



Dave Yost • Auditor of State



**DELAWARE VALLEY JOINT FIRE DISTRICT  
TUSCARAWAS COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Cover Letter .....	1
Independent Accountants' Report.....	3
Statement of Unclassified Cash Receipts, Unclassified Cash Disbursements, and Changes in Fund Cash Balances – General Fund - For the Year Ended December 31, 2011 and 2010.....	5
Notes to the Financial Statements .....	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	11
Schedule of Findings.....	13
Schedule of Prior Audit Findings.....	18

**This page intentionally left blank.**



# Dave Yost • Auditor of State

Delaware Valley Joint Fire District  
Tuscarawas County  
P.O. Box 6  
Port Washington, Ohio 43837

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in black ink that reads "Dave Yost".

**Dave Yost**  
Auditor of State

August 24, 2012

**This page intentionally left blank.**



# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Delaware Valley Joint Fire District  
Tuscarawas County  
P.O. Box 6  
Port Washington, Ohio 43837

To the Board of Trustees:

We have audited the accompanying financial statements of the Delaware Valley Joint Fire District, Tuscarawas County, Ohio (the District), as of and for the years ended December 31, 2011 and 2010. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

The accompanying financial statements present receipts and disbursements by fund type totals only. Ohio Administrative Code Section 117-2-02(A) requires governments to classify receipt and disbursement transactions. Also, the District did not adopt the provisions of Governmental Accounting Standards Board (GASB) Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions.

As described more fully in Note 1, the District attempted to prepare these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the District's larger (i.e. major) funds separately. While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require District's to reformat their statements. The District has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

101 Central Plaza South / 700 Chase Tower / Canton, OH 44702-1509  
Telephone: (330) 438-0617 (800) 443-9272 Fax: (330) 471-0001  
[www.ohioauditor.gov](http://www.ohioauditor.gov)

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2011 and 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2011 and 2010, or its changes in financial position for the years then ended.

Also, in our opinion, except for the omission of receipt and disbursement classifications and fund balance reporting for 2011, the financial statements referred to above present fairly, in all material respects, the fund cash balances as of December 31, 2011 and 2010 of the Delaware Valley Joint Fire District, Tuscarawas County and its unclassified cash receipts and unclassified cash disbursements, for the years then ended on the accounting basis Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 2012, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

August 24, 2012



**DELAWARE VALLEY JOINT FIRE DISTRICT  
TUSCARAWAS COUNTY**

**STATEMENT OF UNCLASSIFIED CASH RECEIPTS, UNCLASSIFIED CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
GENERAL FUND**

**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
Total Cash Receipts	69,101	102,306
Total Cash Disbursements	<u>(70,928)</u>	<u>(114,990)</u>
Total Cash Receipts Over Cash Disbursements	<u>(1,827)</u>	<u>(12,684)</u>
Fund Cash Balances, January 1	<u>27,552</u>	<u>40,236</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$25,725</u></u></b>	<b><u><u>\$27,552</u></u></b>

*The notes to the financial statements are an integral part of this statement.*

**This page intentionally left blank.**

**DELAWARE VALLEY JOINT FIRE DISTRICT  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2011**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Delaware Valley Joint Fire District, Tuscarawas County, Ohio, (the District) as a body corporate and politic. A five-member Board of Trustees governs the District. Each political subdivision within the District appoints two members. The fifth member is appointed by one individual subdivision within the District on a two year rotational basis. Those subdivisions are Salem Township and the Village of Port Washington. The principal purpose of the District is to pool the mutual resources and abilities of the member subdivisions and thereby provide adequate and responsible fire emergency and fire rescue to all the people within the District.

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

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

The District did not classify its receipts or disbursements in the accompanying financial statements. This is a material departure from the requirements of the Ohio Administrative Code Section 117-02-02(A). This Ohio Administrative Code Section requires classifying receipts and disbursements.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Deposits and Investments**

The District maintains all cash in an interest-bearing checking account.

**D. Fund Accounting**

The District classifies its fund as the General Fund which accounts for all financial resources.

**E. Budgetary Process**

The Ohio Revised Code requires the general fund be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**DELAWARE VALLEY JOINT FIRE DISTRICT  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. The District did not use the encumbrance method of accounting.

A summary of 2011 and 2010 budgetary activity appears in Note 3.

**F. Property, Plant, and Equipment**

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**2. Equity in Pooled Deposits and Investments**

The District maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2011	2010
Demand deposits	\$25,725	\$27,552

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2011 and 2010 follows:

	2011 Budgeted vs. Actual Receipts		
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$71,600	\$69,101	(\$2,499)

**DELAWARE VALLEY JOINT FIRE DISTRICT  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**3. Budgetary Activity (Continued)**

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$56,700	\$70,928	(\$14,228)

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$102,306	\$102,306

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$56,700	\$114,990	(\$58,290)

Contrary to the Ohio Revised Code Section 5705.41 (D), expenditures were not certified as to the availability of funds by the Fire District Fiscal Officer prior to incurring the obligation.

