



**TRI TOWNSHIP JOINT FIRE DISTRICT
DELAWARE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2005-2004



**Auditor of State
Betty Montgomery**

**TRI TOWNSHIP JOINT FIRE DISTRICT
DELAWARE COUNTY**

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**Auditor of State
Betty Montgomery**

Tri Township Joint Fire District
Delaware County
495 Sunbury Road
Delaware, Ohio 43015

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 a February 2, 2005 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 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.

A handwritten signature in cursive script that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

July 21, 2006

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Tri Township Joint Fire District
Delaware County
495 Sunbury Road
Delaware, Ohio 43015

To the Board of Trustees:

We have audited the accompanying financial statements of Tri Township Joint Fire District, Delaware County, Ohio (the District) as of and for the years ended December 31, 2005 and December 31, 2004. 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.

Revisions to GAAP would require the District to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2005 and December 31, 2004. Instead of the funds the accompanying financial statements present for 2005 and 2004, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2005 and 2004. 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 the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The District has elected not to reformat its statements. Since this District does not use GAAP to measure financial statement amounts, 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.

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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, 2005 and December 31, 2004 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, 2005 and December 31, 2004, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of Tri Township Joint Fire District, Delaware County, Ohio as of December 31, 2005 and December 31, 2004, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the District to include Management's Discussion and Analysis for the year ended December 31, 2005 and December 31, 2004. 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 July 21, 2006, 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.



Betty Montgomery
Auditor of State

July 21, 2006

**TRI TOWNSHIP FIRE DISTRICT
DELAWARE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Governmental Fund Types		Totals
	General	Capital	(Memorandum Only)
Cash Receipts:			
Property and Other Local Taxes	\$ 454,418	\$ 128,605	\$ 583,023
Intergovernmental	41,241	11,803	53,044
Earnings on Investments	2,715	-	2,715
Miscellaneous	6,474	-	6,474
Total Cash Receipts	504,848	140,408	645,256
Cash Disbursements:			
Current:			
General Government	8,818	2,170	10,988
Security of Persons and Property	510,366	925	511,291
Capital Outlay	0	11,335	11,335
Total Cash Disbursements	519,184	14,430	533,614
Total Receipts Over/(Under) Disbursements	(14,336)	125,978	111,642
Fund Cash Balance, January 1, 2005	88,818	342,085	430,903
Fund Cash Balance, December 31, 2005	\$ 74,482	\$ 468,063	\$ 542,545

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

**TRI TOWNSHIP FIRE DISTRICT
DELAWARE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Governmental Fund Types		Totals
	General	Capital	(Memorandum Only)
Cash Receipts:			
Property and Other Local Taxes	\$ 439,814	\$ 124,192	\$ 564,006
Intergovernmental	44,236	12,737	56,973
Earnings on Investments	1,635	-	1,635
Miscellaneous	5,826	2,807	8,633
Total Cash Receipts	491,511	139,736	631,247
Cash Disbursements:			
Current:			
General Government	4,318	1,131	5,449
Security of Persons and Property	557,804	1,937	559,741
Capital Outlay	-	52,782	52,782
Total Cash Disbursements	562,122	55,850	617,972
Total Receipts Over/(Under) Disbursements	(70,611)	83,886	13,275
Fund Cash Balance, January 1, 2004	159,429	258,199	417,628
Fund Cash Balance, December 31, 2004	\$ 88,818	\$ 342,085	\$ 430,903

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

**TRI TOWNSHIP JOINT FIRE DISTRICT
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

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 Tri Township Joint Fire District, Delaware County, Ohio (the District) as a body corporate and politic. A three-member Board of Trustees governs the District. Each political subdivision within the District appoints one member. Those subdivisions are Brown Township, Delaware Township, and Troy Township. The District provides fire protection and rescue services within the District.

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

B. Basis of Accounting

These financial statements follow the basis of accounting the Auditor of State prescribes or permits, which is similar to the cash receipts and disbursements basis of accounting. This basis 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 adequately disclose material matters the Auditor of State prescribes.

C. Cash and Investments

The accounting basis includes investments as assets. Accordingly, investment purchases are not recorded as disbursements, and investment sales are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively. The District had no investments at December 31, 2005 or 2004.

D. Fund Accounting

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

1. General Fund

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

2. Capital Project Fund

This fund accounts for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The District had the following significant Capital Project Fund:

Fire Equipment Fund - This fund receives tax and intergovernmental revenue to be used for the purchase and maintenance of fire fighting equipment.

**TRI TOWNSHIP JOINT FIRE DISTRICT
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The Ohio Revised Code requires the District to budget each fund annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the 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 commitments are made. Encumbrances outstanding at year end are canceled, and re-appropriated in the subsequent year. The District did not encumber all commitments required by Ohio law.

