

**MAYSVILLE REGIONAL WATER DISTRICT
MUSKINGUM COUNTY**

AUDIT REPORT

JANUARY 1, 2016 – DECEMBER 31, 2017

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



Dave Yost • Auditor of State

Board of Trustees
Maysville Regional Water District
PO Box 95
White Cottage, Ohio 43791

We have reviewed the *Independent Auditor's Report* of the Maysville Regional Water District, Muskingum County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the audit period January 1, 2016 through December 31, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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 Maysville Regional Water District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

August 28, 2018

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**MAYSVILLE REGIONAL WATER DISTRICT
MUSKINGUM COUNTY**

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

INDEPENDENT AUDITORS' REPORT

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

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts, and disbursements by and related notes of the Maysville Regional Water District, Muskingum County, as of and for the years ended December 31, 2017 and 2016.

Management's Responsibility For the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Township's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

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

As described in Note 2 of the financial statements, the District prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States, to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the District does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis permitted is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

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* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Maysville Regional Water District, Muskingum County as of December 31, 2017 and 2016, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Maysville Regional Water District, Muskingum County as of December 31, 2017 and 2016, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 26, 2018, on our consideration of Maysville Regional Water 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. That report describes the scope of our internal control testing over financial reporting and compliance and the results of that testing, and does not opine on 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.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
June 26, 2018

**MAYSVILLE REGIONAL WATER DISTRICT
MUSKINGUM COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Operating Cash Receipts		
Charges for Services		\$ 1,215,362
Miscellaneous		34,638
	Total Operating Cash Receipts	<u>1,250,000</u>
Operating Cash Disbursements		
Personal Services		371,034
Utilities		101,903
Repairs and Maintenance		27,773
Testing and Licenses		13,031
Chemicals and Operating Supplies		105,037
Office Supplies and Materials		41,223
Rent		129,982
Insurance		133,064
Capital Outlay		133,301
	Total Operating Cash Disbursements	<u>1,056,348</u>
Operating Income/(Loss)		193,652
Non-Operating Cash Receipts		
Interest		2,201
	Total Non-Operating Cash Receipts	<u>2,201</u>
Non-Operating Cash Disbursements		
Debt Service		
Principal		113,235
Interest		131,599
Other Non-Operating Cash Disbursements		1,797
	Total Non-Operating Cash Disbursements	<u>246,631</u>
	Net Receipts Over/(Under) Disbursements	(50,778)
Cash Balance - January 1		<u>1,112,244</u>
Cash Balance - December 31		<u><u>\$ 1,061,466</u></u>

See notes to financial statements.

**MAYSVILLE REGIONAL WATER DISTRICT
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

1. REPORTING ENTITY

Description of the Entity

The constitution and laws of the State of Ohio established the rights and privileges for The Maysville Regional Water District (the District), as a body corporate and politic. The District is directed by an appointed five-member Board of Trustees. Board Members are appointed by the Common Pleas Court. The District was established to provide an adequate and uncontaminated water supply for the consumption of the District's users. The District serves all or parts of Springfield and Newton Townships in Muskingum County.

The District's management believes these financial statements present all activities for which the District is financially accountable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis which is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

B. 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.

C. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the function level of control, and appropriations may not exceed estimated resources. Appropriation authority includes current year appropriations plus encumbrances carried over from the prior year (if any). 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.

**MAYSVILLE REGIONAL WATER DISTRICT
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgetary Process (Continued)

Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. The District did not use the encumbrance method of accounting.

A summary of 2017 budgetary activity appears in Note 3.

D. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

E. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the District.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2017 is as follows:

2017 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$ 1,316,801	\$ 1,252,201	\$ (64,600)

2017 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$ 1,374,850	\$ 1,302,979	\$ 71,871

4. EQUITY IN POOLED CASH AND INVESTMENTS

The District invests in a money market account.

The carrying amount of cash and investments at December 31 was as follows:

	2017
Demand Deposits	\$ 605,579
Money Market	455,887
Total Deposits	\$ 1,061,466

Deposits: Deposits are either (1) insured by the Federal Deposit Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the District, or (3) collateralized by the financial institution's public entity deposit pool.

**MAYSVILLE REGIONAL WATER DISTRICT
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

5. DEBT

Debt outstanding at December 31, 2017:

	<u>Principal</u>	<u>Interest Rate</u>
USDA Water Revenue Bonds – 1994	\$ 860,000	5.125%
USDA Water Revenue Bonds – 1997	1,119,685	4.875%
USDA Water Revenue Bonds – 2011	830,300	3.375%
Totals	<u>\$ 2,809,985</u>	

During 1994, the District issued water revenue bonds to purchase Lake Isabella. The bonds were issued for \$1,350,000 and have maturities through December 1, 2033. The loans will be repaid with the proceeds of water revenues in installments, in varying amounts, over 40 years. The District has agreed to set utility rates sufficient to cover debt service requirements.

