



Dave Yost • Auditor of State

**DEERFIELD REGIONAL STORM WATER DISTRICT
WARREN COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Deerfield Regional Storm Water District
Warren County
4900 Parkway Drive
Suite 150
Deerfield Township, Ohio 45040

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements of the business-type activities, and related notes of Deerfield Regional Storm Water District, Warren County, (the District) as of and for the years ended December 31, 2015 and 2014.

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 B 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 (GAAP), to satisfy these requirements.

Although the effects on the financial statements 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 these statements 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 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, 2015 and 2014, or changes in financial position 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 combined cash balances of the Deerfield Regional Storm Water District, Warren County, Ohio as of December 31, 2015 and 2014, and its combined 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 B.

Other Information

We applied no procedures to Management's Discussion & Analysis as listed in the table of contents. Accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 9, 2016, 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.



Dave Yost
Auditor of State

Columbus, Ohio

August 9, 2016

Deerfield Regional Storm Water District
Warren County, Ohio
Management's Discussion and Analysis
For the Years Ended December 31, 2015 and 2014
(Unaudited)

This discussion and analysis, along with the accompanying financial reports, of the Deerfield Regional Storm Water District ("the District") is designed to provide our customers, creditors and other interested parties with a general overview of the District and its financial activities.

FINANCIAL HIGHLIGHTS

The District's cash and cash equivalents (and net position) increased by \$122,157 in 2015 and \$189,118 in 2014.

The District had operating cash receipts of \$558,422 in 2015 and \$549,579 in 2014. Operating cash disbursements increased by \$89,380 from 2014 to 2015 and by \$19,120 from 2013 to 2014.

OVERVIEW OF BASIC FINANCIAL STATEMENTS

The District is a single enterprise fund using proprietary fund accounting, similar to private sector business. The Basic Financial Statements are presented using the cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The Statements of Net Position-Cash Basis and the Statements of Cash Receipts, Disbursements and Changes in Net Position-Cash Basis provide information on the District's cash basis operations over the past two years and the success of recovering all its costs through user fees, charges, and other income. Receipts are reported when received in cash and disbursements are reported when paid.

The notes to the basic financial statements are an integral part of the basic financial statements and provide expanded explanation and detail regarding the information reported in the basic financial statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The District has elected to present its financial statements on the cash basis of accounting. This basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. Under the District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the basic financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Deerfield Regional Storm Water District
Warren County, Ohio
Management's Discussion and Analysis
For the Years Ended December 31, 2015 and 2014
(Unaudited)

STATEMENTS OF NET POSITION-CASH BASIS

Table 1 summarizes the Statements of Net Position of the District.

TABLE 1	2015	2014	Change Amount	2013	Change Amount
Cash and Cash Equivalents	\$970,987	\$848,830	\$122,157	\$659,712	\$ 189,118
Total Assets	\$970,987	\$848,830	\$122,157	\$659,712	\$ 189,118
Net Position -					
Unrestricted	\$970,987	\$848,830	\$122,157	\$659,712	\$ 189,118
Total Net Position	\$970,987	\$848,830	\$122,157	\$659,712	\$ 189,118

The District's net position increased by \$122,157 in 2015 and increased by \$189,118 in 2014. The increases in 2015 and 2014 were primarily the result of less than expected engineering fees and capital outlay-type expenditures.

STATEMENTS OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN NET POSITION – CASH BASIS

Table 2 below summarizes the changes in Cash Receipts, Cash Disbursements and the resulting change in Net Position – Cash Basis.

TABLE 2	2015	2014	Change Amount	2013	Change Amount
Operating Cash Receipts	\$558,422	\$549,579	\$ 8,843	\$552,436	\$ (2,857)
Operating Cash Disbursements	318,367	228,987	89,380	209,867	19,120
Operating Receipts Over/ (Under) Operating Disbursements	240,055	320,592	(80,537)	342,569	(21,977)
Non-Operating Cash Receipts	463	412	51	406	6
Non-Operating Cash Disbursements	(118,361)	(131,886)	13,525	(156,591)	24,705
Changes in Net Assets	122,157	189,118	(66,961)	186,384	2,734
Net Position, January 1	848,830	659,712	189,118	473,328	186,384
Net Position, December 31	\$970,987	\$848,830	\$122,157	\$659,712	\$ 189,118

Operating cash receipts remained stable from 2014 to 2015 increasing \$8,843. The increase of \$89,380 in operating cash disbursements from 2014 to 2015 was primarily the result of increased cash disbursements for general and administrative services and non-capital outlay-type program expenses.

