



OHIO AUDITOR OF STATE  
**KEITH FABER**





**HENRY COUNTY REGIONAL WATER AND SEWER DISTRICT  
HENRY COUNTY  
DECEMBER 31, 2019**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Prepared by Management:	
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Proprietary and Fiduciary Fund Types.....	5
Notes to the Financial Statements .....	6
Independent Auditor's Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	13
Schedule of Findings.....	15
Summary Schedule of Prior Audit Findings (Prepared by Management) .....	16

**This page intentionally left blank.**



One Government Center, Suite 1420  
Toledo, Ohio 43604-2246  
(419) 245-2811 or (800) 443-9276  
NorthwestRegion@ohioauditor.gov

## INDEPENDENT AUDITOR'S REPORT

Henry County Regional Water and Sewer District  
Henry County  
N292 County Road 7  
Napoleon, Ohio 43545

To the Board of Trustees:

### ***Report on the Financial Statement***

We have audited the accompanying financial statement of the cash balances, receipts and disbursements by fund type, and related notes of Henry County Regional Water and Sewer District, Henry County, Ohio (the District) as of and for the year ended December 31, 2019.

### ***Management's Responsibility for the Financial Statement***

Management is responsible for preparing and fairly presenting this financial statement 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 this financial statement 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 statement is 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 District's preparation and fair presentation of the financial statement 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 District's internal control. Accordingly, we express no such 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 opinions.

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

As described in Note 2 of the financial statement, the District prepared this financial statement 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 of America (GAAP), to satisfy these requirements.

Although the effects on the financial statement 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 this statement 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 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 statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2019, and the respective changes in financial position or cash flows thereof for the year then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of Henry County Regional Water and Sewer District, Henry County, Ohio as of December 31, 2019, for the year 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.

***Emphasis of Matter***

As discussed in Note 8 to the financial statement, the District merged into the Northwestern Regional Water and Sewer District on January 1, 2020. We did not modify our opinion regarding this matter.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2020, on our consideration of the 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.



Keith Faber  
Auditor of State

Columbus, Ohio

September 24, 2020

**This page intentionally left blank.**



## Henry County Regional Water and Sewer District

### Henry County

#### Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis)

#### All Proprietary and Fiduciary Fund Types

For the Year Ended December 31, 2019

	Proprietary	Fiduciary	Totals
	Enterprise	Agency	(Memorandum Only)
<b>Operating Cash Receipts</b>			
Charges for Services	\$778,826		\$778,826
Earnings on Investments		\$40	40
<i>Total Operating Cash Receipts</i>	778,826	40	778,866
<b>Operating Cash Disbursements</b>			
Employee Fringe Benefits	1,120		1,120
Contractual Services	522,982	65,570	588,552
Supplies and Materials	31,917		31,917
Other	919		919
<i>Total Operating Cash Disbursements</i>	556,938	65,570	622,508
<i>Operating Income (Loss)</i>	221,888	(65,530)	156,358
<b>Non-Operating Receipts (Disbursements)</b>			
Intergovernmental	15,606	50,000	65,606
Earnings on Investments	31		31
Miscellaneous Receipts	1,515		1,515
Capital Outlay	(176,345)		(176,345)
Principal Retirement	(70,470)		(70,470)
Interest and Other Fiscal Charges	(21,130)		(21,130)
Other Financing Sources	45,584		45,584
Other Financing Uses	(45,584)		(45,584)
<i>Total Non-Operating Receipts (Disbursements)</i>	(250,793)	50,000	(200,793)
<i>Net Change in Fund Cash Balances</i>	(28,905)	(15,530)	(44,435)
<i>Fund Cash Balances, January 1</i>	61,973	42,063	104,036
<i>Fund Cash Balances, December 31</i>	\$33,068	\$26,533	\$59,601

*See accompanying notes to the financial statements*

# Henry County Regional Water and Sewer District

Henry County

Notes to the Financial Statements

For the Year Ended December 31, 2019

## Note 1 – Reporting Entity

The Henry County Regional Water and Sewer District, Henry County, Ohio (the District) 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. The Henry County Commissioners appoint members to the Board of Trustees to direct the District. There are five Board of Trustees members. The District includes all unincorporated areas within the County and the Village of McClure excluding the Ridgeville Township Water and Sewer District. The District provides water and sewer services to residents of the District.

