



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Brunersburg Water District
Defiance County
22485 Mill Street
Defiance, Ohio 43512

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Brunersburg Water District, Defiance County, Ohio (the District), agreed, solely to assist the Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2011 and 2010, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management and the Board are responsible for complying with the compliance requirements. This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. 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

1. We tested the mathematical accuracy of the December 31, 2011 and December 31, 2010 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2010 beginning fund balances recorded in the cash journal to the December 31, 2009 balances in the prior year Agreed-Upon Procedures working papers. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2011 and 2010 fund cash balances reported in the cash journal. The amounts agreed.
4. We confirmed the December 31, 2011 bank account balances with the District's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2011 bank reconciliation without exception.
5. We selected the only two reconciling debits (such as outstanding checks) from the December 31, 2011 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and dates written to the check register, to determine the debits were dated prior to December 31. We noted no exceptions.

Special Assessments Cash Receipts

1. We selected a special assessment receipt from one *Statement of Semiannual Apportionment of Taxes* (the *Statement*) for 2011 and one from 2010:
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipts Journal. The amounts agreed.
 - b. We determined whether the receipt was allocated to the proper funds as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. We found no exceptions.
 - c. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We scanned the Receipts Journal to determine whether it included two special assessment receipts for 2011 and 2010. We noted the Receipts Journal included the proper number of special assessment settlement receipts for each year.

Charges for Services

1. We haphazardly selected 10 water collection cash receipts from the year ended December 31, 2011 and 10 water collection cash receipts from the year ended December 31, 2010 recorded in the Receipt Register Report and determined whether the:
 - a. Receipt amount per the Receipt Register Report agreed to the amount recorded to the credit of the customer's account in the Balance Due Report. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Balance Due Report for the billing period. We found no exceptions.
 - ii. Complied with rates in force during the audit period multiplied by the consumption amount recorded for the billing period, plus any applicable late penalties, plus unpaid prior billings. We found no exceptions.
 - c. Receipt was posted to the proper funds, and was recorded in the year received. We found no exceptions.
2. We read the Balance Due Report.
 - a. We noted this report listed \$4,790 and \$3,096 of accounts receivable as of December 31, 2011 and 2010, respectively.
 - b. Of the total receivables reported in step 2a, \$377 and \$219 were recorded as more than 90 days delinquent as of December 31, 2011 and 2010, respectively.
3. We read the Adjustment History Report.
 - a. We noted this report listed a total of \$1,176 and \$2,309 non-cash receipts adjustments for the years ended December 31, 2011 and 2010, respectively.

- b. We selected five non-cash adjustments from 2011 and five non-cash adjustments from 2010, and noted the Board of Trustees did not approve nine out of the ten adjustments.— We recommend the Fiscal Officer submit a list of adjustment to the Board of Trustees for approval at each monthly meeting. Because we did not test all non-cash adjustments our report provides no assurance regarding whether or not other similar errors occurred.

Debt

- 1. From the prior agreed-upon procedures documentation, we noted the following loan outstanding as of December 31, 2009. These amounts agreed to the District's January 1, 2010 balances on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2009:
Ohio Development Water Authority Loan	\$24,166.77

- 2. We inquired of management, and scanned the Receipts Journal and Appropriation Ledger for evidence of debt issued during 2011 or 2010 or debt payment activity during 2011 or 2010. All debt noted agreed to the summary we used in step 2.
- 3. We obtained a summary of noted debt activity for 2011 and 2010 and agreed principal and interest payments from the related debt amortization schedule to the Debt service Fund and the Water Fund payments reported in the Appropriation Ledger. We also compared the date the debt service payments were due to the date the District made the payments. We found no exceptions.

Payroll Cash Disbursements

- 1. We haphazardly selected one payroll check for five employees from 2011 and one payroll check for five employees from 2010 from the Payroll Report and:
 - a. We compared the hours and pay rate, or salary amount recorded in the Payroll Report to supporting documentation (timecard, or legislatively 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 fund and account codes to which the check was posted were reasonable based on the employees' duties as documented in the minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.
- 2. For any new employees selected in step 1 we determined whether the following information in the employees' 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 pay rate
 - c. Account and fund to which the check should be charged
 - d. Retirement system participation and payroll withholding

- e. Federal and State income tax withholding authorization and withholding

We found no exceptions related to steps a. – e. above.

- 3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2011 to determine whether remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period of 2011. We noted the following:

Withholding plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes and Medicare	January 31, 2012	January 6, 2012	\$898.66	\$898.66
State income taxes	January 15, 2012	January 10, 2012	174.49	174.49
School income tax	January 31, 2012	January 10, 2012	30.51	30.51
OPERS retirement	January 30, 2012	January 6, 2012	2,296.99	2,296.99

- 4. We haphazardly selected and recomputed one termination payment (unused vacation) using the following information, and agreed the computation to the amount paid as recorded in the Payroll Report:
 - 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. From the Appropriation Ledger Report, we re-footed checks recorded as Water Fund *salary and wages* disbursements, and checks recorded as *other expenditures* in the Special Assessments fund for 2011. We found no exceptions.
- 2. We haphazardly selected ten disbursements from the Appropriation Ledger Report for the year ended December 31, 2011 and ten from the year ended December 31, 2010 and determined whether:
 - a. The disbursements were for a proper public purpose. We found no exceptions.
 - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Appropriation Ledger Report and to the names and amounts on the supporting invoices. We found 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 estimated receipts from the *Certificate of the Total Amount From All Sources Available For Expenditures and Balances*, required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.36(A)(1), to the amounts recorded in the Receipts Journal for the Water and Debt Service Funds for the years ended December 31, 2011 and 2010. The amounts agreed.
2. We scanned the appropriation measures adopted for 2011 and 2010 to determine whether, for the Water and Debt Service Funds, the Trustees appropriated separately for “each office, department, and division, and within each, the amount appropriated for personal services,” as is required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Rev. Code Sections 5705.28(B)(2), 5705.38 and 5705.40, to the amounts recorded in the Appropriation Ledger for 2011 and 2010 for the Water and Debt Service Funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Ledger.
4. Ohio Rev. Code Section 5705.28(B)(2)(c) prohibits appropriations from exceeding the estimated revenue available for expenditure (receipts plus beginning unencumbered cash). We compared total appropriations to total estimated revenue for the Water and Debt Service Funds for the years ended December 31, 2011 and 2010. Appropriations did not exceed estimated revenue.
5. Ohio Rev. Code Sections 5705.28(B)(2) and 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2011 and 2010 for the Water and Debt Service Funds, as recorded in the Appropriation Ledger. Expenditures did not exceed appropriations.

Compliance – Contracts and Expenditures

We inquired of management and scanned the Appropriation Ledger report for the years ended December 31, 2011 and 2010 for expenditures, other than for the acquisition of real estate and interests 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 Rev. Code Section 6119.10).

We identified no purchases subject to the aforementioned bidding requirements.

Officials' Response:

The Clerk will begin printing the utility system adjustment report and obtain the Board's approval at monthly meetings for any account adjustments.

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 management, those charged with governance, and others within the District, and is not intended to be, and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

April 5, 2012



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BRUNERSBURG WATER DISTRICT

DEFIANCE 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
APRIL 24, 2012**