Operating cash receipts remained fairly stable from 2013 to 2014, decreasing \$2,857. Operating cash disbursements also remained relatively stable from 2014 to 2015, increasing \$19,120.

Deerfield Regional Storm Water District
Warren County, Ohio
Management's Discussion and Analysis
For the Years Ended December 31, 2015 and 2014
(Unaudited)

Capital outlay spending accounts for all of the non-operating cash disbursements. Capital outlay spending is tied to the projects being undertaken by the District. Drainage, storm water, surveying and other capital outlay-type projects were and/or are in process during 2013, 2014 and 2015. As such, non-operating disbursements on the cash basis of accounting fluctuate from year to year depending on the volume and significance of such projects.

CAPITAL ASSETS

The District does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements. The District had capital outlay disbursements of \$118,361 and \$131,886 during 2015 and 2014, respectively.

DEBT

As of December 31, 2015 and 2014 the District had no debt outstanding.

CASH

Cash balances as of December 31, 2015 and 2014 were \$970,987 and \$848,830, respectively.

CONTACT INFORMATION

Questions regarding this report and requests for additional information should be forwarded to the Deerfield Regional Storm Water District, 4900 Parkway Drive, Suite 150, Deerfield Township, Ohio 45040.

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Deerfield Regional Storm Water District
Warren County
Statement of Net Position - Cash Basis
For the Years Ended December 31, 2015 and 2014

	2015	2014
Assets		
Cash and Cash Equivalents	\$ 970,987	\$ 848,830
<i>Total Assets</i>	970,987	848,830
 Net Position		
Unrestricted	970,987	848,830
<i>Total Net Position</i>	\$ 970,987	\$ 848,830

See accompanying notes to the basic financial statements.

Deerfield Regional Storm Water District
Warren County
Statements of Cash Receipts, Disbursements and
Changes in Net Position - Cash Basis
For the Years Ended December 31, 2015 and 2014

	2015	2014
Operating Cash Receipts		
Charges for Services	\$ 558,422	\$ 549,579
<i>Total Operating Cash Receipts</i>	558,422	549,579
Operating Cash Disbursements		
Purchased Services	283,725	207,499
Materials and Supplies	492	894
Customer Refunds	34,150	20,594
<i>Total Operating Cash Disbursements</i>	318,367	228,987
<i>Operating Cash Receipts Over (Under) Operating Cash Disbursements</i>	240,055	320,592
Non-Operating Cash Receipts (Disbursements)		
Capital Outlay	(118,361)	(131,886)
Interest	463	412
<i>Total Non-Operating Cash Receipts (Disbursements)</i>	(117,898)	(131,474)
<i>Changes in Net Position</i>	122,157	189,118
<i>Net Position Beginning of Year</i>	848,830	659,712
<i>Net Position End of Year</i>	\$ 970,987	\$ 848,830

See accompanying notes to the basic financial statements.

NOTE A - NATURE OF ORGANIZATION

The Deerfield Regional Storm Water District, Warren County, (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 created on October 31, 2003 by the Warren County Court of Common Pleas to provide storm water management services to the residents of Deerfield Township in accordance with the provisions of Ohio Revised Code Section 6119. A three (3) member Board of Trustees (who are appointed by the Trustees of Deerfield Township) manage the District. Deerfield Township is a related organization to the Deerfield Regional Storm Water District. See Note F for additional information about related organizations.

In accordance with the provisions of the Governmental Accounting Standards Board (GASB), the accompanying financial statements include only the accounts and transactions of the District. Under the criteria specified by applicable GASB-promulgated Statements, the District has no component units nor is it considered a component unit of the State of Ohio. The District is considered, however, a political subdivision of the State of Ohio. These conclusions regarding the financial reporting entity are based on the concept of financial accountability. The District is not financially accountable for any other organizations. This is evidenced by the fact that the District is a legally and fiscally separate and distinct organization. The District is solely responsible for its finances. The District is empowered to issue debt payable solely from District revenues.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if it appoints a voting majority of the organization's governing board and (1) is able to significantly influence the programs or services performed or provided by the organization; or (2) is legally entitled to or can otherwise access the organization's resources; is legally obligated or has otherwise assumed the responsibility to finance deficits of or provide financial support to the organization; or is obligated for the debt of the organization. Based upon the application of these criteria, the District has no component units.

