



Mary Taylor, CPA
Auditor of State

**CLINTON HIGHLAND JOINT FIRE DISTRICT
CLINTON COUNTY**

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Mary Taylor, CPA
Auditor of State

Clinton Highland Joint Fire District
Clinton County
97 W. Main Street
New Vienna, Ohio 45159

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 13, 2008

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Clinton Highland Joint Fire District
Clinton County
97 W. Main Street
New Vienna, Ohio 45159

To the Board of Trustees:

We have audited the accompanying financial statements of Clinton Highland Joint Fire District, Clinton County, Ohio (the District), as of and for the years ended December 31, 2007 and 2006. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The District processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the District because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the District has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the District's larger (i.e. major) funds separately. While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Districts to reformat their statements. The District has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits.

Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2007 and 2006 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2007 and 2006, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Clinton Highland Joint Fire District, Clinton County, as of December 31, 2007 and 2006, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The District has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2008, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Mary Taylor, CPA
Auditor of State

June 13, 2008

**CLINTON HIGHLAND JOINT FIRE DISTRICT
CLINTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Property and Other Local Taxes	\$274,952	\$0	\$274,952
Charges for Services	21,953	77,617	99,570
Intergovernmental	85,060		85,060
Earnings on Investments	7,686	7,151	14,837
Miscellaneous	<u>1,950</u>		<u>1,950</u>
Total Cash Receipts	<u>391,601</u>	<u>84,768</u>	<u>476,369</u>
Cash Disbursements:			
Current Disbursements:			
General Government	108,862		108,862
Public Safety	131,278	8,785	140,063
Capital Outlay	<u>2,036</u>		<u>2,036</u>
Total Cash Disbursements	<u>242,176</u>	<u>8,785</u>	<u>250,961</u>
Total Receipts Over Disbursements	<u>149,425</u>	<u>75,983</u>	<u>225,408</u>
Fund Cash Balances, January 1	<u>244,779</u>	<u>170,202</u>	<u>414,981</u>
Fund Cash Balances, December 31	<u><u>\$394,204</u></u>	<u><u>\$246,185</u></u>	<u><u>\$640,389</u></u>

The notes to the financial statements are an integral part of this statement.

**CLINTON HIGHLAND JOINT FIRE DISTRICT
CLINTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Property and Other Local Taxes	\$262,359	\$0	\$262,359
Charges for Services	2,195	121,056	123,251
Intergovernmental	44,423		44,423
Earnings on Investments	5,572	2,407	7,979
Miscellaneous	<u>5,347</u>		<u>5,347</u>
 Total Cash Receipts	 <u>319,896</u>	 <u>123,463</u>	 <u>443,359</u>
Cash Disbursements:			
Current Disbursements:			
General Government	70,846	13,116	83,962
Public Safety	91,395		91,395
Capital Outlay	72,934		72,934
Debt Service:			
Redemption of Principal	48,656		48,656
Interest and Other Fiscal Charges	<u>1,186</u>		<u>1,186</u>
 Total Cash Disbursements	 <u>285,017</u>	 <u>13,116</u>	 <u>298,133</u>
 Total Receipts Over Disbursements	 <u>34,879</u>	 <u>110,347</u>	 <u>145,226</u>
 Fund Cash Balances, January 1	 <u>209,900</u>	 <u>59,855</u>	 <u>269,755</u>
 Fund Cash Balances, December 31	 <u><u>\$244,779</u></u>	 <u><u>\$170,202</u></u>	 <u><u>\$414,981</u></u>

The notes to the financial statements are an integral part of this statement.

**CLINTON HIGHLAND JOINT FIRE DISTRICT
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Clinton Highland Joint Fire District, Clinton County, Ohio (the District), as a body corporate and politic. A five-member Board of Trustees governs the District. One board member is appointed by each political subdivision within the District. Those subdivisions are Green Township and Wayne Township in Clinton County; Union Township and Penn Township in Highland County; and the Village of New Vienna. The District provides fire protection and rescue services within the District and by contract to areas outside the District.

The District's management believes these financial statements present all activities for which the District is financially accountable.

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash and Investments

The District's funds are deposited in a checking account and CD's with a local commercial bank.

D. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

This fund accounts for proceeds from specific sources (other than from private-purpose trusts or for capital projects) restricted to expenditure for specific purposes. The District had the following Special Revenue Fund:

Ambulance and Emergency Medical Services Fund – This fund receives receipts from the billing of emergency runs. The District only bills non-residents for emergency runs.

**CLINTON HIGHLAND JOINT FIRE DISTRICT
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. The District did not encumber all commitments required by Ohio law. However, there were no material outstanding encumbrances at December 31, 2007 and 2006.

A summary of 2007 and 2006 budgetary activity appears in Note 3.

F. Property, Plant, and Equipment

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

2. Equity in Pooled Cash and Investments

The District maintains a cash and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	2007	2006
Demand deposits	\$539,398	\$318,725
Certificates of deposit	100,991	96,256
Total deposits	640,389	414,981
Total deposits	\$640,389	\$414,981

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.

**CLINTON HIGHLAND JOINT FIRE DISTRICT
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2007 and 2006 follows:

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$250,863	\$391,601	\$140,738
Special Revenue	0	84,768	84,768
Total	\$250,863	\$476,369	\$225,506

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$545,600	\$242,176	\$303,424
Special Revenue	50,000	8,785	41,215
Total	\$595,600	\$250,961	\$344,639

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$310,772	\$319,896	\$9,124
Special Revenue	0	123,463	123,463
Total	\$310,772	\$443,359	\$132,587

20BB Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$615,100	\$285,017	\$330,083
Special Revenue	50,000	13,116	36,884
Total	\$665,100	\$298,133	\$366,967

Contrary to Ohio law, appropriations exceeded estimated resources in the General Fund.

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the District.

**CLINTON HIGHLAND JOINT FIRE DISTRICT
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

4. Property Tax (Continued)

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the District.

5. Debt

On March 28, 2006 the District paid \$48,656 in principal and \$1,186 in interest to retire their General Obligation Note.

6. Retirement Systems

The District's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which includes postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2007 and 2006, OPERS members contributed 9.5% and 9%, respectively, of their gross salaries and the District contributed an amount equaling 13.85 and 13.7%, respectively, of participants' gross salaries. The District has paid all contributions required through December 31, 2007.

7. Risk Management

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Clinton Highland Joint Fire District
Clinton County
97 W. Main Street
New Vienna, Ohio 45159

To the Board of Trustees:

We have audited the financial statements of the Clinton Highland Joint Fire District, Clinton County, Ohio (the District), as of and for the year ended December 31, 2007 and 2006, and have issued our report thereon dated June 13, 2008, wherein we noted the District followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted that the District uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the District because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2007-001, 2007-003 and 2007-004.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe none of the significant deficiencies described above are material weaknesses

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2007-002 through 2007-004.

We intend this report solely for the information and use of the District Board of Trustees. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

June 13, 2008

**CLINTON HIGHLAND JOINT FIRE DISTRICT
CLINTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2007-001

Significant Deficiency

When designing the public office's system of internal control and the specific control activities, management should also monitor activities performed by service organizations.

The Clinton Highland Joint Fire District entered into a contract with MBI to process bills for ambulance runs for non-residents. Payments were sent directly to a lockbox maintained by National Bank and Trust. MBI received copies of remittance detail that was sent to the lockbox. MBI then posted this detail to their records and subsequently billed the District ten percent of the amount collected. The District did not establish procedures to reasonably determine that ambulance billings have been completely and accurately processed and collected. There was no evidence that the District reconciles the amounts posted by MBI to the monies that were deposited into the District's bank account.

We recommend the District establish procedures to reconcile the ambulance runs to the amounts invoiced by MBI. They should continue the process by reconciling the amount deposited to their account to the amount invoiced by MBI. By reconciling the billing and receipt cycle, the District can reduce the risk of duplicate invoices or missing invoices and nonpayment invoices. In addition, the District should also recalculate the amount of the fee paid to MBI each month based on the amount of revenue that was collected from the services provided by MBI as outlined in the contract. By monitoring the fees the District will reduce the risk of over or under payments to MBI under the established contract.

