



OHIO AUDITOR OF STATE
KEITH FABER



WHITEWATER TOWNSHIP REGIONAL SEWER AND WATER DISTRICT
HAMILTON COUNTY

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65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

INDEPENDENT AUDITOR'S REPORT

Whitewater Township Regional Sewer and Water District
Hamilton County
P.O. Box 532
Miamitown, Ohio 45041

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Whitewater Township Regional Sewer and Water District, Hamilton County, Ohio (the District), which comprises the cash balances, receipts and disbursements as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District, as of December 31, 2023 and 2022, or the changes in financial position or, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the financial statements are prepared by the District on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

Whitewater Township Regional Sewer and Water District
Hamilton County
Independent Auditor's Report
Page 3

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio
April 18, 2025

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Whitewater Township Regional Sewer and Water District

Hamilton County

*Combined Statement of Receipts, Disbursements
And Changes in Fund Balance (Regulatory Cash Basis)
For the Year Ended December 31, 2023*

Operating Cash Receipts

Sewer Usage Fees	<u>\$36,043</u>
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<i>Total Operating Cash Receipts</i>	<u>36,043</u>
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Operating Cash Disbursements

Personal Services	4,736
Utilities	3,487
Contractual Services	19,439
Insurance	1,508
Miscellaneous	<u>140</u>

<i>Total Operating Cash Disbursements</i>	<u>29,310</u>
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<i>Operating Income/(Loss)</i>	<u>6,733</u>
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Non-Operating Cash Receipts

Special Assessments	161,311
Intergovernmental Revenues	5,530,241
Interest	<u>253,289</u>

<i>Total Non-Operating Cash Receipts</i>	<u>5,944,841</u>
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Non-Operating Cash Disbursements

Capital Outlay	213,566
Principal Payments	396,458
Interest Expense	31,946
Other Non-Operating Cash Disbursements	<u>6,174</u>

<i>Total Non-Operating Cash Disbursements</i>	<u>648,144</u>
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<i>Net Receipts Over/(Under) Disbursements</i>	<u>5,303,430</u>
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Cash Balance, January 1	<u>461,665</u>
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<i>Cash Balance, December 31</i>	<u>\$5,765,095</u>
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The notes to the financial statements are an integral part of this statement.

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Whitewater Township Regional Sewer & Water District

Hamilton County

Notes to the Financial Statements

For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The Whitewater Township Regional Sewer & Water District, Hamilton County, Ohio (the District) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a three-member Board of Trustees. The Board is appointed by the Whitewater Township Board of Trustees, and only those members who are residents of an area within the District's territory are eligible to serve as Board members. The District provides sewer services to residents of the District.

The District participates in a public entity risk pool. Note 5 to the financial statements provides additional information for this entity. The District's management believes the financial statement presents all activities for which the District is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The District's financial statement consists of a statement of receipts, disbursements and changes in fund balance (regulatory cash basis).

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board of Trustees recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Budgetary Process

The Ohio Revised Code requires the District to budget annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1.

Encumbrances The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled and re-appropriated in the subsequent year.

A summary of 2023 budgetary activity appears in Note 3.

Whitewater Township Regional Sewer & Water District

Hamilton County

Notes to the Financial Statements

For the Year Ended December 31, 2023

Deposits and Investments

The District's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts		
Budgeted	Actual	
Receipts	Receipts	Variance
\$ 5,718,160	\$ 5,980,884	\$ 262,724

2023 Budgeted vs. Actual Budgetary Basis Expenditures		
Budgetary	Budgetary	
Appropriation	Expenditures	Variance
\$ 678,200	\$ 677,454	\$ 746

Note 4 – Deposits and Investments

The District maintains a deposits and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

Demand deposits	\$ 298,865
Total deposits	298,865
STAR Ohio	5,466,230
Total investments	5,466,230
Total deposits and investments	\$5,765,095

Deposits

Deposits up to \$250,000 are insured by the Federal Depository Insurance Corporation.