Contrary to the Ohio Revised Code Section 5705.41 (B), expenditures exceeded appropriations at the legal level of control.

**4. Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the taxing district.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Fire District.

**DELAWARE VALLEY JOINT FIRE DISTRICT  
TUSCARAWAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**5. Debt**

Debt outstanding at December 31, 2011 was as follows:

	Principal	Interest Rate
Bank Loan - Water Truck	\$27,360	4.87%
Bank Loan - Rescue Truck	23,568	5%
Total	\$50,928	

The Districted entered into a bank loan to purchase a new water truck. The loan was issued on March 15, 2003 for \$119,000, maturing April 1, 2013. The District also entered into a bank loan to purchase a rescue truck. The loan was issued on March 9, 2005 for \$70,000, maturing through October 1, 2014.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	Water Truck	Rescue Truck
2012	15,377	7,222
2013	15,377	7,222
2014		12,626
Total	\$30,754	\$27,070

**6. Retirement Systems**

The District's Fiscal Officer belongs to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2011 and 2010, OPERS members contributed 10%, of their gross salaries and the District contributed an amount equaling 14%, of participants' gross salaries. The District has paid all contributions required through December 31, 2011.

**7. Risk Management**

**Commercial Insurance**

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.



# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Delaware Valley Joint Fire District  
Tuscarawas County  
P.O. Box 6  
Port Washington, Ohio 43837

To the Board of Trustees:

We have audited the financial statements of the Delaware Valley Joint Fire District, Tuscarawas County, Ohio, (the District) as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated August 24, 2012, which was qualified since the Village did not classify receipts and disbursements in its financial statements. The District attempted to follow accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider findings 2011-001 and 2011-005 as described in the accompanying schedule of findings to be material weaknesses.

### **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, providing an opinion 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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2011-001 through 2011-004.

We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated August 24, 2012.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the District's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of management, the Board of Trustees, and others within the District. We intend it for no one other than these specified parties.



**Dave Yost**  
Auditor of State

August 24, 2012



**DELAWARE VALLEY JOINT FIRE DISTRICT  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2011 AND 2010**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**1. Ohio Administrative Code Section 117-2-02**

<i>Finding Number</i>	2011-001
-----------------------	----------

NONCOMPLIANCE AND MATERIAL WEAKNESS

Ohio Administrative Code Section 117-2-02(A) requires governments to maintain an accounting system and accounting records sufficient to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements. Per Ohio Administrative Code Section 117-2-02(C), accounting records that can help achieve these objectives include:

- 1. Cash Journal, which typically includes the amount, date, receipt number, check number, account code, purchase order number, and any other information necessary to properly classify the transaction.
- 2. Receipts ledger, which typically assembles and classifies receipts into separate accounts for each type of receipt of each fund.
- 3. Appropriation ledger, which assembles and classifies disbursements into separate accounts, for at a minimum, each account listed in the appropriation resolution.

Receipts should be classified by source (taxes or charges for services, for example) and disbursements should be classified by program (security of persons and property, for example) or object (personal services, for example).

The District did not maintain an Appropriation Ledger or Capital Asset Records. In addition, the District did not maintain a system for classifying receipts or expenditures based on budget codes or the source and use of the transaction.

The District should maintain these accounting records to enable the District to identify, assemble, analyze, classify, record and report its transactions; maintain compliance with finance related legal and contractual requirements and prepare financial statements required by rule 117-2-02 of the Administrative Code. In addition, the District should classify receipts and expenditures based on budget codes of the source and use of the transaction. This will help ensure accountability over financial records, provide the District with information required to monitor compliance with the budget, and prepare annual reports in the format required by the Auditor of State.

**Official's Response:** For 2013 the District will be inputting the budget into our Peachtree software to better track appropriations.

**2. Ohio Revised Code Section 149.351**

<i>Finding Number</i>	2011-002
-----------------------	----------

NONCOMPLIANCE

**Ohio Revised Code Section 149.351** requires that all records are the property of the public office and shall not be removed, destroyed, mutilated, transferred or otherwise damaged or disposed of, in whole or in part, except as provided by Ohio Rev Code Section 149.38 through 149.42.

The District was unable to locate the following vouchers, documents, and supporting documentation:

- Board minutes for the April and May 2010 meetings.
- Voucher number 452, dated 5/26/10, to Donnell Ford in the amount of \$30,543.
- Voucher number 484, dated 7/19/10, to Dover Township Fire Equipment in the amount of \$6,357.
- Voucher number 513, dated 9/14/10, to BM Fabricating in the amount of \$4,000.
- A Purchase Order for voucher number 514, dated 9/23/10, for the Commercial & Savings.
- A Purchase Order for voucher number 730, dated 9/25/11, for the Commercial & Savings.
- Support for receipt number 214, dated 3/2/10, for a grant received from the Reeves Foundation.
- Support for receipt number 226, dated 6/9/10, for a grant received from the P.W. Firefighters.
- Support for receipt number 1228, dated 2/19/11, for a donation received for a donation to pay for gloves purchased.
- The 2010 Certificate of Estimated Resources.

