



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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## BASIC AUDIT REPORT

Bishopville Water District  
Morgan County  
23554 Jenkins Dam Road  
Glouster, Ohio 45732

We have completed certain procedures in accordance with Ohio Rev. Code § 117.01(G) to the accounting records and related documents of the Bishopville Water District, Morgan County, Ohio (the District) for the period January 1, 2020 through July 16, 2020.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code § 117.11(A). Because our procedures were not designed to opine on the District's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the District's financial statements, transactions or balances for the period January 1, 2020 through July 16, 2020.

The District's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code § 117.11(A) is to examine, analyze and inspect these records and documents.

Based on the results of our procedures, we found the following significant compliance or accounting issues to report.

### Current Year Observations

1. In our engagement letter, management acknowledged its responsibility for filing financial statements compiled from the District's accounting records with our office annually. This responsibility includes designing, implementing and maintaining internal control over financial reporting. However, the annual financial report filed in the Hinkle System for the period January 1, 2020 through July 16, 2020 did not include all activity for that period. As such, Water Sales was understated \$4,797, Tap Fees and Misc. was understated \$1,500, Water Purchased was understated \$7,753, Utilities was understated \$32, Accounting Fees was understated \$226, Repair and Maintenance was understated \$1,947, Miscellaneous Expense was understated \$447, and Postage was understated \$158. Management should review the annual financial report before submission annually to ensure amounts are consistent with underlying system amounts.
2. Ohio Rev. Code § 117.38 provides, in part, that each public office, other than a state agency, shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. Entities choosing not to file on a GAAP basis have 60 days following fiscal year-end to complete their submission. An entity failing to comply with the filing requirements may be subject to non-compliance citations and penalties established by the Revised Code. The District filed the 2020 annual financial report in the Hinkle System on September 20, 2021 which was not within 60 days of fiscal year end. Failure to provide timely the complete required annual financial report can limit transparency of the Council to the public. The Board should certify the annual financial statements and file them with the Auditor of State within 60 days following the last day of the District's fiscal year, unless a waiver is obtained.

**Current Year Observations (Continued)**

3. Ohio Rev. Code § 121.22(F) provides that every public body, by rule, establish a reasonable method whereby any person may determine the time and place of all regularly scheduled meetings and the time, place, and purpose of all special meetings. The District did not maintain support to show the District established a reasonable method whereby any person may determine the time and place of all regularly scheduled meetings. Failure to properly notify the public hinders transparency and could result in questions as to the validity of any actions taken during such meetings. The District management should take appropriate action to ensure that proper notification is made and support maintained for all meetings of the District.
4. Ohio Rev. Code § 149.43(E) (2) requires that a public office create and display, in a conspicuous place in all locations where the public office has branch offices, a poster describing the public records policy. The District did not display such a poster in any branch of the District. The failure to have the required poster can hinder transparency. The District should create and display a poster describing the public records policy in all of the District's branch offices as required.
5. Ohio Rev. Code § 149.351(A) establishes guidelines against the destruction or damage of records. All records are the property of the public office and shall not be removed, destroyed, mutilated, transferred or otherwise damaged or disposed of, in whole or in part, except as provided by law. Further, Ohio Admin. Code 117-2-02(A) requires public offices to maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements. The District could not locate invoices relating to expenditures from January through May 2020. The District misplaced the records during the move to Burr Oak Regional Water District offices. However, alternative procedures were performed to minimize the related risk. Lack of adequate supporting documentation caused by improper management eliminated a control point, obscured the audit trail and provided for the opportunity for errors and/or irregularities to occur and remain undetected for an extended period. The District should maintain all pertinent accounting records in a secure location, monitor receipts, and retain adequate supporting documentation for all receipts.



Keith Faber  
Auditor of State  
Columbus, Ohio

April 29, 2022

# OHIO AUDITOR OF STATE KEITH FABER



**BISHOPVILLE WATER DISTRICT**

**MORGAN 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 5/12/2022**

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