

ATWOOD REGIONAL WATER AND SEWER DISTRICT
Carroll and Tuscarawas Counties, Ohio

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCES-ALL PROPRIETARY FUND TYPES
FOR THE YEARS ENDED DECEMBER 31, 2023**

Operating Cash Receipts	
Charges for Services	\$ 1,259,128
Other Operating Receipts	<u>1,275</u>
Total Operating Cash Receipts	1,260,403
Operating Cash Disbursements	
Personal Services	562,515
Contractual Services	102,958
Materials, Supplies and Equipment	85,580
Utilities	161,539
Capital Outlay	0
Other Operating Expenses	<u>68,659</u>
Total Operating Cash Disbursements	<u>981,251</u>
Operating (Loss)	279,152
Non-Operating Cash Receipts	
Rent, Royalties and Interest on Investments	8,984
Proceeds of Loans	0
Other Non-Operating Revenues	<u>3,112</u>
Total Non-Operating Cash Receipts	<u>12,096</u>
Non-Operating Cash Disbursements	
Interest and Fiscal Charges	(50,981)
Debt Service	<u>(205,252)</u>
Total Non-Operating Cash Disbursements	<u>(244,137)</u>
Net Receipts (Over) Disbursements	35,015
Cash Balance, January 1	<u>424,124</u>
Cash Balance, December 31	<u><u>\$ 459,139</u></u>

The accompanying notes are an integral part of the financial statements.

ATWOOD REGIONAL WATER AND SEWER DISTRICT
Carroll and Tuscarawas Counties, Ohio
Notes to the Financial Statement
For the Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The Atwood Regional Water and Sewer District (the District), Carroll and Tuscarawas Counties, 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. North Shore Association, Sunset Valley Civic Association, Atwood Glens Associations, HARCATUS, Central Atwood Lake, The Village of Dellroy, The Village of Sherrodsville and the Muskingum Watershed Conservancy District appoint one member of the Board of Trustees to direct the District. There are 8 Board of Trustee members. Subdivisions within the District are Warren Township, Orange Township, Monroe Township, The Village of Sherrodsville, The Village of Dellroy, Carroll County and Tuscarawas County. The District provides sewer services to residents of the District.

B. ACCOUNTING BASIS

This financial statement follows 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). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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).

This statement includes 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(D) permit.

C. BUDGETARY PROCESS

The Ohio Revised Code requires that the operating fund of the District be budgeted 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 District 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.

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C. BUDGETARY PROCESS (CONTINUED)

Encumbrances: The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be re-appropriated. A summary of 2023 budgetary activity appears in Note 2.

D. CASH AND CASH EQUIVALENTS

All deposits are maintained in checking accounts and money market savings accounts. The District also maintains a petty cash account.

E. OPERATING AND NON-OPERATING REVENUES

Operating revenues are defined as those charges or receipts which relate directly to the delivery of sewer or water services. User charges, connection and impact fees, and penalties are operating revenues. Non-operating revenues have an indirect relationship to delivery of services. Interest on investments, proceeds from loans, rents and royalties are examples of non-operating revenues.

F. OPERATING AND NON-OPERATING EXPENSES

Operating expenses are defined as those payments for goods and services directly related to the delivery of sewer or water services. Personnel costs, contractual services, supplies and materials, utilities, and miscellaneous costs are operating expenses. Non-operating expenses have an indirect relationship to delivery of services. Payment for principal and loan interest is the most common non-operating expense.

G. 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.

H. ACCUMULATED LEAVE

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

ATWOOD REGIONAL WATER AND SEWER DISTRICT
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2. DEPOSITS

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, 2023, was as follows:

	<u>2023</u>
Demand Deposits	\$ 4,920
Money Market	454,019
Petty Cash	<u>200</u>
Total Deposits	<u>\$ 459,139</u>

Deposits are insured by the Federal Deposit Insurance Corporation, collateralized by securities specifically pledged by the financial institution to the District, or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

3. BUDGETARY ACTIVITY

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

2023 Budgeted vs Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$1,146,520	\$1,272,499	\$125,979

2023 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$1,210,926	\$1,237,484	(\$26,558)

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4. DEBT ADMINISTRATION

Long-term debt consists of four loans from Ohio Water Development Authority (OWDA), and one principal only loan from Ohio Public Works Commission (OPWC). The proceeds of these loans provide the District's share of water resource projects. The District pledges its revenues for payment of the loans; however, the agreements contain no stipulated net revenue coverage value for the debt service. Also, Ohio statutes contain no debt limit for water resource loans secured by pledged revenues.

Non-Current Loans Payable Fiscal Year 2023

Obligation	Balance at Jan 1	Issued	Retired	Balance at Dec 31	Due 2024
Cooperative Loan Agreement (OWDA) 1999 Interest Rate 5.7% Mat: 1/1/2026	\$ 73,802	\$ 0	\$ 23,214	\$ 50,588	\$ 24,573
Cooperative Loan Agreement (OWDA) 2002 Interest Rate 2.00% Mat: 1/1/2029	\$ 211,328	\$ 0	\$ 33,492	\$ 177,835	\$ 34,166
Cooperative Loan Agreement (OWDA) 2008 Planning Loan Interest Rate 1.5% Mat: 2038	\$ 782,888	\$ 0	\$ 40,754	\$ 742,134	\$ 41,367
Cooperative Loan Agreement (OWDA) 2015 Interest Rate 1.4% Mat: 9/30/2045	\$ 2,401,241	\$ 0	\$ 106,660	\$ 2,294,580	\$ 108,143
Cooperative Loan Agreement (OPWC) 2011 Interest Rate 0.0% Mat: 1/1/2032	\$ 10,189	\$ 0	\$ 1,132	\$ 9,056	\$ 1,132
Total Obligations	\$ 3,482,423	\$ 0	\$ 205,252	\$ 3,274,193	\$ 209,381

The financial requirements to amortize all indebtedness, including interest, are as follows:

Year(s) Ending Dec 31 st :	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2024	\$48,058	\$209,381	\$257,439
2025	\$43,798	\$213,640	\$257,438
2026	\$39,807	\$190,490	\$230,297
2027	\$36,893	\$193,403	\$230,296
2028	\$33,931	\$196,366	\$230,297
2029-2033	\$132,085	\$829,371	\$961,456
2034-2038	\$71,788	\$788,134	\$859,922
2039-2043	\$27,431	\$475,905	\$503,336
2044-2045	\$2,894	\$177,503	\$180,397
	\$436,685	\$3,274,193	\$3,710,878

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5. RETIREMENT SYSTEM

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

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

6. POST-EMPLOYMENT BENEFITS

OPERS offers 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 copays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0% for members in the traditional pension plan and 2% for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4%; however, a portion of the health care rate was funded with reserves.

7. INSURANCE

The District maintains comprehensive insurance coverage with private carriers for real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are 90 percent coinsured. The District has not significantly decreased coverage in the past three years, nor have claims exceeded commercial coverage.

8. CONTINGENCIES

Management is not aware of any pending litigation or claims against the District.