A summary of 2005 and 2004 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.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. EQUITY IN POOLED CASH

The District maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 follows:

	<u>2005</u>	<u>2004</u>
Demand deposits	<u>\$542,545</u>	<u>\$430,903</u>

**TRI TOWNSHIP JOINT FIRE DISTRICT
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

2. EQUITY IN POOLED CASH (Continued)

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2005 and December 31, 2004 follows:

2005 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$493,531	\$504,848	\$11,317
Capital Projects	127,665	140,408	12,743
Total	\$621,196	\$645,256	\$24,060

2005 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$528,000	\$519,184	\$8,816
Capital Projects	102,000	14,430	87,570
Total	\$630,000	\$533,614	\$96,386

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$448,531	\$491,511	\$42,980
Capital Projects	127,665	139,736	12,071
Total	\$576,196	\$631,247	\$55,051

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$565,000	\$562,122	\$2,878
Capital Projects	210,000	55,850	154,150
Total	\$775,000	\$617,972	\$157,028

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board of Trustees adopts rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The State then pays the District amounts equaling the homestead and rollback deductions. 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.

**TRI TOWNSHIP JOINT FIRE DISTRICT
DELAWARE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

4. PROPERTY TAX (Continued)

Tangible personal property tax owners assess that property. The property owners must file a tangible property list 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. RETIREMENT SYSTEMS

The District's full-time fire fighters belong to the Ohio Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes retirement benefits, including postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2005 and 2004, members of OP&F contributed 10 percent of their wages to the OP&F. The District contributed an amount equal to 24 percent of their wages. OPERS member employees contributed 8.5 percent of their gross salaries. The District contributed an amount equal to 13.55 percent of participants' gross salaries.

6. RISK MANAGEMENT

Commercial Insurance

The Tri Township Joint Fire District has obtained commercial insurance for the following risks:

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



**Auditor of State
Betty Montgomery**

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

Tri Township Joint Fire District
Delaware County
495 Sunbury Road
Delaware, Ohio 43015

To the Board of Trustees:

We have audited the financial statements of Tri Township Joint Fire District, Delaware County, Ohio (the District) as of and for the years ended December 31, 2005 and December 31, 2004, and have issued our report thereon dated July 21, 2006 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 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 to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 2005-004.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. We consider reportable condition 2005-004 listed above to be a material weakness. In a separate letter to the District's management dated July 21, 2006, we reported other matters involving internal control over financial reporting which we did not deem reportable conditions.

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 instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2005-001 through 2005-003. In a separate letter to the District's management dated July 21, 2006, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the management and Board of Trustees. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

July 21, 2006

**TRI TOWNSHIP JOINT FIRE DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2005 AND 2004**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2005-001

FINDING FOR RECOVERY REPAID UNDER AUDIT

On December 29, 2003 the Board of Trustees approved the pay rate for part time employees at \$8 per hour and for full time employees at \$9 per hour. In the event that a part time employee filled in for a full time employee the part time employee would be paid the full time rate of \$9 per hour. E. Mark Murphy was a part time employee who served as a Lieutenant for the District. In 2004 and 2005 Mr. Murphy was paid at the rate of \$9 per hour for all hours worked. The amount paid to Mr. Murphy exceeded the Board approved amount by \$831.50 in 2004 and \$660 in 2005.

	Total Part Time Hours Worked	Total Amount Paid	Amount that Should Have Been Paid	Amount Overpaid
2004	831.5	\$6,652	\$7,483.50	\$831.50
2005	660	5,280	5,940	660.00
Total	<u>\$1,491.50</u>	<u>\$11,932</u>	<u>\$13,423.50</u>	<u>\$1,491.50</u>

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which such illegal expenditure is made is strictly liable for the amount of such expenditure. Seward v. National Surety Co., 120 Ohio St. 47 (1929); 1980 Op. Att’y Gen. No. 80-074; Ohio Rev. Code Section 9.39; State, ex.rel. Village of Linndale v. Masten, 18 Ohio St. 3d 228 (1985).

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against E. Mark Murphy in the amount of \$1,491.50, and in favor of Tri Township Joint Fire District.

However, on June 28, 2006 the Board of Trustees passed Resolution 002-2006 that set the pay rate for Lieutenants and Captains at \$9 an hour for part time hours and fill in hours. This resolution is retroactive for Lieutenant E. Mark Murphy to the beginning of the part time program. This Board action nullifies the finding for recovery noted above.

FINDING NUMBER 2005-002

NONCOMPLIANCE CITATION

Ohio Rev. Code § 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

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.

**TRI TOWNSHIP JOINT FIRE DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2005 AND 2004
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2005-002 (Continued)

NONCOMPLIANCE CITATION (Continued)

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 District can authorize the drawing of a warrant for the payment of the amount due. The District has thirty days from the receipt of the “then and now” certificate to approve payment by ordinance or resolution.