Whitewater Township Regional Sewer & Water District

Hamilton County

Notes to the Financial Statements

For the Year Ended December 31, 2023

Investments

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Risk Management

Risk Pool Membership

The District is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the District's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2022 (latest data available):

Cash and investments	\$42,310,794
Actuarial liabilities	15,724,479

Note 6 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

District employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries and the District contributed an amount equaling 14 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2023.

Note 7 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for

Whitewater Township Regional Sewer & Water District

Hamilton County

Notes to the Financial Statements

For the Year Ended December 31, 2023

members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

Note 8 - Debt

Debt outstanding at December 31, 2023 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OWDA Construction Loan #4275	\$ 519,289	1%
OPWC Loan Project #CB22G	40,000	0%
OWDA Construction Loan #5260	166,485	1%
OWDA Construction Loan #5904	1,312,336	1%
OWDA Construction Loan #6437	178,994	1.5%
2021 Whitewater Township Loan	125,927	3%
2022 Whitewater Township Loan	<u>220,000</u>	3%
Total	<u>\$2,563,031</u>	

The OWDA Construction Loan #4275 was issued on March 31, 2005, for the purpose of constructing a sewer line. OWDA approved \$2,737,337 in loans to the District for this project. This project was completed in 2010. The loan will be repaid over a period of 20 years at an interest rate of 1%.

The OPWC (Ohio Public Works Commission) Loan #CB22G was issued in 2005 for the purpose of constructing a sewer line. OPWC approved \$400,000 in loans to the District for this project. The loan will be repaid over a period of 20 years at an interest rate of 0%.

The OWDA Construction Loan #5260 was issued on September 24, 2009, for the purpose of constructing a sewer line. OWDA approved \$417,722 in loans to the District for this project. This project was completed in 2013. The loan will be repaid over a period of 20 years at an interest rate of 1%.

The OWDA Construction Loan #5904 was issued on July 28, 2011, for the purpose of constructing a sewer line. OWDA has approved \$2,625,218 in loans to the District for this project. This project was completed in 2017. The loan will be repaid over a period of 20 years at an interest rate of 1%.

The OWDA Construction Loan #6437 was issued on April 25, 2013, for the purpose of constructing a sewer line. OWDA approved \$318,436 in loans to the District for this project. This project was completed in 2015. The loan will be repaid over a period of 20 years at an interest rate of 1.5%.

The 2021 Whitewater Township Loan was issued in September, 2021, for the purpose of funding continuing operations. The original terms of the loan require repayment in equal semi-annual payments through September 28, 2024 at an interest rate of 3%. Terms of the loan provide that if payment is not made on the due date, then a minimum payment of the interest scheduled to be paid shall be made. The original payment due will be due in full, at the next scheduled payment due date. In any event, the loan is to be repaid no later than September 28, 2024.

The 2022 Whitewater Township Loan was issued in March, 2022, for the purpose of funding continuing operations. The loan will be repaid in equal semi-annual payments through April 1, 2028 at an interest rate of 3%. Terms of the loan provide that if payment is not made on the due date, then a minimum

Whitewater Township Regional Sewer & Water District

Hamilton County

Notes to the Financial Statements

For the Year Ended December 31, 2023

payment of the interest scheduled to be paid shall be made. The original payment shall be deferred and become due on the next scheduled payment due date and the loan shall be extended by a six month payment period. This deferment shall be available a maximum of 3 times, extending the loan by a maximum of 18 months. All 3 deferments have been applied as of December 31, 2023.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	OWDA		OWPC Loan		OWDA		OWDA		OWDA	
	Construction Loan #4275	Project #CB22G	Construction Loan #5260	Construction Loan #5904	Construction Loan #6437					
2024	\$ 151,350	\$ 10,000	\$ 23,096	\$ 145,151	\$ 18,489					
2025	151,350	20,000	23,096	145,151	18,488					
2026	151,350	10,000	23,096	145,151	18,489					
2027	75,675	-	23,096	145,151	18,489					
2028	-	-	23,096	145,151	18,489					
2029-2033	-	-	57,742	653,180	92,442					
2034	-	-	-	-	9,243					
Total	<u>\$ 529,725</u>	<u>\$ 40,000</u>	<u>\$ 173,222</u>	<u>\$ 1,378,935</u>	<u>\$ 194,129</u>					

