

**MAYSVILLE REGIONAL WATER DISTRICT  
MUSKINGUM COUNTY**

**AGREED UPON PROCEDURES**

**FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

**Wolfe, Wilson, & Phillips, Inc.  
37 South Seventh Street  
Zanesville, Ohio 43701**

**WOLFE, WILSON, & PHILLIPS, INC.**  
**37 SOUTH SEVENTH STREET**  
**ZANESVILLE, OHIO 43701**

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

Maysville Regional Water District  
Muskingum County  
6255 Maysville Pike  
Zanesville, Ohio 43702-1700

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Maysville Regional Water District, Muskingum County, Ohio (the District) and the Auditor of State agreed, solely to assist the Board in evaluating certain receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2009 and 2008, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transaction; and management and the Board are responsible for complying with the compliance requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Publics Accountants' and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. 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 tested the mathematical accuracy of the December 31, 2009 and December 31, 2008 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2008 beginning balances recorded in the Cash Report to the December 31, 2007 balances in the prior year audited statements. We found no exceptions.
3. We agreed the totals per the bank reconciliation to the total of December 31, 2009 and 2008 cash balances reported in the year-end report. The amounts agreed.
4. We confirmed the December 31, 2009 and 2008 bank account balance with the District's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2009 bank reconciliation without exception.
5. We selected five outstanding checks haphazardly from the December 31, 2009 bank reconciliation.
  - a. We traced each check to the debit appearing in the subsequent January bank statement. We found no exceptions.
  - b. We traced the amounts and date written to the check register, to determine the checks were dated prior to December 31, 2009. We found no exceptions.

### **Charges for Services**

1. We haphazardly selected 10 water collection cash receipts from the year ended December 31, 2009 and 10 cash collection receipts from the year ended December 31, 2008 recorded in the Cash Receipts Journal and determined whether the:
  - a. Receipt amount per Cash Receipts Journal agreed to the amount recorded to the credit of the customer's account in the Aged Balance Report. The amounts agreed.
  - b. Amount charged for the related billing period complied with rates in force during the audit period multiplied by the consumption amount recorded for the billing period. We found no exceptions.
  - c. Amount charged was posted as a receivable in the Aged Balance Report for the billing period. We found no exceptions.
  - d. Receipt was posted properly and was recorded in the proper year. We found no exceptions.
2. We read the Aged Balance Report.
  - a. We noted this report listed \$30,487 and \$19,673 of accounts receivable as of December 31, 2009 and 2008, respectively.
  - b. Of the total receivables reported in step 2a, \$1,835 and \$1,360 were recorded as more than 90 days delinquent as of December 31, 2009 and 2008, respectively.
3. We read the Transaction History Summary.
  - a. We noted this report listed a total of \$4,865 and \$8,095 non-cash receipt adjustments for the years ended December 31, 2009 and 2008, respectively.
  - b. We selected five non-cash adjustments from 2009 and five non-cash adjustments from 2008 and noted the General Manager approved all adjustments and presented to the Board.

### **Debt**

1. We inquired of management and scanned the Receipt Register Report and Payment Register Detail Report for evidence of new bonded or note issuances during 2009 or 2008 or outstanding debt as of December 31, 2009 or 2008. All debt noted agreed to the summary we used in step 2.
2. We obtained a summary of note debt activity for 2009 and 2008 and agreed principal and interest payments from the related debt amortization schedule to payments reported in the Check Register Report. We also compared the date the debt payments were due to the date the District made the payments. We found no exceptions.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2009 and one payroll check for five employees from 2008 from the Payroll Register Report and determined whether the following information in the employee personnel file and minute record was consistent with the information used to compute gross and net pay related to this check:
  - a. Name
  - b. Authorized salary or pay rate
  - c. Department(s) and fund(s) to which the check should be charged
  - d. Retirement system participation and payroll withholding
  - e. Federal, State & Local income tax withholding authorization and withholding

We found no exceptions related to steps a.-e above, except the IT-4 (State) was not found in three files. 1 W-4 (Federal) was not found in one file, and one file did not have any withholding forms. However, the payroll register did disclose withholdings for the above employees. We recommend the District maintain all documentation to support wages paid and deductions withhold.