During 1997, the District issued water revenue bonds to make improvements to the water treatment plant, water storage facilities and the water transmission mains. The bonds were issued for \$1,563,000 and maturities through December 1, 2037. The loans will be repaid with the proceeds of water revenues in annual installments of \$89,544 over 40 years. The District has agreed to set utility rates sufficient to cover debt service requirements.

During 2011, the District issued \$499,758 of \$1,045,000 water revenue bonds to fund the radio read meter project and other projects to be completed in 2012. During 2015 and 2014, the District issued \$141,316 and \$188,116, respectively, of the \$1,045,000 USDA water revenue bonds, respectively to fund projects to be completed in 2015. The bonds mature through December 2031. The loans will be repaid with the proceeds of water revenues in annual installments in varying amounts, over 20 years. The District has agreed to set utility rates sufficient to cover debt service requirements.

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

<u>Year Ending December 31</u>	<u>1994 Water Revenue Bonds</u>	<u>1997 Water Revenue Bonds</u>	<u>2011 Water Revenue Bonds</u>
2018	\$ 80,075	\$ 89,544	\$ 75,323
2019	80,230	89,544	75,426
2020	80,283	89,544	75,373
2021	80,233	89,544	75,465
2022	80,080	89,544	75,396
2023-2027	400,167	447,720	376,931
2028-2032	399,596	447,720	301,624
2033-2037	79,895	426,587	-
Total	<u>\$ 1,280,559</u>	<u>\$ 1,769,747</u>	<u>\$ 1,055,538</u>

**MAYSVILLE REGIONAL WATER DISTRICT
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

6. RETIREMENT SYSTEMS

The District's full-time employees belong to the Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes the Plan's retirement benefits, including postretirement healthcare and survivor and disability benefits to participants.

Contribution rates are also prescribed by the Ohio Revised Code. For 2017, OPERS members contributed 10.0% of their gross salaries and the District contributed an amount equal to 14.0% of participants gross salaries. The District has paid all contributions required through December 31, 2017.

7. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles; and
- Errors and omissions.

The District also provides health insurance to full time employees through a private carrier.

**MAYSVILLE REGIONAL WATER DISTRICT
MUSKINGUM COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Operating Cash Receipts		
Charges for Services		\$ 1,264,735
Miscellaneous		177,129
	Total Operating Cash Receipts	<u>1,441,864</u>
Operating Cash Disbursements		
Personal Services		381,100
Utilities		101,881
Repairs and Maintenance		23,815
Testing and Licenses		12,188
Other Contractual Services		5,747
Chemicals and Operating Supplies		126,075
Office Supplies and Materials		33,731
Rent		131,550
Insurance		137,264
Capital Outlay		75,559
	Total Operating Cash Disbursements	<u>1,028,910</u>
Operating Income/(Loss)		412,954
Non-Operating Cash Receipts		
Interest		2,144
	Total Non-Operating Cash Receipts	<u>2,144</u>
Non-Operating Cash Disbursements		
Debt Service		
Principal		109,085
Interest		135,790
Other Non-Operating Cash Disbursements		2,596
	Total Non-Operating Cash Disbursements	<u>247,471</u>
	Net Receipts Over/(Under) Disbursements	167,627
Cash Balance - January 1		<u>944,617</u>
Cash Balance - December 31		<u><u>\$ 1,112,244</u></u>

See notes to financial statements.

**MAYSVILLE REGIONAL WATER DISTRICT
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016**

1. REPORTING ENTITY

Description of the Entity

The constitution and laws of the State of Ohio established the rights and privileges for The Maysville Regional Water District (the District), as a body corporate and politic. The District is directed by an appointed five-member Board of Trustees. Board Members are appointed by the Common Pleas Court. The District was established to provide an adequate and uncontaminated water supply for the consumption of the District's users. The District serves all or parts of Springfield and Newton Townships in Muskingum County.

The District's management believes these financial statements present all activities for which the District is financially accountable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis which is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

B. 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.

C. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the function level of control, and appropriations may not exceed estimated resources. Appropriation authority includes current year appropriations plus encumbrances carried over from the prior year (if any). 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.

**MAYSVILLE REGIONAL WATER DISTRICT
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgetary Process (Continued)

Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. The District did not use the encumbrance method of accounting.

A summary of 2016 budgetary activity appears in Note 3.

D. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

E. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the District.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2016 is as follows:

2016 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$ 1,336,701	\$ 1,444,008	\$ 107,307

2016 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$ 1,228,780	\$ 1,276,381	\$ (47,601)

Contrary to ORC 5705.41 (B), the District had expenditures that were greater than appropriations.

