

BUCKEYE WATER DISTRICT

COLUMBIANA COUNTY, OHIO

AUDIT REPORT

For the Years Ended December 31, 2013 and 2012



Dave Yost • Auditor of State

Board of Trustees
Buckeye Water District
1925 Clark Avenue
P.O. Box 105
Wellsville, Ohio 43968

We have reviewed the *Independent Auditors' Report* of the Buckeye Water District, Columbiana County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2012 through December 31, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Buckeye Water District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

January 14, 2015

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**BUCKEYE WATER DISTRICT
COLUMBIANA COUNTY**

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Buckeye Water District
Columbiana County
1925 Clark Avenue
P.O. Box 105
Wellsville, Ohio 43968

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Buckeye Water District, Columbiana County, (the District) as of and for the years ended December 31, 2013 and 2012.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements 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 these financial statements 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 statements are 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 statements 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 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 1 of the financial statements, the District prepared these financial statements 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, to satisfy these requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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 statements referred to above do 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, 2013 and 2012, or changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the Buckeye Water District, Columbiana County as of December 31, 2013 and 2012, and its cash receipts and disbursements for the years 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 1.

Emphasis of Matter

As discussed in Note 12 to the financial statements, the District changed its financial statement presentation from U.S. Generally Accepted Accounting Principles to the Auditor of State regulatory basis.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2014, 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.



Charles E. Harris & Associates, Inc.

August 12, 2014

**BUCKEYE WATER DISTRICT
COLUMBIANA COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	2013	2012
Operating Cash Receipts:		
Charges for Services	\$3,518,034	\$3,536,346
Tap Fees	65,090	55,376
Miscellaneous	7,381	14,256
	<u>3,590,505</u>	<u>3,605,978</u>
Operating Cash Disbursements:		
Salaries and wages	612,713	602,050
Fringe Benefits	276,629	315,159
Contracted Services	309,623	716,741
Billing -Other Basic Utility Service	-	33
Materials and Supplies	429,329	339,764
Utilities	271,317	-
Miscellaneous	2,000	134
Capital Outlay	207,170	60,288
	<u>2,108,781</u>	<u>2,034,169</u>
Total Operating Cash Disbursements	<u>2,108,781</u>	<u>2,034,169</u>
Operating Income/(Loss)	1,481,724	1,571,809
Non-Operating Cash Receipts:		
Lease and Rentals	-	1,208,706
Special Assessments	17,855	22,251
Interest	1,731	4,664
Proceeds from loans:		
OWDA loan	165,143	14,533
Promissory Note from the County	1,500,000	-
Sale of Fixed Assets	15,764	35,664
	<u>1,700,493</u>	<u>1,285,818</u>
Total Non-Operating Cash Receipts	<u>1,700,493</u>	<u>1,285,818</u>
Non-Operating Cash Disbursements:		
Debt Service: Principal Retirement	274,679	769,711
Debt Service: Interest and Fiscal Charges	703,838	874,214
East Liverpool Court Settlement	1,765,000	4,428,850
	<u>2,743,517</u>	<u>6,072,775</u>
Total Non-Operating Cash Disbursements	<u>2,743,517</u>	<u>6,072,775</u>
Net Receipts Over/(Under) Disbursements	438,700	(3,215,148)
Cash Balances, January 1	<u>1,046,011</u>	<u>4,261,159</u>
Cash Balances, December 31	<u>\$1,484,711</u>	<u>\$1,046,011</u>

The notes to the financial statements are an integral part of this statement.

**BUCKEYE WATER DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Buckeye Water District, Columbiana County, Ohio, (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District was formed in 1996 pursuant to Chapter 6119 of the Ohio Revised Code. The District is directed by a 9-member Board of Directors comprised of three members appointed by the Columbiana County Board of Commissioners, three members appointed by the Township Trustees of the townships which comprise part of the District and three members are appointed by the Mayor or Village Council of the Village of Wellsville. Subdivisions within the District are: the Village of Wellsville, Madison, Yellow Creek, Salem, and Middletown Townships and the unincorporated portions of Saint Clair and Liverpool Townships. The District provides water services to residents of the District.

The District's management believes these financial statements present all activities for which the District is financially accountable.

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits and Investments

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.

The District did not have investments in 2013 and 2012.

D. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District has only one fund, an enterprise fund, which accounts for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The District has only one water fund, which receives charges for services from residents to cover water service costs.

E. Budgetary Process

The Ohio Revised Code requires the Board to budget annually.

**BUCKEYE WATER DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund object level of control, and appropriations may not exceed estimated resources. Appropriation Authority includes current year appropriations plus encumbrances carried over from the prior year (if any). Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2013 and 2012 budgetary activity appears in Note 3.

E. Property, Plant, and Equipment

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

F. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. DEPOSITS

The District may invest in certificates of deposits, notes, bonds, or other obligations of the United States, or any agency or instrumentality thereof, or in obligations of the State or any political subdivision thereof. The District did not have investments in 2013 and 2012.

