



Dave Yost • Auditor of State

**BURR OAK REGIONAL WATER DISTRICT
ATHENS COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Burr Oak Regional Water District
Athens County
23554 Jenkins Dam Road
Glouster, Ohio 45732

We have performed the procedures enumerated below, with which the Board of Trustees and the management of the Burr Oak Regional Water District, Athens 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, 2015 and 2014, 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 and Investments

1. We tested the mathematical accuracy of the December 31, 2015 and December 31, 2014 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2014 beginning balance recorded in the General Ledger Report to the December 31, 2013 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2015 beginning fund balances recorded in the General Ledger Report to the December 31, 2014 balances in the General Ledger Report. We found no exceptions.
3. We compared the totals per the bank reconciliations to the total of the December 31, 2015 and 2014 cash balances reported in the General Ledger Reports. The amounts agreed in 2014. At December 31, 2015, the balance per the books on the bank reconciliation was \$9,377 less than the balance reported on the General Ledger. This was due to a payroll expense that cleared the bank December 31, 2015 and was identified as having cleared the bank on the reconciliation; however, the expense was not posted to the General Ledger until January 1, 2016.
4. We confirmed the December 31, 2015 bank account balances with the District's financial institutions. We compared the confirmed balances to the amounts appearing in the December 31, 2015 bank reconciliation. That the bank reconciliation at December 31, 2015 did not include interest of \$19,576 on a certificate of deposit as confirmed by the District's financial institution resulting in an understated fund balance at December 31, 2015.

Cash and Investments (Continued)

5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2015 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. We noted no exceptions.
6. We selected both reconciling credits (such as deposits in transit) haphazardly from the December 31, 2015 bank reconciliation:
 - a. We traced each credit to the subsequent bank statement. We found no exceptions.
 - b. We agreed the credit amounts to the Receipts Register. Each credit was recorded as a December receipt for the same amount recorded in the reconciliation.
7. We tested investments held at December 31, 2015 and December 31, 2014 to determine that they were of a type authorized by Ohio Rev. Code § 6119.16. We found no exceptions.

Charges for Services

1. We haphazardly selected 10 water collection cash receipts from the year ended December 31, 2015 and 10 water collection cash receipts from the year ended 2014 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 Customer Balance Detail Reports. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the Customer Balance Detail Reports 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 fund, and was recorded in the year received. We found no exceptions.
2. We read the Accounts Receivable Aging Summary Report.
 - a. We noted this report listed \$227,090 and \$230,485 of accounts receivable as of December 31, 2015 and 2014, respectively.
 - b. Of the total receivables reported in step 2a, \$1,626 and \$2,412 were recorded as more than 90 days delinquent as of December 31, 2015 and 2014, respectively.
3. We read the Meter Reading Report (no separate non-cash accounts receivable report is used by the District).
 - a. We noted this report listed no non-cash receipts adjustments for the years ended December 31, 2015 and 2014, respectively.

Debt

1. From the prior audit documentation, we noted the following loans outstanding as of December 31, 2013. These amounts agreed to the Districts January 1, 2014 balances on the summary we used in step 3.

Debt (Continued)

Issue	Principal outstanding as of December 31, 2013:
Ohio Water Development Authority #4776	\$887,916
Ohio Water Development Authority #4915	218,832
Ohio Water Development Authority #5266	5,840,945
Ohio Water Development Authority #5054	578,139
Ohio Water Development Authority #5069	131,109
Ohio Water Development Authority #5871	1,151,273
Ohio Public Works Commission #CR22N	517,738

2. We inquired of management, and scanned the Receipt Register Report and Check Register Report for evidence of debt issued during 2015 or 2014 or debt payment activity during 2015 or 2014. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of loan debt activity for 2015 and 2014 and agreed principal and interest payments from the related confirmations to debt payments reported in the Check Register Report. 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 2015 and one payroll check for five employees from 2014 from the Check Register Report and:
 - a. We compared the hours and pay rate, or salary amount recorded in the Employee Pay stub to supporting documentation (timecard, or legislatively approved rate or salary). We found no exceptions.
 - b. We determined whether the account codes to which the check was posted were reasonable based on the employees' duties as documented in the employees' personnel files. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2015 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 2015. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal Income Taxes and Medicare	01/31/16	12/18/15	\$ 16,127	\$ 16,127
State Income Taxes	01/15/16	12/16/15	\$ 1,192	\$ 1,192
OPERS Retirement	02/01/16	02/01/16	\$ 7,091	\$ 7,091

Non-Payroll Cash Disbursements

We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2015 and ten from the year ended 2014 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 Check Register 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 § 5705.41(D). We found one instance where a disbursement requiring certification was not certified and two instances where the certification date was after the vendor invoice date, and there was also no evidence that a *Then and Now Certificate* was issued. Ohio Rev. Code § 5705.41(D) requires certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used. Because we did not test all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

Compliance – Budgetary

1. We compared the total estimated receipts from the Preliminary Budget required by Ohio Rev. Code §§ 5705.28(B)(2) and 5705.36(A)(1), to the amounts recorded in the Income/Expense Statement for the years ended December 31, 2015 and 2014. The amounts agreed.
2. We scanned the appropriation measures adopted for 2015 and 2014 to determine whether 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 §§ 5705.28(B)(2) and 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Rev. Code §§ 705.28(B)(2), 5705.38 and 5705.40, to the amounts recorded in the Income/Expense Statement for 2015 and 2014. The amounts on the appropriation resolutions agreed to the amounts recorded in the Income/Expense Statement.
4. Ohio Rev. Code § 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 years ended December 31, 2015 and 2014. Appropriations did not exceed estimated revenue.
5. Ohio Rev. Code §§ 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, 2015 and as recorded in the Income/Expense Statement. Expenditures did not exceed appropriations.
6. We scanned the General Ledger Report for the years ended December 31, 2015 and 2014 for negative cash fund balance. Ohio Rev. Code § 5705.10(l) 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. We noted no funds having a negative cash fund balance.

Other Compliance

Ohio Rev. Code § 117.38 requires entities to file their financial information in the HINKLE system formerly known as the Annual Financial Data Reporting System (AFDRS) within 150 days after the close of the fiscal year. We reviewed AFDRS to verify the Entity filed their financial information within the allotted timeframe for the years ended December 31, 2015 and 2014. No exceptions noted.

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
Columbus, Ohio

July 1, 2016

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BURR OAK REGIONAL WATER DISTRICT

ATHENS 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
JULY 26, 2016**