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in preparation of the accompanying financial statements follows:

1. Basis of Accounting

These financial statements follow the cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

As a result of the use of the cash basis of accounting as described above, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and liabilities and their related expenses (such as accounts payable and expenses for goods and services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

These statements include adequate disclosure of material matters in accordance with the cash basis of accounting as described above.

2. **Cash and Cash Equivalents**

For reporting purposes, the District considers “Net Position” and “Cash and Cash Equivalents” to be cash on hand, demand deposits, and all investments held by the District with a maturity date less than or equal to three months from the date of purchase.

3. **Basis of Presentation - Fund Accounting**

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The District has created a single fund type and a single fund within that fund type. The fund accounts for the governmental resources allocated to it and the segregation of cash and investments for the purpose of carrying on specific activities in accordance with laws, regulations or other restrictions.

The fund type which the Deerfield Regional Storm Water District uses is described below:

Proprietary Fund Type – This fund type accounts for operations that are organized to be self-supporting through user charges. The fund included in this category used by the District is the Enterprise Fund.

Enterprise Fund – This fund is established to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing certain goods or services to the general public on a continuing basis are financed or received primarily through user charges. This fund is used by the District to account for storm water management services.

4. **Budgetary Process**

The Ohio Revised Code requires the District to adopt an annual budget.

Appropriations – Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the function 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 balances as of January 1.

Encumbrances – The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made.

A summary of 2015 and 2014 budgetary activity appears in Note D.

5. **Capital Assets**

Acquisitions of capital assets (property, plant and equipment) are recorded as capital outlay disbursements when paid. These items are not reflected as assets in the accompanying basic financial statements.

6. **Long-Term Obligations**

In general, bonds and loans are recorded as cash disbursements in the basic financial statements when paid and are not recorded as liabilities in the accompanying basic financial statements.

7. Net Position

Net position represents the difference between assets and liabilities. Since under the District's current basis of accounting, the District does not record any other assets other than cash and investments and does not record any liabilities, net position is equivalent to cash and investments. The District currently does not record any restrictions on their net position.

8. Operating Cash Receipts and Cash Disbursements

Operating cash receipts are those revenues that are generated directly from the primary activity of the proprietary fund. For the District, these cash receipts are charges for storm water management services provided. Operating cash disbursements are necessary costs incurred to provide the goods and/or services that are the primary activity of the fund.

NOTE C – CASH AND INVESTMENTS

Monies held by the District are classified into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies are maintained either as cash in the district treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts, including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies, which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Interim deposits held by the District are invested in accordance with Ohio Revised Code Section 6119.16 which states that, "Moneys in the funds of a regional water and sewer district, except as otherwise provided in any resolution authorizing the issuance of its water resource revenue bonds or in any trust agreement securing the same, in excess of current needs, may be invested in notes, bonds, or other obligations of the United States or of any agency or instrumentality thereof, or in obligations of this state or any political subdivision thereof. Income from all such investments of moneys in any fund shall be credited to such funds as the district determines, subject to the provisions of any such resolution or trust agreement, and such investments may be sold at such times and at such prices as the district determines."

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as a security for repayment, by surety company bonds deposited with the Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Custodial credit risk is the risk that in the event of the failure of the counterparty, the District's deposits may not be returned. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agency or instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105 percent of the total value of public monies on deposit at the institution. The District's policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateralization of public funds.

Deerfield Regional Storm Water District
Warren County, Ohio
Notes to the Basic Financial Statements
For the Years Ended December 31, 2015 and 2014

Deposits: As of December 31, 2015, the District's bank balance of \$970,987 is either covered by FDIC or collateralized by the financial institution's public entity deposit pool in the manner described above. As of December 31, 2014, the District's bank balance of \$848,830 is either covered by FDIC or collateralized by the financial institution's public entity deposit pool in the manner described above.