The carrying amount of the District's deposits at December 31, 2013 was \$1,484,711 and the bank balance was \$1,533,541. The carrying amount of the District's deposits at December 31, 2012 was \$1,046,011 and the bank balance was \$1,105,971.

Deposits are insured by the Federal Depository Insurance Corporation; collateralized by securities specifically pledged by the financial institution to the District; or collateralized by the financial institution's public entity deposit pool.

**BUCKEYE WATER DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending 2013 and 2012 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
Enterprise	\$4,165,336	\$5,290,998	\$1,125,662
	\$4,165,336	\$5,290,998	\$1,125,662

2013 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
Enterprise	\$5,175,143	\$4,852,298	\$322,845
	\$5,175,143	\$4,852,298	\$322,845

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
Enterprise	\$3,789,193	\$4,891,796	\$1,102,603
	\$3,789,193	\$4,891,796	\$1,102,603

2012 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
Enterprise	\$8,142,772	\$8,106,944	\$35,828
	\$8,142,772	\$8,106,944	\$35,828

4. DEBT

Debt outstanding at December 31, 2013 was as follows:

**BUCKEYE WATER DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

4. DEBT (CONTINUED)

	Principal	Interest Rate
<i>Ohio Public Works Commission Loans:</i>		
Wellsville Water Treatment Plant Improvements	\$ 134,014	0 %
State Route 39 Water Main Feeder	508,954	0
<i>Total OPWC Loans</i>	642,968	
 <i>OWDA Loans:</i>		
Transmission Main, Pump Station and Intake	9,890,274	0
Salineville Waterline Extension	438,481	0
Dairy Lane Waterline	26,143	6.02
<i>Total OWDA Loans</i>	10,354,898	
 <i>Revenue Bonds:</i>		
2002 Series	1,304,200	4.5
2008 Series	13,094,700	4.5
<i>Total Revenue Bonds</i>	14,398,900	
 <i>Promissory Note with the County</i>	 1,500,000	 1
 GRAND TOTAL	 \$ 26,896,766	

In 1996, the Water District entered into a transfer agreement with Columbiana County for the ownership and operation of the water distribution system (the System) for the Townships of Saint Clair, Liverpool, Madison and Yellow Creek, together with certain easements and real property rights and improvements thereon. Columbiana County financed the construction and maintenance of certain portions of the System through the Ohio Public Works Commission. The District assumed all obligations of the System. All proceeds were received by Columbiana County and Columbiana County is responsible for the debt retirement. The District makes bi-annual payments to Columbiana County equal to Columbiana County's bi-annual debt retirement. The total amount owed to Columbiana County as of December 31, 2013 is \$5,913.

The District has pledged future revenues, net of operating expenses, to repay OPWC and OWDA loans, revenue bonds and intergovernmental payables. The debt is payable solely from net revenues through 2048. Annual principal and interest payments on the debt issues are expected to require 105 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$38,800,753.

The District has entered into a contractual agreement for a construction loan from the Ohio Water Development Authority (OWDA). Under the terms of this agreement, OWDA will reimburse, advance or directly pay the construction costs of the approved projects. OWDA will capitalize administrative costs and construction interest and then add them to the total amount of the final loan. This loan will not have an accurate repayment schedule until the loans are finalized and, therefore, are not included in the schedule of future annual debt service requirements. The balance of this loan as of December 31, 2013 is \$9,890,274.

**BUCKEYE WATER DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

4. DEBT (CONTINUED)

In April 2013, the District entered into a promissory note agreement with the Columbiana County Board of Commissioners for the sum of \$1.5 million to resolve the litigation with the City of East Liverpool. The principal amount is payable at the end of five years. The District will pay an annual interest of 1% or \$15,000 for the loan.

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

Year ending December 31:	OPWC Loans	OWDA Loans	Revenue	
			Bonds	County
2014	\$52,551	\$49,786	\$824,703	\$15,000
2015	52,551	22,071	824,999	15,000
2016	52,552	22,071	824,947	15,000
2017	52,552	22,071	825,259	15,000
2018	52,551	22,072	825,219	1,515,000
2019-2023	262,757	110,356	4,128,737	
2024-2028	117,450	110,356	4,132,953	
2029-2033		105,842	4,138,221	
2034-2038			4,144,135	
2039-2043			4,152,645	
2044-2048			3,138,730	
Total	<u>\$642,964</u>	<u>\$464,625</u>	<u>\$27,960,548</u>	<u>\$1,575,000</u>

5. RETIREMENT SYSTEM

The District's full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes the Plan's retirement benefits, including postretirement healthcare and survivor and disability benefits to participants.

The Ohio Revised Code also prescribes contribution rates. For 2013 and 2012, OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2013.

6. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**BUCKEYE WATER DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

6. RISK MANAGEMENT (CONTINUED)

Insurance Benefits

The District provides medical/surgical insurance and prescription drug insurance through Medical Mutual Insurance and vision, life and dental insurance through Companion Life Insurance to all eligible employees.

