



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Blanchester Marion Township Joint Fire District
Clinton County
447 E. Fancy St.
Blanchester, OH 45107

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Blanchester Marion Joint Fire District (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, 2014 and 2013, 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.

Steps to verify accounting data was appropriately transferred from the District's manual system to the UAN system.

1. We agreed the beginning UAN fund balances recorded in the Fund Ledger Report to the balances maintained in the manual records as of 10/1/2013. We found no exceptions.
2. We agreed the beginning UAN estimated receipts to the ending totals reported in the manual records as of 10/1/2013. We found no exceptions.
3. We agreed the beginning UAN appropriation data to the ending totals reported in the manual records as of 10/1/2013. We found one exception. In the manual ledger, the Travel & Other Expenses line item had appropriations totaling \$400. When appropriations were entered into the UAN system, the District noted that the approved appropriations did not include \$400 for the Travel & Other Expenses line item, so they were entered correctly into UAN to match approved appropriations.

Cash

1. We tested the mathematical accuracy of the December 31, 2014 and December 31, 2013 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2013 beginning fund balances recorded in the Cash Journal to the December 31, 2012 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2014 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2013 balances in the Fund Ledger Report. We found no exceptions.

3. We agreed the totals per the bank reconciliations to the total of the December 31, 2014 and 2013 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2014 bank account balances with the District's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2014 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2014 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. 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 that three of the five checks tested were dated in 2015 but recorded on the register in 2014. We recommend that the District ensure all checks agree to the check register.
6. We tested investments held at December 31, 2014 and December 31, 2013 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 2014 and one from 2013.
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the manual ledgers and Receipt Register Report. Testing revealed that the county apportionment sheets had a row titled "Less Refunds." The "refunds" in this case were caused by a miscalculation on the disbursement of funds from the county. To correct, the county issued settlement sheets with the total tax receipts collected, less refunds. The District posted the gross amount from the settlement sheets; however, when there are refunds, they do not include the refund amount as a tax receipt. The refund amount was never the Fire District's receipt to book, so they cannot post it as a receipt to their ledgers, which roll to the financial statements. The refund amounts for 2014 and 2013 were \$1,399 and \$3,816 respectively. We recommend that the District review the settlement sheets and receipt postings for accuracy and completeness.
 - 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 manual ledgers and Receipt Register Report to determine whether it included two real estate tax receipts for 2014 and 2013. We noted the manual ledgers and Receipts Register Report included the proper number of tax receipts for each year.
3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2014 and five from 2013. We also selected five receipts from the County Auditor's DTLs from 2014 and five from 2013.

- a. We compared the amount from the above reports to the amount recorded in the manual ledgers and Receipt Register Report. The amounts agreed with two exceptions on the 2014 State DTL and two exceptions on the 2013 State DTL. In 2014, the District recorded homestead and rollback receipts at the net amount of \$32,449 instead of at the gross amount of \$32,654. In 2013, the District recorded homestead and rollback receipts at the net amount of \$32,158 instead of at the gross amount of \$32,348. We recommend all homestead and rollback receipts are posted at gross to the receipt ledger, and the deductions are properly posted to the disbursement ledger for completeness.
- b. We determined whether these receipts were allocated to the proper funds. We found no exceptions.
- c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. From the prior audit documentation, we noted the following lease-purchase agreements outstanding as of December 31, 2012. These amounts agreed to the District's January 1, 2013 balances on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2012:
2006 Fire Truck Lease-Purchase	\$138,092
2009 Fire Truck Lease-Purchase	\$157,406

2. We inquired of management, and scanned the manual ledgers, Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2014 or 2013 or debt payment activity during 2014 or 2013. We noted a new lease-purchase agreement in 2014 for breathing apparatuses.
3. We obtained a summary of lease-purchase agreement debt activity for 2014 and 2013 and agreed principal and interest payments from the related debt amortization schedules to General fund payments reported in the manual ledgers and Payment Register Detail Report. We also compared the date the debt service payments were due to the date the District made the payments. We found no exceptions.
4. For new debt issued during 2014 and 2013, we inspected the debt legislation, noting the District must use the proceeds to purchase breathing apparatuses. We scanned the manual ledgers and Payment Register Detail Report and noted the District made a down payment on the breathing apparatuses in August of 2014.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for four employees from 2014 and one payroll check for four employees from 2013 from the manual ledgers and Wage Detail Report 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 account codes to which the check was posted were reasonable based on the employees' duties as documented in the minutes. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2014 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 2014. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2015	December 31, 2014	\$1,165.92	\$1,165.92
State income taxes	January 31, 2015	December 31, 2014	\$149.07	\$149.07
OPERS retirement	January 30, 2015	December 30, 2014	\$620.50	\$620.50

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the manual ledgers and Payment Register Detail Report for the year ended December 31, 2014 and ten from the year ended 2013 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 manual ledgers or Payment Register Detail Report and to the names and amounts on the supporting invoices. We found one exception. The check number did not agree to the number recorded in the manual ledger for a check written in 2013. We recommend that the District ensure all checks agree to the ledgers.
 - 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 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, 2014 and 2013. The amounts on the *Certificate* agreed to the amount recorded in the accounting system, except for the General fund. The Revenue Status Report recorded budgeted (i.e. certified) resources of \$273,069 for 2013. However, the final *Amended Official Certificate of Estimated Resources* reflected \$333,496. If the amounts do not agree, the Trustees may be using inaccurate information for budgeting and monitoring purposes. The District 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.

2. We scanned the appropriation measures adopted for 2014 and 2013 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 2014 and 2013 for the General fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status report.
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 years ended December 31, 2014 and 2013. 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, 2014 and 2013 as recorded in the Appropriation Status Report. We noted no funds for which expenditures exceeded appropriations.
6. We inquired of management and scanned 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.
7. We scanned the Cash Summary by Fund Report for the years ended December 31, 2014 and 2013 for negative cash fund balance. Ohio Rev. Code Section 5705.10 (I) 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 had a negative cash fund balance.

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

March 31, 2015

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BLANCHESTER MARION TOWNSHIP JOINT FIRE 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
MAY 7, 2015**