



Dave Yost • Auditor of State





# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Town and Country Fire District  
Wayne County  
P.O. Box 175  
West Salem, Ohio 44287

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Town and Country Fire District (the District) and Auditor of State 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, 2011 and 2010 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. The District processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to provide attest services to the District because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to perform this engagement, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to perform attest services for Ohio governments.

This report only describes exceptions exceeding \$10.

### Cash and Investments

1. We tested the mathematical accuracy of the December 31, 2011 and December 31, 2010 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2010 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2009 balances documented in the prior year Agreed-Upon Procedures working papers. We found no exceptions.
3. We agreed the totals per the bank reconciliation to the total of the December 31, 2011 and 2010 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We observed the year-end bank balances on the financial institution's website for the District's checking and savings accounts. The balances agreed.

### **Cash and Investments - (Continued)**

5. We confirmed the December 31, 2011 and 2010 certificate of deposit balances with the District's financial institution. As of December 31, 2011, the District listed the carrying value of its certificates of deposits as \$52,566 and \$21,026. The amounts confirmed for these certificates of deposit with the District's financial institutions were \$52,728 and \$21,091, which represents variances of \$162 and \$65, respectively. As of December 31, 2010, the District listed the carrying value of its certificates of deposits as \$51,913 and \$20,765. The amounts confirmed for these certificates of deposit were \$51,522 and \$20,609, which represents variances of \$391 and \$156, respectively. These differences represent interest earned as these certificates were rolled over. The fiscal officer should ensure interest is properly recording on the Fire District's books when it's earned.
6. We selected five outstanding checks haphazardly from the December 31, 2011 bank reconciliation:
  - a. We traced each outstanding check to the subsequent January bank statement. We noted no exceptions.
  - b. We traced the amounts and dates written to the check register, to determine the outstanding checks were dated prior to December 31. We noted no exceptions.
7. We tested investments held at December 31, 2011 and December 31, 2010 to determine that they:
  - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We noted no exceptions.
  - b. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. We noted two certificates of deposit held as interim investments by the District at December 31, 2011 and December 31, 2010 matured 15 months after deposit of funds, which is contrary to the requirement of Ohio Rev. Code Section 135.13 for certificates of deposit to mature within one year of deposit of funds.

### **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 2011 and one from 2010.
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Register Report. The amounts agreed.
  - b. We determined whether the receipt was record in the proper year. The receipt was recorded in the proper year.
2. We scanned the Receipt Register Report to determine whether it included the proper number of tax receipts for 2011 and 2010:
  - a. Four personal property tax receipts, two each from Medina and Wayne Counties.
  - b. Four real estate tax receipts.

We noted the Receipts Register Report included the proper number of tax receipts for each year.

### **Property Taxes, Intergovernmental and Other Confirmable Cash Receipts – (Continued)**

3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2011 and five from 2010.
  - a. We compared the amount from the DTL to the amount recorded in the Receipt Register Report. The amounts agreed.
  - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

### **Charges for Services**

We confirmed the amounts paid from Complete HealthCare Solutions, the service organization that performs the emergency medical billings to the District during 2011 and 2010 with Complete HealthCare Solutions. We found no exceptions for 2010. For 2011, the amount recorded by the District was \$14,809 and the amount confirmed was \$14,896. We determined whether the receipts were recorded in the proper year. We found no other exceptions.

### **Debt**

1. The prior audit agreed-upon procedures disclosed no debt outstanding as of December 31, 2009.
2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2011 and 2010 or debt payment activity during 2011 and 2010. We noted no new debt issuances, nor any debt payment activity during 2011 or 2010.

### **Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2011 and one payroll check for five employees from 2010 from the Employee Detail Adjustment Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Employee Detail Adjustment Report 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 register. We found no exceptions.
2. For any new employees selected in step 1 we determined whether the following information in the employees' personnel files was consistent with the information used to compute gross and net pay related to this check:
  - a. Name
  - b. Authorized salary or pay rate
  - c. Federal, State & Local income tax withholding authorization and withholding.

We found no exceptions related to the steps above.

3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2011 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 2011 and note the following:

**Payroll Cash Disbursements - (Continued)**

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare	January 31, 2012	December 8, 2011	\$1,897.68	\$1,897.68
State income taxes	January 17, 2012	December 8, 2011	\$307.24	\$307.24
Local income tax	January 15, 2012	December 8, 2011	\$282.54	\$282.54
School district tax	January 17, 2012	December 8, 2011	\$101.87	\$101.87
OPERS retirement	January 30, 2012	January 12, 2012	\$2,745.69	\$2,745.69

**Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2011 and ten from the year ended 2010 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 Payment Register Detail Report and to the names and amounts on the supporting invoices. We found no exceptions.
  - c. 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 noted one non-payroll disbursement in 2011 and one non-payroll disbursement in 2010 where the certification date was after the vendor invoice date, and there was also no evidence that 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 estimated receipts from the *Amended Official Certificate of Estimated Resources*, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Revenue Status Report for the years ended December 31, 2011 and 2010. The Revenue Status Report recorded budgeted (i.e. certified) resources of \$394,900 for 2011 and \$392,750 for 2010. However, the final *Amended Official Certificate of Estimated Resources* reflected \$368,600 for 2011 and \$370,200 for 2010. The fiscal officer should periodically compare amounts recorded in the Revenue Status Report 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.

### **Compliance – Budgetary – (Continued)**

2. We scanned the appropriation measures adopted for 2011 and 2010 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 Appropriation Status Report for 2011 and 2010 for the General Fund. We found no exceptions.
4. Ohio Rev. Code Sections 5705.36(A)(5) and Section 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the General fund for the years ended December 31, 2011 and 2010. We found no exceptions.
5. Ohio Rev. Code Section 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We will compare total expenditures to total appropriations for the years ended December 31, 2011 and 2010 for the General fund, as recorded in the Appropriation Status Report. We found no exceptions.
6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We scanned the Receipt Register Report for evidence of new restricted receipts requiring a new fund during December 31, 2011 and 2010. We also inquire 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 will inquire of management and scan the Appropriation Status Reports 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 & Expenditures**

1. We inquired of management and scanned the Payment Register Detail report for the years ended December 31, 2011 and 2010 for procurements requiring competitive bidding under the following statute(s):  
Ohio Rev. Code Sections 505.37 to 505.42 & 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 \$50,000. We identified no purchases subject to the aforementioned bidding requirements.

**Official's 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 initial "D" and a long, sweeping tail.

**Dave Yost**  
Auditor of State

March 2, 2012





# Dave Yost • Auditor of State

**TOWN AND COUNTY FIRE DISTRICT**

**WAYNE 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  
MARCH 27, 2012**