



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Central Joint Fire District
Wood County
13179 Mermill Road
Portage, Ohio 43451-9749

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Central Joint Fire District, Wood 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, 2010 and 2009, 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

1. We tested the mathematical accuracy of the December 31, 2010 and December 31, 2009 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2009 beginning fund balances recorded in the Cash Journal to the December 31, 2008 balances in the prior year audited statements. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2010 and 2009 fund cash balances reported in the Cash Journal. The amounts agreed.
4. We confirmed the December 31, 2010 bank account balance with the District's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2010 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2010 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and dates written to the check register, to determine the debits were dated prior to December 31. We noted no exceptions.

Property Taxes, Intergovernmental and Other Confirmable Cash Receipts

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2010 and one from 2009.
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipts Journal. The amounts agreed.
 - b. We determined whether the receipt was allocated to the proper fund as required by Ohio Rev. Code, Sections 5705.05-.06 and 5705.10. We found no exceptions.
 - c. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We scanned the Receipts Journal to determine whether it included the proper number of tax receipts for 2010 and 2009:
 - a. Two personal property tax receipts
 - b. Two real estate tax receipts

We noted the Receipts Journal included the proper number of tax settlement receipts for each year.
3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2010 and five from 2009. We also selected all receipts from the Wood County Payments to Entities spreadsheet from 2010 and all from 2009.
 - a. We compared the amount from the DTL and Wood County Payments to Entities spreadsheet to the amount recorded in the Receipts Journal. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper fund. We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Charges for Services

1. We tested all billable runs, and agreed the customer name and service date to the related amounts billed, and the amount posted to the Receipts Journal, from the year ended December 31, 2010; and all from the year ended December 31, 2009. We noted no exceptions.
2. We confirmed the amounts paid from Plain Township, which has a contract with the District to receive fire protection services, to the District during 2010 and 2009 with the fire contract. We found no exceptions.
 - a. We determined whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Other Sources Cash Receipts

We selected all other sources cash receipts from the year ended December 31, 2009 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Receipts Journal. The amounts agreed.
- b. Receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

Debt

1. The prior audit report disclosed no debt outstanding as of December 31, 2008.
2. We inquired of management, and scanned the Receipts Journal and Appropriations Ledger for evidence of debt issued during 2010 or 2009 or debt payment activity during 2010 or 2009. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of bank loan debt activity for 2010 and 2009 and agreed principal and interest payments from the related debt amortization schedule to general fund payments reported in the Appropriations Ledger. We also compared the date the debt service payments were due to the date the District made the payments. We found no exceptions. However, we did note the District made an additional payment on principal of \$42,500 in 2009 and \$20,000 in 2010.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the general fund per the Receipts Journal. The amounts agreed.
5. For new debt issued during 2010 and 2009, we inspected the debt legislation, noting the District must use the proceeds to purchase a fire truck. We scanned the Appropriations Ledger and noted the District purchased a fire truck in March of 2009.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2010 and one payroll check for five employees from 2009 from the Payroll Book and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Book to supporting documentation (timecard, legislatively or statutorily-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 Book. 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' personnel files and/or minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2010 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 2010. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2011	January 12, 2011	\$274.92	\$274.92
State income taxes	January 15, 2011	January 12, 2011	16.71	16.71
School district tax	January 31, 2011	January 12, 2011	12.80	12.80
OPERS retirement	January 30, 2011	January 12, 2011	189.60	189.60

Non-Payroll Cash Disbursements

1. From the Appropriations Ledger, we re-footed checks recorded as General Fund disbursements for building maintenance, for 2010. We found no exceptions.
2. We haphazardly selected ten disbursements from the Appropriations Ledger for the year ended December 31, 2010 and ten from the year ended December 31, 2009 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 Appropriations Ledger 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 seven instances where disbursements requiring certification were not certified and two instances where the certification date was after the vendor invoice date, and there was no evidence a *Then and Now Certificate* was issued. Ohio Rev. Code, Section 5705.41(D), requires certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used. Because we did not test all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

Compliance – Budgetary

1. We compared the total amounts from the *Amended Official Certificate of Estimated Resources*, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Receipts Journal for the years ended December 31, 2010 and 2009. The amounts on the *Certificate* are not recorded in the accounting system. The fiscal officer should record the amounts on the *Certificate* in the accounting system and should periodically compare amounts recorded in the Receipts Journal to amounts recorded on the *Amended Official Certificate of Estimated Resources* to assure they agree. If the amounts do not agree, the Trustees may be using inaccurate information for budgeting and monitoring purposes.

2. We scanned the appropriation measures adopted for 2010 and 2009 to determine whether 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, Section 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Rev. Code, Sections 5705.38 and 5705.40, to the amounts recorded in the Appropriations Ledger for 2010 and 2009. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriations Ledger report, except for debt service. The Appropriations Ledger recorded appropriations of \$65,000 for 2010. However, the appropriation resolution reflected \$50,000 and there were no authorized amendments. The fiscal officer should request Board approval of any appropriation amendments and should periodically compare amounts recorded in the Appropriations Ledger to amounts authorized by the Board. If the amounts do not agree, the Trustees may be using inaccurate information for budgeting and monitoring purposes.
4. Ohio Rev. Code, Section 5705.39, prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the years ended December 31, 2010 and 2009. We noted that appropriations for 2009 exceeded certified resources by \$188,193, contrary to Ohio Rev. Code, Section 5705.39, due to the District not amending their certified resources for \$190,000 in loan proceeds. The Trustees should not pass appropriations exceeding certified resources. Allowing this to occur could cause the District to incur fund balance deficits.
5. Ohio Rev. Code, Section 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, 2010 and 2009 as recorded in the Appropriations Ledger. We noted no funds for which expenditures exceeded appropriations.
6. Ohio Rev. Code, Section 5705.09, requires establishing separate funds to segregate externally-restricted resources. We scanned the Receipts Journal for evidence of new restricted receipts requiring a new fund during December 31, 2010 and 2009. We also inquired of management regarding whether the District received new restricted receipts. We noted no evidence of new restricted receipts for which Ohio Rev. Code, Section 5705.09, would require the District to establish a new fund.
7. We inquired of management and scanned the Appropriations Ledgers to determine whether the District elected to establish reserve accounts permitted by Ohio Rev. Code, Section 5705.13. We noted the District did not establish these reserves.

Compliance – Contracts and Expenditures

1. We inquired of management and scanned the Appropriations Ledger report for the years ended December 31, 2010 and 2009 for procurements requiring competitive bidding under the following statute(s):

Ohio Rev. Code, Sections 505.37 to 505.42 and 731.14, require a fire district to competitively bid purchases of fire apparatus, mechanical resuscitators, other fire equipment, appliances, materials, fire hydrants, buildings, or fire-alarm communications equipment or service costs exceeding \$25,000.

We identified a storage building project exceeding \$25,000, subject to Ohio Rev. Code, Section 505.42. For this project, we noted the Board advertised the project in a local newspaper, and selected the lowest responsible bidder.

Officials' Response:

We did not receive a response from Officials to the exceptions reported above.

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 "Y" and "O".

Dave Yost
Auditor of State

August 4, 2011



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CENTRAL JOINT FIRE DISTRICT

WOOD 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 18, 2011**