2. For the checks selected in step 1., we recomputed the gross and net pay amounts as follows:
  - a. We compared the hours and pay rate, or salary amount used in computing gross pay to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions
  - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
  - c. We determined whether the account codes to which the check was posted was reasonable based on the employee's duties as documented in the employee personnel file. We also determined whether the payment was posted to the proper year. We found no exceptions.
3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2009 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld during the final withholding period during 2009. We noted the following:

<b>Withholding</b>	<b>Due Date</b>	<b>Date Paid</b>	<b>Amount W/H</b>	<b>Amount</b>
Federal Income Taxes	January 31, 2010	January 4, 2010	\$ 3,100.00	\$ 3,100.00
State Income taxes	January 15, 2010	January 4, 2010	749.81	749.81
OPERS Retirement (withholding plus Employee share)	January 30, 2010	January 4, 2010	3,144.73	3,144.73
Deferred Compensation	December 31, 2009	December 31, 2009	271.00	271.00

4. We haphazardly selected and recomputed one termination payment (unused vacation, etc.) using the following information and agreed the computation to the amount paid as recorded in the payroll register.
  - a. Accumulated Leave Records.
  - b. The employee's pay rate in effect as of the termination date
  - c. The District's payout policy.

The amount paid was consistent with the information recorded in a. through c. above.

### **Non-payroll Cash Disbursements**

1. For the Check Register, we refooted checks recorded as salary disbursements and checks recorded as miscellaneous expenditures. We found no exceptions.
2. We agreed total disbursements (non-payroll and payroll) from the Monthly Check Report for the years ended December 31, 209 and 2008 to the total disbursements recorded in the year end report. We found no exceptions.
3. We haphazardly selected ten disbursements from the Check Register for the year ended December 31, 2009 and ten from the year ended December 31, 2008 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 Check Register 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.

### **Compliance-Budgetary**

1. We compared the total budgeted revenue, required by Ohio Revised Code Section 5705.28(B)(2) to the amounts recorded in the Year-end Financial Report. The amounts agreed.
2. We scanned the appropriation measures adopted for 2009 and 2008 to determine whether, the Trustees appropriated separately for "each office, department, and division, and within each, the amount appropriated for personal services," as is required by Ohio Revised Code Section 5705.28(B)(2). We found no exceptions.
3. We compared total appropriations required by Ohio Revised Code Section 5705.28(B)(2), to the amounts recorded in the Year-end Financial Report for 2009 and 2008. The amounts on the appropriation resolutions agreed to the amounts recorded in the Year-end Financial Report.
4. Ohio Revised Code Section 5705.28(B)(2) prohibits appropriations from exceeding the estimated revenue available for expenditure (receipts plus beginning unencumbered cash). We compared total appropriations to total estimated revenues for the years ended December 31, 2009 and 2008. Appropriations did not exceed estimated revenue.
5. Ohio Revised Code Section 5705.28(B)(2) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2009 and 2008 , as recorded in the Year-end Financial Statement. We noted total expenditures for 2009 exceeded total appropriations by \$6,006, contrary to Ohio Rev. Code 5705.28(B)(2). The Fiscal Officer should not certify the availability of funds and should deny payment requests exceeding appropriations. The Fiscal Officer may request the Trustees to approve increased expenditure levels by increasing appropriations and amending estimated revenues, if necessary, and if resources are available.

**Compliance – Contracts and Expenditures**

1. We inquired of management and scanned the Check Register for the years ended December 31, 2009 and 2008 for expenditures, other than for the acquisition of real estate and interest in real estate, the discharge of noncontractual claims, personal services, the joint use of facilities or the exercise of powers with other political subdivisions, or the product or services of public utilities, which exceeded twenty-five thousand dollars (Ohio Revised Code Section 6119.10).

We identified a building project exceeding \$25,000, subject to Ohio Rev. Code Section 6119.10. For this project, we noted the Board advertised the project in a local newspaper, and selected the lowest and/or best bidder.

2. For the building project described in step 1 above, we read the contract and noted it did not require the contractor to pay prevailing wages.

Client Response: We agree with items identified in report. We will require all employees to complete updated withholding forms and we will monitor expenditures more closely.

We were not engaged to, and did not conduct an examination, 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 intended solely for the information and use of those charged with governance and the Auditor of State and is not intended to be, and should not be used by anyone other than these specified parties.

***Wolfe, Wilson, & Phillips, Inc.***  
Zanesville, Ohio  
June 25, 2010



**Mary Taylor, CPA**  
Auditor of State

**MAYSVILLE REGIONAL WATER DISTRICT**

**MUSKINGUM COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 31, 2010**