FINDING NUMBER 2007-002

Material Noncompliance

Ohio Rev. Code, Section 5705.41(D)(1), requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" Certificate – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund properly appropriated and free from any previous encumbrance, the Board can authorize the drawing of a warrant for the payment of the amount due. The Board has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

**FINDING NUMBER 2007-002
(Continued)**

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the “then and now” certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Board.

2. Blanket Certificate – Fiscal officers may prepare “blanket” certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The Board may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

One hundred percent (100%) of the purchases tested for both 2006 and 2007 were initiated without obtaining the prior certification of the Clerk/Treasurer and were not subsequently approved by the Board within the aforementioned 30 day time period. Although the District utilized purchase orders, none of the purchase orders were signed by either the Clerk or the Board. Failure to properly encumber could result in overspending funds and negative cash fund balances.

Unless the District uses the exceptions noted above, prior certification is not only required by statute but also is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the District’s funds exceeding budgetary spending limitations, we recommend that the Clerk/Treasurer certify that funds are or will be available prior to obligation by the District. When prior certification is not possible, “then and now” certification should be used.

We recommend the officials and employees obtain the Clerk/Treasurer’s certification of the availability of funds prior to the commitment being incurred. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The Clerk/Treasurer should sign the certification at the time the District incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The District should post approved purchase orders to the proper appropriation code to reduce the available appropriation.

FINDING NUMBER 2007-003

Material Noncompliance and Significant Deficiency

Ohio Revised Code, Section 5705.39, requires that the total appropriations from each fund shall not exceed the total estimated resources. The appropriations exceeded the estimated resources in the District's General Fund as shown below:

Fund	Estimated Resources	Appropriations	Variance
2006 General Fund	\$520,672	\$615,100	(\$94,428)
2007 General Fund	495,247	545,600	(50,353)

Failure to limit appropriations to total estimated resources could result in the District incurring obligations that exceed their available resources and negative fund balances.

We recommend that the District monitor budgetary variances throughout the year and obtain amended certificates and/or amend their appropriations when necessary to prevent over spending of funds.

FINDING NUMBER 2007-004

Material Noncompliance and Significant Deficiency

26 U.S.C. Sections 3401 through 3406 & Section 3102(a), require employers to withhold federal income taxes and employment related taxes (such as Medicare) from employees' earnings and to remit the withholdings to the U.S. Treasury in a timely manner. During the audit period the District withheld federal income taxes and related taxes from the employees' earnings, but failed to remit a total of \$2,601 as of December 31, 2007 and a total of \$1,642 as of December 31, 2006. Failure to promptly remit payments could result in unnecessary payments and penalties and interest. We recommend management monitor payment deadlines and ascertain payments to the Internal Revenue Service (IRS) are paid by the due date.

Ohio Revised Code, Sections 5747.06(A) & 5747.07, provide, in part, that every employer, including the state and its political subdivisions, maintaining an office or transacting business within the state and making payment of any compensation to an employee who is a taxpayer shall deduct and withhold from such compensation for each payroll period a tax from employees' earnings and to remit the withholdings to the Ohio Department of Taxation in a timely manner. During the audit period the District withheld state income taxes from the employees' earnings, but failed to remit a total of \$761 as of December 31, 2007 and a total of \$503 as of December 31, 2006, to the Ohio Department of Taxation. Failure to promptly remit payments could result in unnecessary payments for penalties and interest. We recommend management monitor payment deadlines and ascertain payments to the Ohio Department of Taxation are paid by the due date.

We did not receive a response from officials to the findings above.

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**CLINTON HIGHLAND JOINT FIRE DISTRICT
CLINTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007 AND 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2005-001	Revised Code 5705.41(B) Expenditures exceeded appropriations.	Yes	
2005-002	Revised Code 5705.09(F) Posting not made to the proper funds	Yes	
2005-003	Finding For Recovery for \$199 for calculation error	Yes	
2005-004	District did not reconcile ambulance runs to amounts invoiced by MBI	No	Not Corrected. Reissued as Finding 2007-001
2005-005	Revised Code 5705.41(D) Failure to prior certify funds	No	Not Corrected. Reissued as Finding 2007-002



Mary Taylor, CPA
Auditor of State

CLINTON HIGHLAND 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
JULY 17, 2008**