



**PICK-A-FAY JOINT FIRE DISTRICT
PICKAWAY COUNTY**

BASIC AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2013-2012



Dave Yost • Auditor of State



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Pic-A-Fay Joint Fire District
Pickaway County
New Holland, Ohio

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Pic-A-Fay Joint Fire District, Pickaway County, (the District) for the years ended December 31, 2013 and 2012.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code Section 117.11(A). Because our procedures were not designed to opine on the District's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the District's financial statements, transactions or balances for the years ended December 31, 2012 or 2011.

The District's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code Section 117.11(A) is to examine, analyze and inspect these records and documents.

Current Year Observations

1. The District's beginning 2013 fund balance did not agree to the ending 2012 fund balance which resulted in a reconciliation error in the December 2013 of approximately \$473. The District's ending fund balance was higher than the District's bank balance by \$473 as a result of this difference. The difference was caused when the fiscal officer attempted to remove outstanding checks with issuance dates exceeding one year from District ledgers. The removal of these checks in the system changed the fund balance and caused the variance between the ending 2012 and beginning 2013 fund balance.
2. The District had four checks totaling \$89 on their reconciliations that were outstanding for over a year. Failure to regularly review long-term outstanding checks can result in difficulties in the reconciliation process.
3. The District is missing detailed support for the month of February 2013 . We were able to observe check information presented in the ledger and the information appeared reasonable and agreed to the bank statement for missing documentation. Failure to maintain supporting documentation can lead to findings for recovery issued against the District.
4. The District has not withheld State of Ohio income tax from employees' paychecks. Failure to properly withhold state income taxes is a violation of Ohio Revised Code §5747.06(A).
5. The employment status of the District's Board of Trustees, Fire Chief, and Volunteer Firefighters has not been corrected from the prior audit for the years ended 2011 and 2010. The Board of Trustees, Fire Chief and Volunteer Firefighter meet the definition of an employee in accordance with 26 U.S.C. §3121(d)(2) Internal Revenue Service Publication 963, Chapter 4; however the District accounts for these individuals as contractors. As a result, the District is not withholding or contributing to any taxes (federal, State, FICA) or retirement system for these individuals.

Current Status of Matters we Reported in our Prior Engagement

1. In the prior audit for the years ended December 31, 2011 and 2010, the District had a material weakness over financial reporting due to improper classifications of receipts and disbursements. We noted a receipt of a donation from Monsanto in the amount of \$2,500 was classified as Grant Revenue in the 2013 report. Similarly, we noted intergovernmental revenues paid by the State of Ohio for homestead and rollback taxes that were misclassified as maintenance warrants for fiscal year 2012. Nothing was noted suggesting that this issue has been corrected for 2013 and 2012.
2. In the prior audit for the years ended December 31, 2011 and 2010, the District had a reportable noncompliance citation for not properly encumbering funds prior to disbursement per Ohio Revised Code §5705.41 (D)(1). There has been no corrective action taken to correct the citation. We noted during our procedures that 100% of expenditures were not properly encumbered prior to commitment by the District. Prior certification is required by statute and a key control in the disbursement process to assure that purchase commitments receive prior approval.



Dave Yost
Auditor of State

Columbus, Ohio

September 09, 2014



Dave Yost • Auditor of State

PIC-A-FAY FIRE DISTRICT

PICKAWAY 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
SEPTEMBER 25, 2014**