While these expenditures and revenues appear reasonable in nature, the District should ensure all records are adequately safeguarded. The District should also ensure all minutes are promptly recorded after each District meeting. This may help ensure records are not lost or destroyed.

**Official's Response:** The District will be making copies of all checks received, and will also make sure the Board is aware and approves of all deposits. The District has started using the purchase order system within Peachtree and a copy of the purchase order will be attached to each invoice along with the check stub.

**3. Ohio Revised Code Section 5705.41(B)**

<i>Finding Number</i>	2011-003
-----------------------	----------

NONCOMPLIANCE

**Ohio Rev. Code Section 5705.41(B)** requires that no subdivision or taxing unit is to expend money unless it has been appropriated.

At December 31, 2010 expenditures exceeded appropriations within the following :

<u>Fund</u>	<u>Appropriations</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$56,700	\$114,990	(\$58,290)

At December 31, 2011 expenditures exceeded appropriations within the following:

<u>Fund</u>	<u>Appropriations</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General	\$56,700	\$70,928	(\$14,228)

In addition, the District approves its appropriations at the object level; however, the Fire District does not maintain an Appropriations ledger, therefore, comparison of budget vs. actual expenditures throughout the year and at the legal level of control could not be performed.

The Fiscal Officer should frequently compare actual expenditures to appropriations at the object level to avoid overspending. In addition, the Fiscal Officer should maintain an Appropriations Ledger to reflect budget versus actual activity of the Fire District.

**Official's Response:** The District will be using the budget system within Peachtree to help keep expenditures in line. In 2011 we had extra expenditures causing us to go over our appropriations, the District purchased Peachtree software to computerize the fire stations accounting, as well as purchase checks that would work with the Peachtree software; we also filed and paid 941's and their late fees and penalties back to 2007 due to the previous clerk never filing them.

#### 4. Ohio Revised Code Section 5705.41(D)

<i>Finding Number</i>	2011-004
-----------------------	----------

#### NONCOMPLIANCE

**Ohio Rev. Code Section 5705.41(D)** requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

**1. "Then and Now" Certificate** – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Fire District can authorize the drawing of a warrant for the payment of the amount due. The Fire District has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Fire District.

**2. Blanket Certificate** – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

**3. Super Blanket Certificate** – The District may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

During fiscal years 2011 and 2010, 100% of of expenditures tested were not certified as to the availability of funds by the Fiscal Officer prior to incurring the obligations due to the Purchase Orders not having the required certification language. There was no evidence that any of the above mentioned exceptions were utilized either. In addition, during fiscal year 2010, purchase orders were not prenumbered and only signed by the District's Fiscal Officer.

**4. Ohio Revised Code Section 5705.41(D) (Continued)**

<i>Finding Number</i>	2011-004
-----------------------	----------

NONCOMPLIANCE (Continued)

The Fiscal Officer should inform the Board of Trustees the requirements of Ohio Rev. Code Section 5705.41(D). The Fire District should implement the use of so called Then and Now Certificates and Blanket Certificates as further permitted by Ohio Rev. Code Section 5705.41. However, such certifications should only be used for recurring and reasonably predictable matters or emergency matters which arise from time to time.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the District's funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that the funds are or will be available prior to obligation by the District. When prior certification is not possible, "then and now" certification should be used.

We recommend the District certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The Fiscal Officer and Trustees should sign the certification prior to the Fire District incurring a commitment, and only when the requirements of 5705.41(D) are satisfied. The Fiscal Officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation. In addition, all purchase orders should be pre-numbered and signed by the Fiscal Officer and Board of Trustees.

**Official's Response:** The District started using the purchase order system within Peachtree.

**5. GASB Statement 54**

<i>Finding Number</i>	2011-005
-----------------------	----------

MATERIAL WEAKNESS

Governmental Accounting Standards Board (GASB) Statement 54 Fund Balance Reporting and Governmental Fund Type Definitions - establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The initial distinction that is made in reporting fund balance information is identifying amounts that are considered nonspendable, such as fund balance associated with inventories. This Statement also provides for additional classification as restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

Additionally, AOS Bulletin 2011-004 requires local governments preparing regulatory statements to implement both the new fund balance classifications and the government fund type definitions, as stated in GASB 54. The District should ensure that GASB 54 is implemented and reflected on their financial statements.

**Official's Response:** We did not receive a response for this finding.

**DELAWARE VALLEY JOINT FIRE DISTRICT  
TUSCARAWAS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 2011 AND 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
<b>2009-001</b>	<b>Ohio Rev Code Section 5705.41 (D) –</b> Expenditures were not properly certified prior to incurring the obligations.	No	Not Corrected; repeated as finding 2011-004
<b>2009-002</b>	<b>Ohio Rev. Code Section 5705.41(B) -</b> Object level expenditures exceeded appropriations in the General Fund.	No	Not Corrected; repeated as finding 2011-003



# Dave Yost • Auditor of State

DELAWARE VALLEY JOINT FIRE DISTRICT

TUSCARAWAS 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  
OCTOBER 9, 2012