



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 District, solely to assist the users in evaluating management's assertion regarding their recording of revenues and expenses for the three 12 month periods ending July 31, 2014, July 31, 2015 and July 31, 2016 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 procedures is solely the responsibility of the Pascoag Reservoir Dam Management District, 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. 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.

2. Perform a proof of 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.

Budgeted revenue reflects 314 billable properties yet only 309 are billed through the general ledger. It is recommended that only billable revenue be the basis for the amount budgeted. Otherwise, Citizens deposits reconciled with general ledger revenues.

3. 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, 2014, 2015, and 2016. The Citizens checking account agrees to the general ledger at July 31, 2014, 2015, and 2016.

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

As described in Procedure #2, budgeted revenues should reflect the billable accounts. The billed amounts agree to the billable accounts amount of 309 accounts.

5. Examine all entries for checks written.

All invoices were reviewed and traced to the general ledger for the three 12 month periods ending July 31, 2014, 2015 and 2016. 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 the Board approval should be reflected in the minutes. In most instances, reimbursements to members/officers included invoice documentation, with the one exception being a check for advertising expense in the amount of \$355.00.

6. Review disbursement procedures to ensure controls exist for expenditure review.

On previous recommendations, the Board agreed to implement a comment that all checks greater than \$3,000 shall require two signatures of any combination of Treasurer, President and Secretary. However, two checks that exceeded this amount had a signature of only the bookkeeper. It is recommended that this procedure be discussed with the appropriate personnel at Citizens Bank to complete the implementation. Other procedures including Board approval seem adequate.

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

Upon request, Kevin Menard provided financial statements submitted to the meeting of the Board of Directors. The reports provided were run on July 25, 2015 and July 18, 2016. These reports did not reflect complete activity through the year end of July 31st. It is recommended that the financial statements presented at the Annual Meeting reflect all activity including bank activity as of July 31st as best known in order to provide as complete and accurate information as possible. Also, retaining a marked financial statement (balance sheet and profit and loss and the equity reconciliation) indicating its use at the Annual Meeting is recommended. At the August 3, 2016 Annual Meeting, the Citizens checking account on the balance sheet presented showed \$900 less than the reconciled balance. This variance was explained at the meeting to the members.

The following are errors that we found in the presentation at July 31, 2016:

	<u>Reported</u>	<u>Should Be</u>
Interest Income	11.56	12.70
Checking Acct Balance 7/31/16	6,906.82	7,806.82
Money Market Account 7/31/16	67,552.91	67,554.05
Campground/Marina Collections 2016	600.00	1,500.00
Total Fund Balance	\$73,859.73	\$73,860.87

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,

A handwritten signature in blue ink that reads "Chamberland & Company Ltd". The signature is written in a cursive, flowing style.

Chamberland & Company, LTD
Certified Public Accountants
May 11, 2017