Year ending December 31:	2021		2022		Total	
	Whitewater Township Loan *		Whitewater Township Loan *			
	Loan *	Loan *	Loan *	Loan *		
2024	\$ 136,276	\$ 49,476	\$ 533,838			
2025	-	40,339	398,424			
2026	-	40,339	388,425			
2027	-	40,339	302,750			
2028	-	40,339	227,075			
2029-2033	-	40,339	843,703			
2034	-	-	9,243			
Total	<u>\$ 136,276</u>	<u>\$ 251,171</u>	<u>\$ 2,703,458</u>			

* Amounts for 2024 include unpaid interest due on prior scheduled payments not made.

During 2023 the District paid \$6,079 in late fees to the Ohio Water Development Authority. These late fees are reported on the financial statements with Interest Expense.

Note 9 - Intergovernmental Revenues

During 2023, the District received a \$5,000,000 grant from Hamilton County for funding of construction costs related to the State Route 128 Trunk Line Project

In addition, the District received a \$650,000 grant from the OWDA Water Pollution Control Loan Fund for funding of the State Route 128 Trunk Line Project. As of December 31, 2023, \$530,241 of the grant had been received down by the District.

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Whitewater Township Regional Sewer and Water District
Hamilton County
Combined Statement of Receipts, Disbursements
And Changes in Fund Balance (Regulatory Cash Basis)
For the Year Ended December 31, 2022

Operating Cash Receipts

Sewer Usage Fees	\$21,022
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<i>Total Operating Cash Receipts</i>	<u>21,022</u>
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Operating Cash Disbursements

Personal Services	6,419
Utilities	2,287
Contractual Services	15,586
Insurance	1,674
Miscellaneous	239

<i>Total Operating Cash Disbursements</i>	<u>26,205</u>
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<i>Operating Income/(Loss)</i>	<u>(5,183)</u>
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Non-Operating Cash Receipts

Special Assessments	154,247
Loan Proceeds	220,000
Intergovernmental Revenues	500,000
Interest	4,537

<i>Total Non-Operating Cash Receipts</i>	<u>878,784</u>
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Non-Operating Cash Disbursements

Principal Payments	446,802
Interest Expense	42,675
Other Non-Operating Cash Disbursements	5,298

<i>Total Non-Operating Cash Disbursements</i>	<u>494,775</u>
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<i>Net Receipts Over/(Under) Disbursements</i>	<u>378,826</u>
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Cash Balance, January 1	<u>82,839</u>
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<i>Cash Balance, December 31</i>	<u>\$461,665</u>
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The notes to the financial statements are an integral part of this statement.

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Whitewater Township Regional Sewer & Water District

Hamilton County

Notes to the Financial Statements

For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The Whitewater Township Regional Sewer & Water District, Hamilton County, Ohio (the District) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a five-member Board of Trustees. The Board is appointed by the Whitewater Township Board of Trustees, and only those members who are residents of an area within the District's territory are eligible to serve as Board members. The District provides sewer services to residents of the District.

The District participates in a public entity risk pool. Note 5 to the financial statements provides additional information for this entity. The District's management believes the financial statement presents all activities for which the District is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The District's financial statement consists of a statement of receipts, disbursements and changes in fund balance (regulatory cash basis).

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board of Trustees recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Budgetary Process

The Ohio Revised Code requires the District to budget annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control, and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1.

Encumbrances The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled and re-appropriated in the subsequent year.

A summary of 2022 budgetary activity appears in Note 3.

