail Activity Report for the year ended December 31, 2019 and ten from the year ended December 31, 2018 and determined whether:
 - a. The disbursements were for a public purpose. We found no exceptions.
 - b. The check number, date, payee name and amount recorded on the returned, canceled check image agreed to the check number, date, payee name and amount recorded in the Payment Register Detail Report and to the names and amounts on the supporting invoices. We noted 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.
- a. 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 Revised Code Section 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 did not exceed appropriations.

Compliance-Budgetary

2. We inspected the Cash Ledger Report for the years ended December 31, 2019 and 2018 for negative cash fund balance. Ohio Revised 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 noted 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 Revised Code Section 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 District management and determined the District did not have any public records requests during the engagement period.
3. We inquired with District management and determined the District did not have any denied public records request during the engagement period.
4. We inquired with District management and determined that the District did not have any public records requests with redactions during engagement period.
5. We inquired whether the District had a records retention policy schedule and observed that it was readily available to the public as required by ORC Section 149.43(B)(2).
6. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager as required by ORC Section 149.43(E)(2). We found no exceptions.
7. We inspected the District's policy manual and determined the public records policy was included as required by ORC Section 149.43(E)(2). We found no exceptions.
8. We observed that the District's poster describing their Public Records Policy was displayed conspicuously in all branches of the District as required by ORC Section 149.43(E)(2). We found no exceptions.
9. 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.
10. We inspected individual training certificates and determined whether each elected official in accordance with ORC Section 149.43(E)(1) (or his/her designee) successfully attended a certified three-hour Public Records Training for each term of office as required by ORC Section 109.43(B). We found no exceptions.
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 are to be held as required by ORC Section 121.22(F). We found no exceptions.

12. We inspected the minutes of public meetings during the engagement period in accordance with ORC Section 121.22(G) and determined whether they were:
- Prepared – a file is created following the date of the meeting
 - Filed – placed with similar documents in an organized manner
 - Maintained – retained, at a minimum, for the engagement period
 - Open to public inspections – available for public viewing or request.

We found no exceptions.

13. We inspected the minutes from the engagement period and determined the following:
- Executive sessions were only held at regular or special meetings.
 - The purpose for the meetings and going into an executive session (where applicable) correlated with one of the matters listed in Ohio Rev. Code Section 121.22(G).
 - Formal governing board actions were adopted in open meetings.

We found no exceptions.

Other Compliance

1. Ohio Revised Code Section 117.38 requires 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, in addition to filing extensions granted for extenuating circumstances, allow for refile complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System for December 31, 2019 and 2018 fiscal year ends included 2015-2016 or 2016-2017 agreed up on procedure engagements, subsequent to the District's deadline where the initial filing was filed on time but incomplete. 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 years ended December 31, 2019 and 2018 in the Hinkle system. 2018 Financial information was filed on July 13, 2020, which was not in the allotted time frame.
2. For all credit card accounts we obtained:
- Copies of existing internal control policies,
 - a list of authorized users, and
 - a list of all credit card account transactions.
- a. We inspected the established policy obtained above and determined it is:
- in compliance with the HB 312 statutory requirements, and
 - implemented by the entity.

We found no exceptions.

- b. We selected 1 credit card transaction from each credit card account for testing. For selected transactions we inspected documentation to determine that:
- Use was by an authorized user within the guidelines established in the policy, and
 - Each transaction was supported with original invoices and for a proper public purpose.

We found no exceptions.

- c. We selected 3 credit card statements from each credit card account for testing. For selected statements we inspected documentation to determine that:
- i. No unpaid beginning balance was carried forward to the current billing cycle,
 - ii. Ending statement balance was paid in full, and
 - iii. Statement contained no interest or late fees.
- We found 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 on the District's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion. 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.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
July 21, 2020

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 9/3/2020

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