



Kevin Menard, President  
Pascoag Reservoir Dam Management District  
581 Camp Dixie Road  
Pascoag, RI 02859

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

We have performed the procedures listed below, which were agreed to by The Pascoag Reservoir Dam Management Association, solely to assist the users in evaluating management's assertion regarding their recording of revenues and expenses for the 12 month period ending July 31, 2013 and summarized in the accompanying report prepared by Management.

This agreed upon procedure engagement was performed in accordance with attestation standards established by the American Institute of Public Accountants. The sufficiency of these procedure is solely the responsibility of the Pascoag Reservoir Dam Management Association, 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.

The Procedure and associated finding are as follows:

1. Review the two prior years of bank statements to test the mathematical accuracy of the beginning cash balances.

Several interim errors were noted which caused cash balances to be temporarily off during the period. All errors were caused by the use of overlapping "Account History" reports from the bank rather than a period ended bank statement. It is recommended that actual bank statements be printed or downloaded each period and kept on file. Checkbook balances should be reconciled to these statements at the end of each month to avoid overlapping data. The opening cash balance ended up being correct.

2. Reconcile PRDMD deposits and checks with Citizens Bank account statements for each of the 12 months in the period.

All deposits, checks and other debits were reconciled from the Bank to the general ledger. No discrepancies.

3. Perform a proof cash verifying the total deposits recorded by Citizens Bank to the actual revenue recorded in the general ledger. Compare the revenues in the general ledger to the budgeted revenues. Note and discuss any exceptions.

Actual Revenue was \$350 less than Budgeted Revenue. Conversations with Kevin Menard indicate that revenue maybe being budgeted for lots that can not be collected on, including the lots under the lake and the lot that the dam itself is on. It is recommended that only collectible money be budgeted and that all budgeted monies be invoiced so that these two numbers can be reconciled in the future. Otherwise, Citizens deposits reconciled with general ledger revenues.

4. Agree the year end balances in the Citizens checking account and Citizens Money Market account to the general ledger.

The Citizens Money Market Account agrees to the general ledger at July 31, 2013. The Citizens checking account agrees to the general ledger on July 31, 2013. However, the balance reported to The Board of Directors in the year end financial report was understated by \$50.00.

5. Review the invoicing process and ensure controls exists for invoicing all members and uncollected amounts (if any) are properly recorded.

As described in Procedure #3, some invoices were not sent because certain lots are not expected to contribute. From now on budgeted and active invoices should match and be reconciled when invoices are sent.

6. Examine all entries for checks written.

All invoices were reviewed and traced to the general ledger for the 12 month period ending July 31, 2013. All classifications of expenses seem proper, and all check info matched the general ledger and the invoice, when an invoice was present. It is recommended that when expenses are reimbursed to members/officers that besides the Board approval (which was present) that the invoice also be submitted.

7. Review disbursement procedures to ensure controls exists for expenditure review.

It was discussed with Kevin Menard that a dollar limit should be determined for single signature withdrawals and checks. For withdrawals and checks over that dollar amount, two signatures should be required. Other procedures including Board approval seem adequate.

8. Compare financial reports submitted to the Board of Directors to the general ledger for accuracy.

The general ledger was kept on a calendar year rather than the August 1-July 31 fiscal year that the PRDMA has adapted. That, along with a recurring closing entry made on May 31 each year in error, required the ending general ledger balances to have to be reconstructed each year. As a result, minor errors were reflected in the report to the Board Members. After discussion with the bookkeeper it was agreed that the books will be kept on a fiscal year basis going forward and the recurring May closing entry would be investigated and eliminated. This will provide a way to proof the reports submitted to the Board. It is also recommended that the report be modified to present the balance sheet of the Organization along with the statement of income and expenses and the equity reconciliation that is currently presented. Also, for the sake of clarification, the legal fund and the uncollectable fund should be renamed and presented in away that reflects that they are restricted Capital Funds, that are a part of the general fund.

The following are errors that we found in the presentation:

	<u>Reported</u>	<u>Should Be</u>
Interest Income	12.93	14.42
Checking Acct Balance 7/31/13	5,366.75	5,416.75
Money Market Account 7/31/13	34,503.11	34,504.60
Campground Collections 2013	900.00	950.00
Capital Funds-Unrestricted	34,048.82	32,250.31
Total Fund Balance	\$39,869.86	\$38,071.35

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion of management's assertion of the financial statements as a whole. Accordingly, we do not express such an opinion, had we performed additional procedures, other matters may have come to our attention that would have been reported to you.

Sincerely,



Chamberland & Company, LTD  
Certified Public Accountants  
February 25, 2014

Pascoag Reservoir Dam Management District  
Financial Report 2012-2013

<b>Income</b>		
	Fee Revenue	15,550.00
	Additional Paid In Capital	535.00
	PILOF Campground Income	1,390.00
	PILOF Marina Income	510.00
	Interest Income	12.93
<b>Total Income</b>		<u>17,997.93</u>
<b>Expense</b>		
	Advertising	426.00
	Post Office Box	32.00
	Office Expense	118.71
	Postage	90.00
	Bank Fees	44.50
	Insurance	
	Directors & Officers Insurance	1,004.00
	Bond Insurance	187.00
		<u>1,191.00</u>
	Emergency Dam Repair	6,463.00
<b>Total Expense</b>		<u>8,365.21</u>
<b>Net Ordinary Income</b>		<u>9,632.72</u>
	<b>TOTAL INCOME</b>	17,997.93
	<b>TOTAL EXPENSES</b>	<u>8,365.21</u>
	<b>BALANCE UNSPENT</b>	<u>9,632.72</u>
	Checking Account Balance 6/30/2012	4,701.96
	Money Market Account Balance 6/30/2012	25,490.18
	Prepaid Fees 2012	-5.00
	Marina Collection 2012	-360.00
	Campground Collection 2012	-1,390.00
	Balance Unspent 2012	9,632.72
	<b>TOTAL</b>	<u>38,069.86</u>
	Checking Account Balance 7/31/2013	5,366.75
	Money Market Account Balance 7/31/2013	<u>34,503.11</u>
	<b>Total Funds in Bank Accounts 7/31/2013</b>	<u>39,869.86</u>
	Prepaid 2013 Fees	-100.00
	Marina Collection 2013	-800.00
	Campground Collection 2013	-900.00
	<b>TOTAL</b>	<u>38,069.86</u>
<b>Equity</b>		
	LEGAL FUND	4,000.00
	UNCOLLECTABLE FUNDS	1,821.04
	CAPITAL FUNDS	34,048.82
<b>Total Equity</b>	<b>Total Funds in Bank Accounts 7/31/2013</b>	<u>39,869.86</u>