4. EQUITY IN POOLED CASH AND INVESTMENTS

The District invests in a money market account.

The carrying amount of cash and investments at December 31 was as follows:

	2016
Demand Deposits	\$ 656,789
Money Market	455,455
Total Deposits	\$ 1,112,244

Deposits: Deposits are either (1) insured by the Federal Deposit Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the District, or (3) collateralized by the financial institution's public entity deposit pool.

**MAYSVILLE REGIONAL WATER DISTRICT
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016**

5. DEBT

Debt outstanding at December 31, 2016:

	Principal	Interest Rate
USDA Water Revenue Bonds – 1994	\$ 894,000	5.125%
USDA Water Revenue Bonds – 1997	1,153,020	4.875%
USDA Water Revenue Bonds – 2011	876,200	3.375%
Totals	\$ 2,923,220	

During 1994, the District issued water revenue bonds to purchase Lake Isabella. The bonds were issued for \$1,350,000 and have maturities through December 1, 2033. The loans will be repaid with the proceeds of water revenues in installments, in varying amounts, over 40 years. The District has agreed to set utility rates sufficient to cover debt service requirements.

During 1997, the District issued water revenue bonds to make improvements to the water treatment plant, water storage facilities and the water transmission mains. The bonds were issued for \$1,563,000 and maturities through December 1, 2037. The loans will be repaid with the proceeds of water revenues in annual installments of \$89,544 over 40 years. The District has agreed to set utility rates sufficient to cover debt service requirements.

During 2011, the District issued \$499,758 of \$1,045,000 water revenue bonds to fund the radio read meter project and other projects to be completed in 2012. During 2015 and 2014, the District issued \$141,316 and \$188,116, respectively, of the \$1,045,000 USDA water revenue bonds, respectively to fund projects to be completed in 2015. The bonds mature through December 2031. The loans will be repaid with the proceeds of water revenues in annual installments in varying amounts, over 20 years. The District has agreed to set utility rates sufficient to cover debt service requirements.

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

Year Ending December 31	1994 Water Revenue Bonds	1997 Water Revenue Bonds	2011 Water Revenue Bonds
2017	\$ 79,818	\$ 89,544	\$ 75,472
2018	80,075	89,544	75,323
2019	80,230	89,544	75,426
2020	80,283	89,544	75,373
2021	80,233	89,544	75,465
2022-2026	400,672	447,720	376,998
2027-2031	399,586	447,720	376,953
2032-2036	159,480	447,720	-
2037-2041	-	68,411	-
Total	\$ 1,360,377	\$ 1,859,291	\$ 1,131,010

**MAYSVILLE REGIONAL WATER DISTRICT
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016**

6. RETIREMENT SYSTEMS

The District's full-time employees belong to the Public Employees Retirement System (OPERS) of Ohio. OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes the Plan's retirement benefits, including postretirement healthcare and survivor and disability benefits to participants.

Contribution rates are also prescribed by the Ohio Revised Code. For 2016, OPERS members contributed 10.0% of their gross salaries and the District contributed an amount equal to 14.0% of participants gross salaries. The District has paid all contributions required through December 31, 2016.

7. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles; and
- Errors and omissions.

The District also provides health insurance to full time employees through a private carrier.

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

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS.**

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

To the Board of Trustees:

We have audited, in accordance with auditing standards general accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Maysville Regional Water District, Muskingum County as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements and have issued our report thereon dated June 26, 2018, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered Maysville Regional Water District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. 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 and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Independent Auditors' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by Government Auditing Standards
Page Two

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Maysville Regional Water District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed one instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2017-001.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
June 26, 2018

**MAYSVILLE REGIONAL WATER DISTRICT
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2017 AND 2016**

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

FINDING NUMBER 2017-001

Noncompliance – Expenditures Exceeding Appropriations

Ohio Revised Code Section 5705.41 (B) prohibits a subdivision or taxing unit from making an expenditure unless it has been appropriated.

At December 31, 2016, the District had expenditures that exceeded appropriations by \$47,601.

The General Manager should compare expenditures to available appropriations before expenditures are certified. The General Manager should deny payment requests exceeding appropriations.

Client response: We have not received a response from the client.

**MAYSVILLE REGIONAL WATER DISTRICT
MUSKINGUM COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2017 AND 2016**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2015-001	ORC 5705.41(B) expenditures exceed appropriations	No	Not Corrected Reissued as Finding 2017-001
2015-002	ORC 117.38 Hinkle Filings	No	Partially Corrected Reissued in Management Letter



Dave Yost • 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
SEPTEMBER 11, 2018**