



Dave Yost • Auditor of State





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

Clinton-Warren Joint Fire & Rescue District  
Clinton County  
82 Springhill Road  
Clarksville, Ohio 45113

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Clinton-Warren Joint Fire & Rescue District (District) and the 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, 2015 and 2014, 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, 2015 and December 31, 2014 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2014 beginning fund balances recorded in the Fund Transaction Report to the December 31, 2013 balances in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2015 beginning fund balances recorded in the Fund Transaction Report to the December 31, 2014 balances in the Fund Transaction Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2015 and 2014 fund cash balances reported in the Fund Ledger. The amounts agreed.
4. We confirmed the December 31, 2015 bank account balances with the District's financial institutions. We found no exceptions.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2015 bank reconciliation:
  - a. We traced each debit to the subsequent January and February bank statements. We found no exceptions.
  - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. We noted no exceptions.

6. We tested investments held at December 31, 2015 determine that they:
  - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We found no exceptions.
  - b. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. 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 2015 and one from 2014.
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Ledger. The amounts agreed.
  - b. We determined whether the receipt was allocated to the proper fund(s) 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 Receipt Ledger to determine whether it included four real estate tax receipts for 2015 and 2014. We noted the Receipt Ledger included the proper number of tax receipts for each year.
3. We selected four receipts from the State Distribution Transaction Lists (DTL) from 2015 and five from 2014. We also selected one receipt from the Clinton and Warren County Auditor's DTLs from 2015 and one from 2014.
  - a. We compared the amount from the above reports to the amount recorded in the Receipt Ledger. The found no exceptions.
  - 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 confirmed the amounts paid from the MBI (January 2014 through March 2015) and Medicount (April 2015 through December 2015), the service organization that performs the emergency medical/fire billings, to the District during 2015 and 2014 with the EMS & Fire fund General Ledger. 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.

**Debt**

1. From the prior agreed-upon procedures documentation, we noted the following lease-purchase agreements outstanding as of December 31, 2013. These amounts agreed to the District's January 1, 2014 balances on the summary we used in step 3.

<b>Issue</b>	<b>Principal outstanding as of December 31, 2013:</b>
Lease Purchase Building – NY Bank	\$1,055,000
Lease Purchase Ambulance – Kansas State	\$ 127,618

2. We inquired of management, and scanned the Receipt Ledger and Cash Journal for evidence of debt issued during 2015 or 2014 or debt payment activity during 2015 or 2014. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of leases-purchase agreement debt activity for 2015 and 2014 and agreed principal and interest payments from the related debt amortization schedule to debt service fund payments reported in the General Ledger. We also compared the date the debt service payments were due to the date the District made the payments. We found no exceptions.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the General fund per the Receipt Ledger. The amounts agree.
5. For new debt issued during 2015 and 2014, we inspected the debt legislation, noting the District must use the proceeds to purchase a Tanker. We scanned the Cash Activity Ledger and noted the District purchased a Tanker in January of 2014.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2015 and one payroll check for five employees from 2014 from the Cash Journal and:
  - a. We compared the hours and pay rate, or salary recorded 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.
  - c. We determined whether the fund and account codes to which the check was posted were reasonable based on the employees' duties as documented personnel files. We also determined whether the payment was posted to the proper year. 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. Department(s) and fund(s) to which the check should be charged
  - d. Retirement system participation and payroll withholding

- e. Federal, State & Local income tax withholding authorization and withholding
- f. Any other deduction authorizations (deferred compensation, etc.)
- g. Fund to which the check should be charged.

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, 2015 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 2015.
- 4. We noted the following:

<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 (and social security, for employees not enrolled in pension system)	January 31, 2016	December 31, 2015	\$3,993.46	\$3,993.46
State income taxes	January 31, 2016	December 16, 2015	\$463.80	\$463.80
Local income tax	January 31, 2016	December 16, 2015	\$21.03	\$21.03
OPERS retirement	January 31, 2016	January 1, 2016	\$2,313.60	\$2,313.60

**Non-Payroll Cash Disbursements**

- 1. We haphazardly selected ten disbursements from the Cash Activity Detail Report for the year ended December 31, 2015 and ten from the year ended 2014 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 Cash Activity Detail 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 no exceptions.

### 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 District's *Appropriation and Revised Budget* spreadsheets for the General and EMS & Fire funds for the years ended December 31, 2015 and 2014. The amounts on the *Certificate* agreed to amounts recorded in the District's *Appropriation and Revised Budget* spreadsheets for the year ended December 31, 2015; however the amounts did not agree for the year ended December 31, 2014. The District's *Appropriation and Revised Budget* spreadsheets recorded 2014 budgeted resources for the General fund of \$766,013; however, the final *Amended Official Certificate of Estimated Resources* reflected \$469,983.93. The District's *Appropriation and Revised Budget* spreadsheets recorded budgeted resources for the 2014 EMS & Fire Fund of \$252,203; however, the final *Amended Official Certificate of Estimated Resources* reflected \$252,417. The fiscal officer should periodically compare amounts recorded on the *Appropriation and Revised Budget* spreadsheets to amounts recorded on the *Amended Official Certificate of Estimated Resources* to ensure 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 2015 and 2014 to determine whether, for the General and EMS & Fire funds 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 Manual Appropriation and Revised Budget Spreadsheets for 2015 and 2014 for the General and EMS & Fire funds. The amounts on the appropriation resolutions agree to the manual Appropriation and Revised Budget Spreadsheet, however, the District does not post and track appropriation activity in the spreadsheet. The District's accounting software is a version of QuickBooks that does not have the ability to post and track appropriations. If appropriations are not tracked, the Trustees will not have information necessary for budgeting and monitoring. We recommend that the District implement procedures to properly compare expenditures to appropriations.
4. Ohio Rev. Code Sections 5705.36(A)(5) and 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the General and EMS & Fire funds for the years ended December 31, 2015 and 2014. We noted that General Fund appropriations for 2014 exceeded certified resources by \$246,539, contrary to Ohio Rev. Code Section 5705.39. 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, 2015 and 2014 for the General and EMS & Fire funds as recorded in the Financial Statement, Encumbrance Reports, and Final Appropriations. 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 Receipt Ledger for evidence of new restricted receipts requiring a new fund during December 31, 2015 and 2014. 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 scanned the 2015 and 2014 Receipts Ledger, Appropriations adopted, and the Financial Statement for evidence of interfund transfers exceeding \$5,000 which Ohio Rev. Code Sections 5705.14 - .16 restrict. We found no evidence of transfers these Sections prohibit, or for which Section 5705.16 would require approval by the Tax Commissioner and Court of Common Pleas.
8. We inquired of management and scanned the Appropriation 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.
9. We scanned the Fund Ledgers by Fund for the years ended December 31, 2015 and 2014 for negative cash fund balance. Ohio Rev. Code Section 5705.10 (l) provides that money paid into a fund must be used for the purposes for which such fund is established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another. We noted no funds having a negative cash fund balance.

#### **Other Compliance**

1. Ohio Rev. Code Section 117.38 requires entities to file their financial information in the HINKLE system formerly known as the Annual Financial Data Reporting System (AFDRS) within 60 days after the close of the fiscal year. We reviewed AFDRS to verify the District filed their financial information within the allotted timeframe for the years ended December 31, 2015 and 2014. No exceptions noted.

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.



**Dave Yost**  
Auditor of State

Columbus, Ohio

January 5, 2017





# Dave Yost • Auditor of State

**CLINTON-WARREN JOINT FIRE AND RESCUE DISTRICT**

**CLINTON 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  
JANUARY 24, 2017**