### *Joint Venture and Public Entity Risk Pool*

The District participates in a public entity risk pool and joint venture. Notes 5 and 7 to the financial statements provide additional information for these entities. The District's management believes these financial statements present all activities for which the District is financially accountable.

## Note 2 – Summary of Significant Accounting Policies

### *Basis of Presentation*

The District's financial statements consist of a statement of receipts, disbursements and changes in fund balances (regulatory cash basis).

### *Fund Accounting*

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are presented below:

**Enterprise Funds** These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain good or services through user charges. The District had the following significant Enterprise Funds:

**Water Fund** This fund receives charges for services from the McClure, Road P, and SR 108 customers and operating loan monies from Henry County to operate the water system.

**Sewer Fund** This fund receives charges for services from the Okolona area residents and McClure residents to cover the costs to operate the sewer system.

**Fiduciary Funds** Fiduciary funds include agency funds.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The District disburses these funds as directed by the individual, organization or other government. The District's agency fund accounts for the Michindoh Aquifer Study entered into by the District, the Village of Liberty Center, City of Maumee, City of Perrysburg, City of Sylvania, Village of Whitehouse, and Northwestern Water & Sewer District.

**Henry County Regional Water and Sewer District**

*Henry County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2019*

*(Continued)*

***Basis of Accounting***

These financial statements follow 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 of Trustees 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).

These statements include 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.

***Budgetary Process***

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

***Appropriations*** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund 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.

***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 reappropriated.

A summary of 2019 budgetary activity appears in Note 3.

***Deposits***

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.

***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.

**Henry County Regional Water and Sewer District**  
*Henry County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*  
*(Continued)*

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
	Budgeted Receipts	Actual Receipts	Variance
Enterprise	\$932,588	\$841,562	(\$91,026)

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
	Appropriation Authority	Budgetary Expenditures	Variance
Enterprise	\$980,772	\$870,467	\$110,305

**Note 4 – Deposits**

The District maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

	2019
Demand deposits	\$59,601

***Deposits***

Deposits are insured by the Federal Deposit Insurance Corporation.

**Note 5 – Risk Management**

The District belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the Plan), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments (Members). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and

**Henry County Regional Water and Sewer District**

*Henry County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2019*

*(Continued)*

\$1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM’s property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 776 members as of December 31, 2019.

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2019.

Assets	\$15,920,504
Liabilities	<u>(11,329,011)</u>
Members’ Equity	<u>\$ 4,591,493</u>

You can read the complete audited financial statements for OPRM at the Plan’s website, [www.ohioplan.org](http://www.ohioplan.org).

**Note 6 – Debt**

Debt outstanding at December 31, 2019, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission Loan #CE271	\$31,294	0.00%
Ohio Public Works Commission Loan #CE56M	73,281	0.00%
Ohio Public Works Commission Loan #CE51Q	119,367	0.00%
Ohio Water Development Authority Loan #5633	179,368	3.34%
Ohio Water Development Authority Loan #6025	391,240	1.00%
Ohio Water Development Authority Loan #6026	872,870	1.00%
Ohio Water Development Authority Loan #6338	1,009,279	1.98%
Ohio Water Development Authority Loan #6338	124,499	1.60%
Ohio Water Development Authority Loan #7480	236,922	2.51%
Loans Payable to Henry County	116,898	0.00%
Total	<u>\$3,155,018</u>	

The Ohio Public Works Commission (OPWC) loan #CE271 was used to connect the District’s Road P customers to the District waterline. Repayment of the OPWC loan began in 2007. Loan amount was \$83,450 over 20 years with a 0% interest rate and maturity date of 1/1/2027.

In 2011, the Ohio Public Works Commission (OPWC) loan #CE56M was acquired to finance the McClure Water Treatment and Distribution System Improvements. Repayment of the OPWC loan began in 2012. Loan amount was \$122,136 over 20 years with a 0% interest rate and maturity date of 1/1/2032.

