



Dave Yost • Auditor of State



LOWELL-ADAMS JOINT FIRE DISTRICT  
WASHINGTON COUNTY

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

Lowell-Adams Joint Fire District  
Washington County  
307 Fourth Street  
Lowell, Ohio 45744

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Lowell-Adams Joint Fire District, Washington 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 and Investments

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 Cashbook 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 Cashbook. The amounts agreed.
4. We confirmed the December 31, 2010 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, 2010 bank reconciliation without exception.
5. We selected five outstanding checks haphazardly from the December 31, 2010 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.
6. We tested interbank account transfers occurring in December of 2010 to determine if they were properly recorded in the accounting records and on each bank statement. We found no exceptions.

743 East State Street, Athens Mall Suite B, Athens, Ohio 45701-2157  
Phone: 740-594-3300 or 800-441-1389 Fax: 740-594-2110

[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

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

7. We tested investments held at 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 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 2010 and one from 2009.
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Journal. The District posted the tax receipts at the net amount rather than at gross.
  - 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 Receipt Journal to determine whether it included the proper number of tax receipts for 2010 and 2009:
  - a. Two personal property tax receipts in 2010 and four personal property tax receipts in 2009.
  - b. Two real estate tax receipts in 2010 and 2009.We noted the Receipts 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 2010 and five from 2009.
  - a. We compared the amount from the DTL to the amount recorded in the 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.

### **Charges for Services**

We haphazardly selected five receipts recorded in the Receipt Journal from the year ended December 31, 2010. The Third Party Administrator computes the amounts billed based on diagnosis or procedural codes from the EMS Run Report. We compared the amount billed and debited to accounts receivable for the service to the amount received per the cash receipt records, to the amount credited to accounts receivable, and to the amounts deposited to the bank. We also compared the date the payment was recorded in the cash receipts record to the date deposited per the bank statement.

**Charges for Services (Continued)**

The amounts agreed, except for No.1, No. 3 and No. 5 from below which indicated the District uses soft billing and some amounts billed were not collected.

	<b>Amount Billed and Debited to Accounts Receivable</b>	<b>Amount Recorded in Cash Receipts Records, 2010</b>	<b>Amount Credited to Accounts Receivable</b>	<b>Amount Deposited per Bank Statement</b>	<b>Date Recorded in Cash Receipts Records</b>	<b>Date Deposited per Bank Statement</b>
<b>1</b>	\$1,119.00	\$1,053.67	\$1,053.67	\$1,053.67	08/18/10	08/18/10
<b>2</b>	\$699.00	\$699.00	\$699.00	\$699.00	09/13/10	09/13/10
<b>3</b>	\$688.00	\$557.28	\$557.28	\$557.28	10/18/10	10/18/10
<b>4</b>	\$743.00	\$743.00	\$743.00	\$743.00	11/08/10	11/08/10
<b>5</b>	\$798.00	\$498.93	\$498.93	\$498.93	12/10/10	12/10/10

**Debt**

1. We inquired of management, and scanned the Receipt Journal and Appropriation Ledger for evidence of bonded or note debt issued during 2010 or 2009 or outstanding as of December 31, 2010 or 2009. We noted no new debt issuances, nor any debt payment activity during 2010 or 2009.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for the sole employee from 2010 and one payroll check for the sole employees from 2009 from the Cashbook and determined whether the following information in the employees' personnel file 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 income tax withholding authorization and withholding.

We found no exceptions related to the steps above.

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, 2010 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld during the final withholding period during 2010. We noted the following:

**Payroll Cash Disbursements (Continued)**

<b>Withholding</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Withheld</b>	<b>Amount Paid</b>
Federal income taxes	1/31/11	12/30/10	\$317.67	\$317.67
OPERS retirement (withholding plus employee share)	1/30/11	12/30/10	\$48.00	\$48.00

**Non-Payroll Cash Disbursements**

1. For the Appropriation Ledger, we refooted checks recorded as General Fund disbursements for Clerk Salary, for 2010. We found no exceptions.
2. We agreed total disbursements (non-payroll and payroll) from the Cashbook for the years ended December 31, 2010 and 2009 to the total disbursements recorded in the check register. We found no exceptions.
3. We haphazardly selected ten disbursements from the Cashbook for the year ended December 31, 2010 and ten from the year ended 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 Cashbook 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 Revenue Ledger for the years ended December 31, 2010 and 2009. The amounts on the Certificate did not agree to the amount recorded in the accounting system. The Receipt Journal recorded budgeted (i.e. certified) resources of \$600 for 2010. However, the final Amended Official Certificate of Estimated Resources reflected \$59,126.50. The Receipt Journal recorded budgeted (i.e. certified) resources of \$39,087.28 for 2009. However, the final Amended Official Certificate of Estimated Resources reflected \$34,462.38. The Fiscal Officer should periodically compare amounts recorded in the Receipt 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 Section 5705.38 and 5705.40, to the amounts recorded in the Appropriation Ledger for 2010 and 2009. The amounts on the appropriation resolution agreed to amounts recorded in the Appropriation Ledger.

**Compliance – Budgetary (Continued)**

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 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, 2010 and 2009 as recorded in the 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 Cashbook for the years ended December 31, 2010 and 2009 for procurements requiring competitive bidding under the following statute: 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.

**Officials' Response:** The District chose not to respond.

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.



**Dave Yost**  
Auditor of State

May 12, 2011

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# Dave Yost • Auditor of State

**LOWELL-ADAMS JOINT FIRE DISTRICT**

**WASHINGTON 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  
JUNE 16, 2011**