Whitewater Township Regional Sewer & Water District

Hamilton County

Notes to the Financial Statements

For the Year Ended December 31, 2022

Deposits and Investments

The District's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts		
Budgeted	Actual	
Receipts	Receipts	Variance
\$ 889,970	\$ 899,806	\$ 9,836

2022 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation	Budgetary	
Authority	Expenditures	Variance
\$ 521,136	\$ 520,980	\$ 156

Note 4 – Deposits and Investments

The District maintains a deposits and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

Demand deposits	\$ 4,136
Total deposits	4,136
STAR Ohio	457,529
Total investments	457,529
Total deposits and investments	\$461,665

Deposits

Deposits are insured by the Federal Depository Insurance Corporation.

Whitewater Township Regional Sewer & Water District

Hamilton County

Notes to the Financial Statements

For the Year Ended December 31, 2022

Investments

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Risk Management

Risk Pool Membership

The District is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the District's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2021 (latest information available):

Cash and investments	\$41,996,850
Actuarial liabilities	\$14,974,099

Note 6 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

District employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries and the District contributed an amount equaling 14 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2022.

Note 7 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2022.

Whitewater Township Regional Sewer & Water District

Hamilton County

Notes to the Financial Statements

For the Year Ended December 31, 2022

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Note 8 - Debt

Debt outstanding at December 31, 2022 was as follows:

	Principal	Interest Rate
OWDA Construction Loan #3502	\$ 53,446	1.15%
OWDA Construction Loan #4275	664,357	1%
OPWC Loan Project #CB22G	70,000	0%
OWDA Construction Loan #5260	187,757	1%
OWDA Construction Loan #5904	1,443,380	1%
OWDA Construction Loan #6437	194,622	1.5%
2021 Whitewater Township Loan	125,927	3%
2022 Whitewater Township Loan	<u>220,000</u>	3%
Total	<u>\$2,959,489</u>	

The OWDA (Ohio Water Development Authority) Construction Loan #3502 was issued on June 28, 2001, for the purpose of constructing a sewer line. OWDA approved \$1,358,971 in loans to the District for this project. This project was completed in 2004. The original loan was scheduled to be repaid semiannually over a period of 20 years at an interest rate of 5.15%. A subsidy rate of 4% began to be applied during 2016 by OWDA resulting in a net interest rate of 1.15% thereafter.

The OWDA Construction Loan #4275 was issued on March 31, 2005, for the purpose of constructing a sewer line. OWDA approved \$2,737,337 in loans to the District for this project. This project was completed in 2010. The loan will be repaid over a period of 20 years at an interest rate of 1%.

The OPWC (Ohio Public Works Commission) Loan #CB22G was issued in 2005 for the purpose of constructing a sewer line. OPWC approved \$400,000 in loans to the District for this project. The loan will be repaid over a period of 20 years at an interest rate of 0%.

The OWDA Construction Loan #5260 was issued on September 24, 2009, for the purpose of constructing a sewer line. OWDA approved \$417,722 in loans to the District for this project. This project was completed in 2013. The loan will be repaid over a period of 20 years at an interest rate of 1%.

The OWDA Construction Loan #5904 was issued on July 28, 2011, for the purpose of constructing a sewer line. OWDA has approved \$2,625,218 in loans to the District for this project. This project was completed in 2017. The loan will be repaid over a period of 20 years at an interest rate of 1%.

The OWDA Construction Loan #6437 was issued on April 25, 2013, for the purpose of constructing a sewer line. OWDA approved \$318,436 in loans to the District for this project. This project was completed in 2015. The loan will be repaid over a period of 20 years at an interest rate of 1.5%.

Whitewater Township Regional Sewer & Water District

Hamilton County

Notes to the Financial Statements

For the Year Ended December 31, 2022

The 2021 Whitewater Township Loan was issued in September, 2021, for the purpose of funding continuing operations. The loan will be repaid in equal semi-annual payments through September 28, 2024 at an interest rate of 3%.