In 2014, the Ohio Public Works Commission (OPWC) loan #CE51Q was acquired to finance the Water Meter and Hydrant Replacement Project. Repayment of the OPWC loan began in 2015. Loan amount was \$140,432 over 30 years with a 0% interest rate and maturity date of 1/1/2045.

**Henry County Regional Water and Sewer District**

*Henry County*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2019*

*(Continued)*

The Ohio Water Development Authority (OWDA) loan #5633 is being used to finance the SR 108 Filling Home Waterline Project. Repayment of the OWDA loan began in 2012. Loan amount was \$262,532 over 20 years with a 3.34% interest rate and maturity date of 1/1/2032.

In 2011, the Ohio Water Development Authority (OWDA) loan #6025 was acquired to finance the Okolona Sewer Project. Repayment of the OWDA loan began in 2013. Loan amount was \$476,959 over 30 years with a 1.00% interest rate and maturity date of 1/1/2043.

In 2012, the District acquired OWDA Loan #6026 and used the proceeds to pay off the Sanitary Sewer Mortgage Revenue Bonds. The First Mortgage Waterworks Revenue Bonds and OPWC loan #CE41H, which were all attributable to the Assumption Agreement from the Village of McClure, and were paid off by the District in 2015. Loan amount was \$1,122,496 over 30 years with a 1.00% interest rate and maturity date of 1/1/2042.

In 2013, the Ohio Water Development Authority (OWDA) loan #6338 was acquired to connect a waterline to McClure and Construct a water tower. Part of this loan was also used to pay for Ohio Water Development Authority (OWDA) Loan #5668 for the planning and design of the McClure water connection. As of December 31, 2019, an amortization schedule has not been prepared as the loans had not been closed. Until loan closure, the District makes payments based on invoices from OWDA. Repayment of the OWDA loans began in 2014. Loan amounts were \$1,175,969 over 30 years with a 1.98% interest rate and maturity date of 1/1/2044 and \$193,814 over 27 years with a 1.60% interest rate and maturity date of 1/1/2044.

In 2016, the Ohio Water Development Authority (OWDA) loan #7480 was acquired to finance a well field that could potentially serve the McClure water system. The Village of Liberty Center is also part of this project and is responsible for half the cost through an agreement established between the two entities. As of December 31, 2019, an amortization schedule has not been prepared as the project is not yet completed and all loan monies have not been disbursed. Until completion, the District makes payments based on invoices from OWDA. Repayment of the OWDA loan began in 2018. Loan amount was \$262,150 over 5 years with a 2.51% interest rate and maturity date of 7/1/2022.

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

Year Ending December 31:	OPWC Loan #CE27I	OPWC Loan #CE56M	OPWC Loan CE51Q
2020	\$4,173	\$6,107	\$4,681
2021	4,172	6,107	4,681
2022	4,173	6,107	4,681
2023	4,172	6,107	4,681
2024	4,172	6,107	4,681
2025-2029	10,432	30,534	23,405
2030-2034		12,212	23,405
2035-2039			23,405
2040-2044			23,405
2045-2048			2,342
Total	\$31,294	\$73,281	\$119,367

**Henry County Regional Water and Sewer District**  
*Henry County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*  
*(Continued)*

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

Year Ending December 31:	OWDA Loan #5633	OWDA Loan #6025	OWDA Loan #6026
2020	\$17,640	\$18,710	\$43,402
2021	17,640	18,710	43,402
2022	17,640	18,710	43,402
2023	17,640	18,710	43,402
2024	17,640	18,710	43,402
2025-2029	88,199	93,550	217,010
2030-2034	44,050	93,550	217,010
2035-2039		93,550	217,010
2040-2044		65,485	108,505
Total	<u>\$220,449</u>	<u>\$439,685</u>	<u>\$976,545</u>

As of 12/31/19, OWDA Loans #6338 and 7480 were not closed, so no amortization schedule was included above. In addition to the debt described above, the District committed to repaying the Henry County Commissioners for an OWDA loan that was issued and paid off totaling \$111,898 for the purpose of forming the District, and a 2009 loan of \$5,000 for payment of an environmental report. These are being negotiated as the Commissioners feel partly responsible for portions of the loans. No repayment schedule has been made for this loan.