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

7. MANAGEMENT AGREEMENT

On April 25, 2007 the District entered into a management agreement with the Village of Salineville (the Village). The Village is the owner and operator of a certain water supply treatment facility and a water distribution system (Salineville Water System) located in Columbiana County, Ohio consisting of certain real estate and improvements thereon. The Village is also the owner of certain personal property, real property easements, rights of way and improvements thereon utilized for the operations of the Salineville Water System. The Village has appointed and designated the District as the manager of the Salineville Water System; however, transfer of ownership is pending an agreement setting forth all terms, conditions, obligations and responsibilities of the Parties and to obtain all necessary governmental approvals including but not limited to the Ohio EPA and applicable funding authorities to whom the Village is currently indebted.

The District agreed to use water revenues to pay debt service on the Salineville Water System. During 2013 and 2012, the District paid \$73,856 and \$73,978, respectively, towards the payment of debt service. These payments are reflected as contracted services on the financial statements.

8. CONTRACTUAL COMMITMENT

The District has a verbal agreement with Columbiana County whereby the District pays \$38,213 annually towards OPWC loans. This payment is reflected as contracted services on the financial statements.

9. LITIGATION

In 2005, the District was named as a co-defendant in a civil suit filed in the Columbiana County Common Pleas Court, involving a contract dispute. The City of East Liverpool and Columbiana County (the County) had previously entered into a Water Agreement whereby the City of East Liverpool supplied the County with potable water in conjunction with the County's operation of its Water and Sewer District Number 2. The County subsequently transferred such water and sewer district operations to a newly-formed public utility, Buckeye Water District, and this Water Agreement was assigned to the District as part of this transfer. The District subsequently terminated the Agreement with East Liverpool, and East Liverpool filed suit against both the District and the County.

**BUCKEYE WATER DISTRICT
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
(Continued)**

9. LITIGATION (CONTINUED)

In February 2008, a judgment was granted in favor of the plaintiff. The award amount was \$9.7 million plus interest. On appeal, the Court of Appeals reduced this judgment to \$4.85 million, and such judgment (as reduced) is now final. In January 2011, Columbiana County Common Pleas Court issued a judgment freezing the District's bank accounts. On appeal, the Columbiana County Common Pleas Court released the operating account to allow the District to continue its day-to-day operations. In December 2011, the District filed an appeal with the Seventh Appellate District's Court of Appeals to stay the garnishment judgment.

In the 2012 and 2013, the District paid the City of East Liverpool \$4,428,850 million and \$1,765,000, respectively, towards the settlement of the dispute. The District has paid all its obligations to the City as of December 31, 2013.

10. CONVEYANCES

In August 2013, the District board passed Resolution No. 8-2013 to authorize the conveyance of a real estate property to the Village of Wellsville.

11. CONTINGENT LIABILITIES

The District may be a defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the District's financial condition.

12. CHANGE IN FINANCIAL STATEMENT PRESENTATION

In 2012, the District changed its financial statement presentation from the U.S. Generally Accepted Accounting Principles to the Auditor of State regulatory basis. The result was a decrease of fund balance of \$657,025.

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

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

Buckeye Water District
Columbiana County
1925 Clark Avenue
P.O. Box 105
Wellsville, Ohio 43968

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 statements of the Buckeye Water District, Columbiana County, (the District) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated August 12, 2014, wherein we noted that the District changed its financial statement presentation from U.S. Generally Accepted Accounting Principles to the Auditor of State regulatory basis.

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 statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting that we consider a material weakness.

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 a 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 statements. 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. We consider finding 2013-01 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters


As part of reasonably assuring whether the District's financial statements are 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*.

Entity's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and accordingly, we express no opinion on it.

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 communication is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
August 12, 2014

**BUCKEYE WATER DISTRICT
COLUMBIANA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2013 AND 2012**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2013-001 – Material Weakness

Our testing revealed several instances where errors were made with respect to the posting and reporting of various transactions. During 2012 and 2013, these misclassifications included the following:

In 2013 and 2012, several expenses were not correctly posted, resulting in the following adjustments to the financial statements. The principal retirement for one USDA loan was overstated and the interest was understated by \$6,327 and \$32,453 in 2012 and 2013, respectively.

In 2013, the District obtained a \$1.5 million promissory note from the county to pay for its court settlement with the City of East Liverpool. This transaction was not entered in the District's books.

Adjustments were made to reflect the transactions correctly in the audit report.

Management's response:

Management will ensure future transactions are posted correctly.

**BUCKEYE WATER DISTRICT
COLUMBIANA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2013 AND 2012**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2011-01	ORC Section 5705.41(D) – Proper certification	Yes	No longer valid
2011-02	ORC Section 5705.41(B) – Expenditures cannot exceed appropriations	Yes	No longer valid
2011-03	Admin Code Section 117-2-02(D) – Proper accounting of capital assets	Yes	No longer valid
2011-04	Proper postings and reconciliations	No	Reconciliations corrected but adjustments still exist. Re-issued as Finding 2013-01



Dave Yost • Auditor of State

BUCKEYE WATER DISTRICT

COLUMBIANA 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
JANUARY 27, 2015**