The 2022 Whitewater Township Loan was issued in March, 2022, for the purpose of funding continuing operations. The loan will be repaid in equal semi-annual payments through April 1, 2028 at an interest rate of 3%.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	OWDA Construction Loan #3502	OWDA Construction Loan #4275	OWPC Loan Project #CB22G	OWDA Construction Loan #5260	OWDA Construction Loan #5904
2023	\$ 54,515	\$ 151,350	\$ 20,000	\$ 23,096	\$ 145,151
2024	-	151,350	20,000	23,096	145,151
2025	-	151,350	20,000	23,096	145,151
2026	-	151,350	10,000	23,096	145,151
2027	-	75,675	-	23,096	145,151
2028-2032	-	-	-	80,838	725,755
2033-2034	-	-	-	-	72,576
Total	<u>\$ 54,515</u>	<u>\$ 681,075</u>	<u>\$ 70,000</u>	<u>\$ 196,318</u>	<u>\$ 1,524,086</u>

Year ending December 31:	2021		2022		Total
	OWDA	Whitewater Township Loan	Whitewater Township Loan		
	Construction Loan #6437				
2023	\$ 18,489	\$ 79,011	\$ 60,508	\$ 552,120	
2024	18,488	52,674	40,339	451,098	
2025	18,489	-	40,339	398,425	
2026	18,489	-	40,339	388,425	
2027	18,489	-	40,339	302,750	
2028-2032	92,442	-	20,170	919,205	
2033-2034	27,732	-	-	100,308	
Total	<u>\$ 212,618</u>	<u>\$ 131,685</u>	<u>\$ 242,034</u>	<u>\$ 3,112,331</u>	

During 2022, the District paid \$6,915 of late fees to the Ohio Water Development Authority. These late fees are reported in the financial statements with Interest Expense.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Whitewater Township Regional Sewer and Water District
Hamilton County
P.O. Box 532
Miamitown, Ohio 45041

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements of the Whitewater Township Regional Sewer and Water District, Hamilton County, Ohio (the District) and have issued our report thereon dated April 18, 2025, wherein we noted the District followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Whitewater Township Regional Sewer and Water District
Hamilton County
Independent Auditor's Report On Internal Control Over
Financial Reporting And On Compliance And Other Matters
Required By *Government Auditing Standards*
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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as item 2023-001.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio
April 18, 2025

WHITEWATER TOWNSHIP REGIONAL SEWER AND WATER DISTRICT
HAMILTON COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2023 AND 2022

FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2023-001

Noncompliance

Ohio Rev. Code § 135.18(A) states each institution designated as a public depository and awarded public deposits under sections 135.01 to 135.21 of the Revised Code, except as provided in section 135.144 or 135.145 of the Revised Code, shall provide security for the repayment of all public deposits by selecting one of the following methods:

(1) Securing all uninsured public deposits of each public depositor separately as set forth in divisions (B) to (J) of this section.

(2) Securing all uninsured public deposits of every public depositor pursuant to section 135.181 or 135.182 of the Revised Code, as applicable, by establishing and pledging to the treasurer of state a single pool of collateral for the benefit of every public depositor at the public depository.

For institutions that secure public deposits of each public depositor separately, **Ohio Rev. Code Section § 135.18(C)** states "the public depository and the public depositor shall first execute an agreement that sets forth the entire arrangement" which shall:

- meet the requirements of 12 U.S.C. Section 1823(e); and
- authorize the public depositor to obtain control of the collateral pursuant to Ohio Rev. Code § 1308.24(D).

The District maintains a checking account with Miami Savings Bank. Miami Savings Bank is not enrolled in the Ohio Pooled Collateral System and no agreement with the District has been executed for securing its deposits separately.

The lack of a specific agreement between the District and Miami Savings Bank to secure the District's public deposits results in inadequate collateralization of the District's deposits with Miami Savings Bank.

The District and the Miami Savings Bank should execute an agreement to secure the District's deposits that meets the requirements of Ohio Rev. Code § 135.18(C).

Officials' Response:

We did not receive a response from District officials to this finding.

OHIO AUDITOR OF STATE KEITH FABER



WHITEWATER TOWNSHIP REGIONAL SEWER DISTRICT

HAMILTON 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 5/8/2025

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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