



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 43512-1211

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Brunersburg Water District, Defiance 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 fund balances recorded in the Fund 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 Fund Ledger Report to the December 31, 2014 balances in the Fund Ledger Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2015 and 2014 cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2015 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, 2015 bank reconciliation without exception.
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 statements. 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 tested investments held at December 31, 2015 and December 31, 2014 to determine that they were of a type authorized by Ohio Rev. Code Section 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 December 31, 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 monthly Water Billing Report. The amounts agreed.
 - b. Amount charged for the related billing period:
 - i. Agreed with the debit to accounts receivable in the monthly water 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 billing. We found no exceptions.
 - c. Receipt was posted to the proper funds, and was recorded in the year received. We found no exceptions.
2. We read the Late Fees Assessed Report.
 - a. We noted this report listed \$14,175 and \$14,391 of accounts receivable as of December 31, 2015 and December 31, 2014, respectively.
 - b. Of the total receivables reported in step 2a, \$10,163 and \$9,836 were recorded as more than 90 days delinquent as of December 31, 2015 and December 31, 2014, respectively.
3. We read the Adjustment History Report.
 - a. We noted this report listed a total of \$502 and \$612 non-cash receipts adjustments for the years ended December 31, 2015 and December 31, 2014, respectively.
 - b. We selected five non-cash adjustments from 2015 and five non-cash adjustments from 2014, and noted the Board of Trustees approved each adjustment.

Debt

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2013.
2. We inquired of management, and scanned the Revenue Ledger and Appropriation Ledger 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 the loan debt activity for 2015 and 2014 and agreed principal and interest payments from the related debt amortization schedule to the water fund payments reported in the Appropriation Ledger. 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 Enterprise Fund per the Revenue Ledger. The amounts agreed.
5. For new debt issued during 2015 and 2014, we inspected the debt legislation, noting the District must use the proceeds for the Brunersburg Aerated Pump Station trihalomethanes (TTHM) removal project. We scanned the Appropriation Ledger and noted the District disbursed funds for the removal of the Brunersburg Aerated Pump Station TTHM from January through October 2015.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2015 and one payroll check for all two employees from 2014 from the Payroll Ledger and:
 - a. We compared the hours and pay rate, or salary amount recorded in the Employee Detail Payroll Ledger Report to supporting documentation (timecard, or legislatively approved rate or salary). We found no exceptions.
 - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
 - c. We determined whether the fund and account code to which the check was posted were reasonable based on the employees' duties as documented in the employees policy manual. We also determined whether the payment was posted to the proper year. We found no exceptions.

2. For any new employees selected in step 1 we determined whether the following information in the employees personnel file was consistent with the information used to compute gross and net pay related to this check:
 - a. Name
 - b. Authorized salary or pay rate
 - c. Account to which the check should be charged
 - d. Retirement system participation and payroll withholding
 - e. Federal and State income tax withholding authorization and withholding

We found no exceptions related to steps a. – e. above.

3. 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	January 31, 2016	December 31, 2015	\$1,429	\$1,429
State income taxes	January 15, 2016	January 4, 2016	243	243
School District income tax	January 15, 2016	January 4, 2016	85	85
OPERS retirement	January 30, 2016	December 31, 2015	2,599	2,599

Non-Payroll Cash Disbursements

1. From the Disbursement Ledger Detail Report, we re-footed checks recorded as Water Enterprise Fund *salary* disbursements, and checks recorded as *other expenses* in the Evansport Debt Reduction Fund for 2014. We found no exceptions.

2. We haphazardly selected ten disbursements from the Disbursement Ledger Detail Report for the year ended December 31, 2015 and ten from the year ended December 31, 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

Disbursement Ledger Detail 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 Amended Official Certificate of Estimated Resources, required by Ohio Rev. Code Sections 5705.28(B) (2) and 5705.36 (A) (1), to the amounts recorded in the Revenue Ledger for the Water Operating Enterprise Fund, Evansport Capital Improvement Fund, Evansport Debt OWDA Loan Fund, (2014 only) and Evansport Debt Reduction Fund 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 Water Operating Enterprise Fund, Evansport Capital Improvement Fund, Evansport Debt OWDA Loan Fund, (2014 only) and Evansport Debt Reduction Fund 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), 5705.38 and 5705.40, to the amounts recorded in the Appropriation Ledger Report for 2015 and 2014 for the following funds: Water Operating Enterprise Fund, Evansport Capital Improvement Fund, Evansport Debt OWDA Loan Fund (2014 only), and Evansport Debt Reduction Fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Ledger 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 Water Operating Enterprise Fund, Evansport Capital Improvement Fund, Evansport Debt OWDA Loan Fund (2014 only), and Evansport Debt Reduction Fund for the years ended December 31, 2015 and 2014. Appropriations did not exceed estimated revenue.
5. Ohio Rev. Code Section 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 2014 for the Water Operating Enterprise Fund, Evansport Capital Improvement Fund, Evansport Debt OWDA Loan Fund, (2014 only) and Evansport Debt Reduction Fund as recorded in the Appropriation Ledger Report. Expenditures did not exceed appropriations.
6. We scanned the Cash Summary by Fund Report for the years ended December 31, 2015 and 2014 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. We noted no fund having a negative cash fund balance.

Other Compliance

Ohio Rev. Code Section 117.38 requires entities to file their financial information in the HINKLE system formerly known as the Annual Financial Data Reporting System (AFDRS) within 60 days after the close of the fiscal year. We reviewed AFDRS to verify Brunersburg Water District filed their

financial information within the allotted timeframe for the years ended December 31, 2015 and 2014.
No exceptions were 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 initial "D".

Dave Yost
Auditor of State

Columbus, Ohio

November 10, 2016

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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
NOVEMBER 29, 2016**