NOTE D – BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2015 and 2014 was as follows:

<u>Budgeted vs. Actual Receipts</u>	<u>2015</u>	<u>2014</u>
Budgeted Receipts	\$ 557,356	\$ 536,800
Actual Receipts	558,885	549,991
Variance	<u>\$ 1,529</u>	<u>\$ 13,191</u>

<u>Budgeted vs. Actual Budgetary Basis Expenditures</u>	<u>2015</u>	<u>2014</u>
Appropriation Authority	\$ 751,219	\$ 543,210
Budgetary Expenditures	467,670	426,114
Variance	<u>\$ 283,549</u>	<u>\$ 117,096</u>

NOTE E – RISK MANAGEMENT

The District is exposed to various risks of loss due to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District contracts with Municipal Insurance Alliance of Ohio for all their risk management needs. Settlement amounts did not exceed insurance coverage for the past three fiscal years and there were no significant reductions in coverage from the prior year.

NOTE F – RELATED ORGANIZATIONS

Deerfield Township is a related organization to the Deerfield Regional Storm Water District. The Township Trustees are responsible for appointing the Trustees of the Deerfield Regional Storm Water District, however, the Township Trustees cannot influence the District's operation nor does the Township represent a potential financial benefit or burden to the District.

In addition, the District contracted with Deerfield Township for various program, administrative and fiscal services as follows:

- Payments totaling \$55,867 and \$55,332 in 2015 and 2014, respectively, were issued to Deerfield Township for administration and fiscal services, and
- Payments totaling \$59,406 in 2015 were issued to Deerfield Township in connection with an intergovernmental agreement between the District, Deerfield Township and the Warren County Soil and Water Conservation District, for professional services related to storm water management activities in accordance with the OEPA's MS4 Permit requirements.
- The District utilized the Township's building free of charge.

The monetary exchanges above represent approximately 26% and 15% of the total expenditures for fiscal years 2015 and 2014, respectively.



Dave Yost • Auditor of State

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

Deerfield Regional Storm Water District
Warren County
4900 Parkway Drive
Suite 150
Deerfield Township, Ohio 45040

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 modified cash-basis financial statements of the business-type activities of the Deerfield Regional Storm Water District, Warren County, (the District) as of and for the years ended December 31, 2015 and 2014, 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 9, 2016, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles.

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.

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 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.

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 2015-001 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*.

Corporate Centre of Blue Ash, 11117 Kenwood Road, Blue Ash, Ohio 45242
Phone: 513-361-8550 or 800-368-7419 Fax: 513-361-8577

www.ohioauditor.gov

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 Entity'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.

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

August 9, 2016

**DEERFIELD REGIONAL STORM WATER DISTRICT
WARREN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2015-001

Material Weakness

When designing the public office's system of internal control and the specific control activities, management should consider ensuring that accounting records are properly designed, verifying the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records, and performing analytical procedures to determine the reasonableness of financial data.

Customer refund disbursements that should have been classified as Refund operating disbursements totaling \$34,150 and \$20,594 in 2015 and 2014 respectively were misclassified as part of Capital Outlay non-operating disbursements.

Adjustments were posted to the accompanying financial statements.

Failure to properly report expenditures could result inaccurate financial statements. We recommend the District take steps to make sure the financial statements accurately reflect the District's financial information.

Officials' Response:

The District concurs with the Finding and wishes to emphasize that on a daily basis, the District's cash-basis accounting records were fully reconciled and all transactions were posted to the accounting ledger. The Finding being reported relates solely to how the cash-basis records were combined to produce the District's year-end financial statements.

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**DEERFIELD REGIONAL STORM WATER DISTRICT
WARREN COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2015 and 2014**

Finding Number	Finding Summary	Status	Additional Information
2013-001	Ohio Revised Code Section 5705.41(D), failure to properly certify purchases	Corrective Action Taken and Finding is Fully Corrected	
2013-002	Ohio Administrative Code Section 117-2-02, failure to maintain an adequate accounting system	Corrective Action Taken and Finding is Fully Corrected	

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Dave Yost • Auditor of State

DEERFIELD REGIONAL STORM WATER DISTRICT

WARREN 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
AUGUST 25, 2016**