



Mary Taylor, CPA
Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Winchester Community Fire District
Adams County
24 West Washington Street
Winchester, Ohio 45697

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Winchester Community Fire District, Adams 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, 2009 and 2008, 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, 2009 and December 31, 2008 bank reconciliations. We found no exceptions
2. We compared the January 1, 2008 beginning fund balances recorded in the Cash Journal to the December 31, 2007 balances in the prior year audited statements. These balances did not agree. We noted the prior year ending balance, per audited financial statements, was \$257 less than the January 1, 2008 Beginning Balance recorded in the Cash Journal.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2009 and 2008 fund cash balances reported in the Cash Journal. The amounts agreed.
4. We confirmed the December 31, 2009 bank account balances with the District's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2009 bank reconciliation. We noted the bank reconciliation does not include Certificate of Deposits held.
5. We selected three outstanding checks haphazardly from the December 31, 2009 bank reconciliation:
 - a. We traced each check to the debit appearing in the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and date written to the check register, to determine the checks 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 2009 and one from 2008.
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Cash Receipt Journal. The Fire District recorded the receipt at net, rather than the gross receipt amount.
 - 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 Cash Receipt Journal to determine whether it included the proper number of tax receipts for 2009 and 2008:
 - a. Two personal property tax receipts
 - b. Two real estate tax receipts

We noted the Cash Receipt Journal included the proper number of tax settlement receipts for each year.

3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2009 and four from 2008.
 - a. We compared the amount from the DTL to the amount recorded in the Cash Receipt 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.

4. We selected the four receipts recorded in the Cash Receipts Journal from the year ended December 31, 2009 and the three from the year ended December 31, 2008 for fire levy money received by contracted Townships. The District contracts with Eagle and Jackson Townships to provide Fire Services. We confirmed the amounts paid from the Townships to the amount received per the Cash Receipts Journal. 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.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for the two Trustees and the Fiscal Officer from 2009 and one payroll check for the two Trustees and the Fiscal Officer from 2008 from the Payroll Ledger and determined whether the following information in the 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. Retirement system participation and payroll withholding.
 - d. Federal, State & Local income tax withholding authorization and withholding.
 - e. Any other deduction authorizations (deferred compensation, etc.)

We found no personnel files are maintained by the Fire District. No Federal, State, or Local Income tax withholding authorization forms, or retirement participation and withholding authorization form was maintained. Authorized salary was traced to prior year minute records. We recommend the District maintain all documentation to support wages paid and deductions withheld.

2. We tested the checks we selected in step 1, as follows:
 - a. We compared the hours and pay rate, or salary amount used in computing gross pay 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.
3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2009 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld during the final withholding period during 2009. We noted the following:

| Withholding | Date Due | Date Paid | Amount Withheld | Amount Paid |
|--|------------------|------------------|------------------------|--------------------|
| Medicare | January 31, 2010 | Not Paid | \$144 | Not Paid |
| OPERS retirement (withholding plus employee share) | January 31, 2010 | January 13, 2010 | \$113 | \$113 |

As noted above, as of the date of this report, the District has not paid IRS the amount due from Medicare withholdings as required by 26USC §3403 by January 31, 2010. The Auditor of State will notify the Internal Revenue Service of this matter.

Non-Payroll Cash Disbursements

1. For the Appropriation Ledger, we re-footed checks recorded as General Fund disbursements for *security of persons and property*, for 2009. We found no exceptions.
2. We agreed total disbursements (non-payroll and payroll) from the Appropriation Ledger and Payroll Ledger for the years ended December 31, 2009 and 2008 to the total disbursements recorded in the Cash Journal. We found no exceptions.
3. We haphazardly selected ten disbursements from the Appropriation Ledger for the year ended December 31, 2009 and ten from the year ended 2008 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 Appropriation Ledger 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 found no exceptions.

Compliance – Budgetary

1. We compared the total from the *Certificate of the Total Amount From All Sources Available For Expenditures and Balances*, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Receipt Ledger for the years ended December 31, 2009 and 2008. We noted that the Receipt Ledger did not include budgeted receipts. The fiscal officer should records amounts from the *Certificate of the Total Amount From All Sources Available For Expenditures and Balances*, and periodically compare amounts recorded in the Receipts Ledger to amounts recorded on the *Certificate of the Total Amount From All Sources Available For Expenditures and Balances* 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 2009 and 2008 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 Section 5705.38 and 5705.40, to the amounts recorded in the Appropriation Ledger for 2009 and 2008. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Ledger, with one exception. During 2009, the Appropriation Resolution for New Buildings and Equipment submitted the amount of \$30,000; however the Appropriation Ledger has a recorded appropriation amount of \$20,000.
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, 2009 and 2008. We noted no funds for which appropriations exceeded certified resources.
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, 2009 and 2008 Appropriation Ledger. We noted no funds for which expenditures exceeded appropriations.

6. We inquired of management and scanned the Appropriation Ledger 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 Cash Journal for the years ended December 31, 2009 and 2008 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 \$25,000.

We identified no purchases subject to the aforementioned bidding requirements.

We did not receive a response from officials to the exceptions noted 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 and those charged with governance and is not intended to be, and should not be used by anyone other than these specified parties.



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October 12, 2010

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WINCHESTER COMMUNITY FIRE DISTRICT

ADAMS 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
NOVEMBER 18, 2010**