**Note 7 – Joint Ventures**

The District entered into an agreement with the Village of Liberty Center, Village of Whitehouse, City of Sylvania, City of Maumee, City of Perrysburg, and Northwestern Water and Sewer District for the Michindoh Aquifer Study. Each of the entities involved contributes an even portion of money to be put towards the expenses involved in the study. The District acts as the fiscal agent for the study, making disbursements to the necessary vendors and maintaining a savings account to track the financial activity of the study. The District has maintained an Agency Fund to account for the balances for these monies.

**Note 8 – Subsequent Events**

The District entered into an agreement to consolidate its operations with Northwestern Regional Water and Sewer District effective January 1, 2020. The District has transferred all assets and liabilities to Northwestern Regional Water and Sewer District and Northwestern Regional Water and Sewer District has taken over all operations of the District. The District appointed a member of the District to serve on the Board of Northwestern Regional Water and Sewer District.

**This page intentionally left blank.**





One Government Center, Suite 1420  
Toledo, Ohio 43604-2246  
(419) 245-2811 or (800) 443-9276  
NorthwestRegion@ohioauditor.gov

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

Henry County Regional Water and Sewer District  
Henry County  
N292 County Road 7  
Napoleon, Ohio 43545

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statement of the cash balances, receipts, and disbursements by fund type of Henry County Regional Water and Sewer District, Henry County, Ohio (the District) as of and for the year ended December 31, 2019, and the related notes to the financial statement and have issued our report thereon dated September 24, 2020 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. We also noted the District merged into the Northwestern Regional Water and Sewer District on January 1, 2020.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the 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 opinion on the financial statement, 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 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 statement. 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 of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2019-001 to be a material weakness.

***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statement is 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 with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***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 District'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 report is not suitable for any other purpose.



Keith Faber  
Auditor of State

Columbus, Ohio

September 24, 2020

**HENRY COUNTY REGIONAL WATER AND SEWER DISTRICT  
HENRY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2019**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2019-001**

**Material Weakness – Financial Reporting**

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; 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 as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The following errors required adjustments to the financial statements and/or notes to the financial statements:

- Contractual services disbursements of \$65,570 for the Agency Fund were improperly posed as a transfer out and paid for by the water fund. Transfers in and contractual services disbursements of \$65,570 for the Water Fund were eliminated due to this being an Agency Fund Disbursement;
- Charges for services and intergovernmental receipts in the amounts of \$24,934 and \$15,606, respectively, were incorrectly posted as miscellaneous receipts in the Water Fund;
- Other financing sources and uses in the amount \$45,584 were improperly recorded as other debt proceeds and principal retirement within the Water Fund.

These errors were not identified and corrected prior to the District preparing its financial statements and notes to the financial statements due to deficiencies in the District's internal controls over financial statement monitoring. Failing to prepare accurate financial statements could lead the Board of Trustees to make misinformed decisions. The accompanying financial statements, notes to the financial statements, and where applicable, the District's accounting records have been adjusted to reflect these changes. Additional errors in smaller relative amounts were also noted.

To help ensure the District's financial statements and notes to the financial statements are complete and accurate, the District should adopt policies and procedures over financial reporting, including a final review of the financial statements and notes to the financial statements by the Facilitator and Board of Directors to help identify and correct errors and omissions.

**Officials' Response:**

We did not receive a response from Officials to this finding.

**This page intentionally left blank.**

**HENRY COUNTY REGIONAL WATER AND SEWER DISTRICT  
HENRY COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2019**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2018-001	The finding was first reported in the 2007-2008 audit. Material weakness for lack of monitoring of financial transactions resulting in errors in the financial statements.	Not corrected and repeated as Finding 2019-001 in this report.	Recurrence happened due to inadequate policies and procedures in reviewing the financial statements and accounting records throughout the audit period.

**This page intentionally left blank.**

# OHIO AUDITOR OF STATE KEITH FABER



**HENRY COUNTY REGIONAL WATER AND SEWER DISTRICT**

**HENRY COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 10/15/2020**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)