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 District.

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 District 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.

The District did not certify the availability of funds prior to the purchase commitment for 95% of the expenditures tested and there was no evidence that the District followed the aforementioned exceptions.

Failure to properly certify the availability of funds can result in overspending funds and negative fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but 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 certify that the funds are or will be available prior to obligation by the District. When prior certification is not possible by issuance of a standard purchase order, blanket, super blanket, or “then and now” certification should be used.

The District should certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The fiscal officer should sign the certification at the time the District incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The fiscal officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

**TRI TOWNSHIP JOINT FIRE DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2005 AND 2004
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

FINDING NUMBER 2005-003

NONCOMPLIANCE CITATION—FINDINGS FOR ADJUSTMENT

Ohio Rev. Code § 5705.10 requires that all receipts derived from a special levy is to be credited to a special fund for the purpose for which the levy was made.

In 2005 and 2004 the District did not record receipts to the proper funds as noted in the tax settlement from the County Auditor. This resulted in audit adjustments to respective funds as follows:

Year ended December 31, 2005:

Fund	Description	Increase	Decrease
General	Real Estate Property Tax Receipts		\$2,935
Fire Equipment	Real Estate Property Tax Receipts	\$2,935	
General	Rollback and Homestead Receipts		\$6,332
Fire Equipment	Rollback and Homestead Receipts	\$6,332	
	Total	\$9,267	\$9,267

Year ended December 31, 2004

Fund	Description	Increase	Decrease
General	Real Estate Property Tax Receipts		\$5,869
Fire Equipment	Real Estate Property Tax Receipts	\$5,869	
General	Rollback and Homestead Receipts		\$13,038
Fire Equipment	Rollback and Homestead Receipts	\$13,038	
	Total	\$18,907	\$18,907

The District has recorded these adjustments to the financial statements and to its financial accounting records.

The Clerk should ensure that receipts are properly posted to the General and Fire Equipment Fund based on the tax settlement documentation provided by the County. The Board of Trustees should monitor monthly financial statements to ensure receipts are properly posted to the correct funds.

FINDING NUMBER 2005-004

MATERIAL WEAKNESS

The fiscal officer of the District should perform a monthly bank to book reconciliation to ensure all receipts and expenditures have been appropriately recorded to the District's UAN system. Reconciling items, including deposits in transit, outstanding checks, or unposted interest, should be considered in the reconciliation to ensure that the District's ledgers are reconciled to the bank balances.

**TRI TOWNSHIP JOINT FIRE DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2005 AND 2004
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2005-004 (Continued)

MATERIAL WEAKNESS (Continued)

As of the end of 2003 the unreconciled difference between the bank and book was \$2,486. Throughout 2004 and 2005 the clerk posted accounting entries in an untimely manner, did not record transactions that cleared the bank, and maintained an inaccurate outstanding check listing. Therefore, the books were not reconciled to the bank throughout 2004 and 2005.

As of December 31, 2005 and December 31, 2004 the following audit adjustments were made to the year end cash balances:

1. The 2004 expenditures were increased to account for \$3,853 in auditor and treasurer fees that were not posted to the UAN system. The related property tax receipts were posted to the UAN system at the gross receipt amount.
2. Tax receipts were increased to account for a 2nd half of Manufactured Home Tax for 2004 of \$2,016 that was not recorded on the UAN system.
3. Interest receipts were increased to account for 2005 interest earned of \$746 that was not posted on the UAN system.

All of the above fund balance adjustments have been recorded by the client on the UAN system and are reflected on the financial statements.

Failure to reconcile the District's bank and book balance in a timely manner and uncorrected or unidentified reconciling items can result in improperly stated financial statements and an inability to properly monitor the financial position and budget versus actual results of the District. Failure to reconcile may further result in theft or misappropriation of funds without the timely detection of management.

The clerk should complete monthly bank reconciliations in a timely manner and any variances identified during the reconciliation process should be investigated and corrected to ensure proper reporting of financial results.

Officials Response:

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

**TRI TOWNSHIP JOINT FIRE DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2005 AND 2004**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2003-001	Ohio Rev. Code Section 5705.41(B)—Expenditures exceed appropriations	No	Partially corrected. Issued a management letter comment.
2003-002	Ohio Rev. Code Section 5705.41(D)—Funds were not properly certified	No.	Not corrected
2003-003	Ohio Rev. Code Section 5705.10-- Finding for adjustment for posting real estate tax receipts in the wrong fund	No.	Not Corrected
2003-004	The District did not perform monthly cash reconciliations	No	Not Corrected.



**Auditor of State
Betty Montgomery**

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**TRI TOWNSHIP JOINT FIRE DISTRICT
DELAWARE 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 5, 2006**