



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Clinton-Warren Joint Fire & Rescue District
Clinton & Warren County
82 Springhill Rd.
Clarksville, OH 45113

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Clinton-Warren Joint Fire & Rescue District and the Auditor of State 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, 2013 and 2012, 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, 2013 and December 31, 2012 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2012 beginning fund balances recorded in the Fund Activity Report to the December 31, 2011 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2013 beginning fund balances recorded in the Fund Activity Report to the December 31, 2012 balances in the Fund Activity Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2013 and 2012 fund cash balances reported in the Fund Ledger. We found no exceptions.
4. We confirmed the December 31, 2013 bank account balances with the District's financial institutions. We found no exceptions.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2013 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 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* for 2013 and one from 2012.
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Ledger. The amounts agreed.
 - b. We determined whether the receipt was allocated to the proper fund(s) 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 Ledger to determine whether it included four real estate tax receipts for 2013 and 2012. We noted the Receipts Ledger included the proper number of tax receipts for each year.
3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2013 and five from 2012. We also selected five receipts from the Clinton & Warren County Auditor's DTLs from 2013 and five from 2012.
 - a. We compared the amount from the above reports to the amount recorded in the Receipt Register Report. We found three exceptions. A Clinton County Property Tax Settlement receipt was posted at the net amount of \$67,914, but should have been posted at the gross amount of \$69,128. This error resulted in receipts being understated by \$1,214, due to unrecorded fees. One 2012 and One 2013 Clinton County Homestead & Rollback receipts were posted net of fees but should have been posted at gross. This resulted in receipt understatements of \$80.80 in 2012 and \$81.24 in 2013, due to unrecorded fees. We recommend that the District post Property Tax Settlement receipts at the gross amount, and post a corresponding disbursement amount for the related fees.
 - b. We determined whether these receipts were allocated to the proper fund(s). We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found one exception. A receipt for \$128 was sent from the State of Ohio in December of 2013, and it was not posted to the District's system until 2014. We recommend that the District post receipts in the proper period.
4. We confirmed the amounts paid from Kansas State Bank of Manhattan to the District during 2012 with the Receipt Ledger. We found no exceptions.
 - a. We determined whether these receipts were allocated to the proper fund(s). We found no exceptions.
 - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Charges for Services

We confirmed the amounts paid from MBI, the service organization that performs the emergency medical billings, to the District during 2013 and 2012 with the EMS & Fire General Ledger. We found no exceptions.

- a. We determined whether these receipts were allocated to the proper fund(s). We found no exceptions.
- b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. From the prior audit, we noted the following lease-purchase agreements outstanding as of December 31, 2011. These amounts agreed to the District's January 1, 2012 balances on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2011:
Certificates of Participation (Building)	\$1,108,000
Pumper Truck Lease-Purchase (Spartan)	\$55,606
Summit Fire Apparatus (Chevy Pumper)	\$118,699
Heart Monitory Lease-Purchase	\$10,778

2. We inquired of management, and scanned the Receipt Ledger and Cash Journal for evidence of debt issued during 2013 or 2012 or debt payment activity during 2013 or 2012. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of lease-purchase agreement debt activity for 2013 and 2012 and agreed principal and interest payments from the related debt amortization schedules to the General fund payments reported in the General Ledger. We also compared the date the debt service payments were due to the date the District made the payments. We found one exception. Interest totaling \$342 was paid but incorrectly posted as "Lease Purchase Heart Monitor", but the interest should have been posted as "Interest Expense". We recommend that the District correctly post principal and interest payments according to the payments made and amortization schedule.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the General fund per the Receipt Ledger. The amounts agreed.
5. For new debt issued during 2013 and 2012, we inspected the debt legislation, noting all of the debt proceeds were paid directly to the supplier of the ambulance in 2012.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2013 and one payroll check for five employees from 2012 from the Cash Journal 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 fund and account code(s) to which the check was posted were reasonable based on the employees' duties as documented in the employees' personnel files. We also determined whether the payment was posted to the proper year. We found no exceptions.

2. For any new employees selected in step 1 we determined whether the following information in the employees' 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. Departments and funds to which the check should be charged
 - d. Retirement system participation and payroll withholding
 - e. Federal, State & Local income tax withholding authorization and withholding
 - f. Any other deduction authorizations (deferred compensation, etc.)
 - g. Fund to which the check should be charged.

We found no exceptions related to the steps above.

3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2013 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 2013. 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, 2014	1/9/2014	\$3,323.86	\$3,323.86
State income taxes	January 31, 2014	1/29/2014	\$418.39	\$418.39
Local income tax	January 31, 2014	1/29/2014	\$12.53	\$12.53
OPERS retirement	January 30, 2014	1/30/2014	\$2,259.00	\$2,259.00

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Cash Activity Detail Report for the year ended December 31, 2013 and ten from the year ended 2012 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 Payment Register Detail Report and to the names and amounts on the supporting invoices. We found no exceptions.

- c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.
- d. The Clerk 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 Revised Budget, for the General, EMS & Fire funds, for the years ended December 31, 2013 and 2012. The amounts on the *Certificate* did not agree to the amounts recorded in the Revised Budget in 2013 and 2012. The Revised Budget recorded budgeted (i.e. certified) resources General and EMS & Fire funds of \$344,394 and \$145,599, respectively, for 2012. However, the final *Amended Official Certificate of Estimated Resources* reflected \$306,174 and \$120,000, respectively. The Revised Budget recorded budgeted (i.e. certified) resources General and EMS & Fire funds of \$316,420 and \$108,496, respectively, for 2013. However, the final *Amended Official Certificate of Estimated Resources* reflected \$316,304 and \$104,228, respectively. The District should periodically compare amounts recorded in the Revised Budget 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 2013 and 2012 to determine whether, for the General, EMS & Fire funds, 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 2013 and 2012 for the following funds: General and Fire & EMS. The amounts on the appropriation resolutions did not agree to the accounting system because the District does not post and track appropriations on their accounting system. The District's accounting software is a version of QuickBooks that does not have the ability to post and track appropriations. If appropriations are not posted and tracked, the Trustees don't have information necessary for budgeting and monitoring. We recommend that the District change accounting systems, post appropriations, and track appropriations.
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 General and Fire & EMS funds for the years ended December 31, 2013 and 2012. We noted that General Fund appropriations for 2012 exceeded certified resources by \$165,246, contrary to Ohio Rev. Code Section 5705.39. The Trustees should not approve appropriations in excess of certified resources. These actions could result in budget deficits.
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, 2013 and 2012 for the General and Fire & EMS funds as recorded in the Financial Statements, Encumbrance Report, and Final Appropriations. We noted no funds for which expenditures exceeded appropriations.
6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We scanned the Receipt Ledger for evidence of new restricted receipts requiring a new fund during December 31, 2013 and 2012. We also inquired of management regarding whether the District received new restricted receipts. We noted no evidence of new restricted receipts for which Ohio Rev. Code Section 5705.09 would require the District to establish a new fund.

7. We scanned the 2013 and 2012 Receipts Ledger, Appropriations adopted, and the Financial Statements for evidence of interfund transfers exceeding \$5,000 which Ohio Rev. Code Sections 5705.14 - .16 restrict. We found no evidence of transfers these Sections prohibit, or for which Section 5705.16 would require approval by the Tax Commissioner and Court of Common Pleas.
8. We inquired of management and scanned the Appropriations adopted 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.
9. We scanned the Fund Ledgers by fund for the years ended December 31, 2013 and 2012 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 having 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

February 11, 2015



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CLINTON-WARREN JOINT FIRE AND RESCUE 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
FEBRUARY 24, 2015**