



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, which were agreed to by the Board of Trustees and the management of Brunersburg Water District, Defiance County, Ohio (the District), on the receipts, disbursements and balances recorded in the District's cash basis accounting records for the years ended December 31, 2017 and 2016 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the District. The District is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2017 and 2016 and certain compliance requirements related to these transactions and balances included in the information provided to us by the District. 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 recalculated the December 31, 2017 and December 31, 2016 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2016 beginning fund balances recorded in the Fund Status Report to the December 31, 2015 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2017 beginning fund balances recorded in the Fund Status Report to the December 31, 2016 balances in the Cash Summary by Fund Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2017 and 2016 fund cash balances reported in the Cash Summary by Fund Report. The amounts agreed.
4. We confirmed the December 31, 2017 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, 2017 bank reconciliation with one exception noted. The State Bank and Trust bank confirmation amount exceeded the bank balance included on the District's bank reconciliation by \$383.29. This was due to the District's December 2017 State of Ohio Income Tax and State of Ohio School District Income Tax electronic funds transfer payments of \$279.84 and \$103.45, respectively, dated December 29, 2017, being deducted from the District's bank account balance on the reconciliation rather than being included as reconciling items as of December 31, 2017. These payments did not clear the District's State Bank and Trust checking

account balance until January 2, 2018. We recommend the Clerk record the actual month end bank statement balance on the month end bank reconciliation and include all payments that have not cleared the District's checking bank account at the end of the month as reconciling items on the month end bank reconciliation.

5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2017 bank reconciliation:
  - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
  - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. There were no exceptions.

### Charges for Services

1. We haphazardly selected 10 water collection cash receipts from the year ended December 31, 2017 and 10 water collection cash receipts from the year ended December 31, 2016 recorded in the Receipt Register Report and:
  - a. Agreed the receipt amount per the Receipt Register Report to the amount recorded to the customer's account in the Billing Report. The amounts agreed.
  - b. Amount charged for the related billing period:
    - i. Agreed with the debit to accounts receivable in the Billing 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. The receipt was posted to the proper fund, and was recorded in the year received. We found no exceptions.
2. We inspected the Late Fees Assessed Report.
  - a. This report listed \$14,597 and \$14,317 of accounts receivable as of December 31, 2017 and 2016, respectively.
  - b. Of the total receivables reported in procedure 2a, \$8,846 and \$7,649 were recorded as more than 90 days delinquent as of December 31, 2017 and 2016, respectively.
3. We inspected the Adjustment History Report.
  - a. This report listed a total of \$3,082 and \$10,709 non-cash receipts adjustments for the years ended December 31, 2017 and 2016, respectively.
  - b. We haphazardly selected five non-cash adjustments from 2017 and five non-cash adjustments from 2016, and noted that the Board of Trustees approved each adjustment.

### Debt

1. From the prior agreed-upon procedures documentation, we observed the following loan was outstanding as of December 31, 2015. This amount agreed to the District's January 1, 2016 balance on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2015
Ohio Water Development Loan 6767 TTHM Reduction Improvement	\$26,158

2. We inquired of management, and inspected the Revenue Ledger Report and Appropriation Ledger Report for evidence of debt issued during 2017 or 2016 or debt payment activity during 2017 or 2016. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of loan debt activity for 2017 and 2016 and agreed principal and interest payments from the related debt amortization schedule to Water Operating Fund payments reported in the Appropriation Ledger Report. We also compared the date the debt service payments were due to the date the District made the payments. We found no exceptions.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Water Operating Fund per the Revenue Ledger Report. The amounts agreed.
5. For new debt issued during 2017 and 2016 we inspected the debt legislation, which stated the District must use the proceeds to construct a water filtration plant for the Northeastern Local School District. We inspected the Appropriation Ledger Report and observed the District constructed a water filtration plant for the Northeastern Local School District during 2017 and 2016.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2017 and one payroll check for five employees from 2016 from the Wage Withholdings Detail Report and:
  - a. We compared the hours and pay rate, or salary amount recorded in the Wage Withholdings Detail Report to supporting documentation (timecard, or legislatively approved rate or salary). We found no exceptions.
  - b. We inspected the Wage Withholdings Detail Report to confirm whether the fund and account codes to which the check was posted were reasonable based on the employees' duties as documented in the employees' personnel files. We also confirmed the payment was posted to the proper year. We found no exceptions.
2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2017 to confirm 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 2017. We observed the following:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes and Medicare	January 31, 2018	December 29, 2017	\$1,612.70	\$1,612.70
State income taxes	January 15, 2018	December 29, 2017	279.84	279.84
School District income tax	January 31, 2018	December 29, 2017	103.45	103.45
OPERS retirement	January 30, 2018	December 29, 2017	3,006.89	3,006.89

**Non-Payroll Cash Disbursements**

- We haphazardly selected ten disbursements from the Appropriation Ledger Report for the year ended December 31, 2017 and ten from the year ended December 31, 2016 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.
- d. The fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code Section 5705.41(D). 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 Balance*, required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.36(A)(1), to the amounts recorded in the Revenue Budget Report for the Water Operating, Evansport Capital Improvement, and Evansport Debt Reduction funds for the years ended December 31, 2017 and 2016. The amounts agreed.
2. We inspected the appropriation measures adopted for 2017 and 2016 to determine whether, for the Water Operating, Evansport Capital Improvement, and Evansport Debt Reduction 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) and 5705.38 and 5705.40, to the amounts recorded in the Appropriation Budget Report for 2017 and 2016 for the following funds: Water Operating, Evansport Capital Improvement, and Evansport Debt Reduction funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Budget Report.
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 Operating, Evansport Capital Improvement, and Evansport Debt Reduction funds for the years ended December 31, 2017 and 2016. 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, 2017 and 2016 for the Water Operating, Evansport Capital Improvement, and Evansport Debt Reduction funds, as recorded in the Appropriation Budget Report. Expenditures did not exceed appropriations.
6. We inspected the Cash Summary by Fund Report for the years ended December 31, 2017 and 2016 for negative cash fund balances. Ohio Rev. Code Section 5705.10 (I) provides that money paid into a fund must be used for the purposes for which such fund is established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another. There were no funds having negative cash fund balances.

### **Other Compliance**

Ohio Rev. Code Section 117.38 requires these district's to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies, in addition to filing extensions granted for extenuating circumstances, allow for refile complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System for December 31, 2017 and 2016 fiscal year ends included in 2015-2016 or 2016-2017 agreed up on procedure engagements, subsequent to the District's deadline

where the initial filing was filed on time but incomplete. We confirmed the District filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended December 31, 2017 and 2016 in the Hinkle system. There were no exceptions.

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*. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is to provide assistance in the evaluation of the District's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2017 and 2016 and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

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

Columbus, Ohio

July 31, 2018

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# Dave Yost • Auditor of State

**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  
AUGUST, 14 2018**