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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Pleasant Hill–Newton Township Joint Fire District
Miami County
P.O. Box 139
Pleasant Hill, Ohio 45359

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Pleasant Hill-Newton Township 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, 2012 and 2011, 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, 2012 and December 31, 2011 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2011 beginning fund balance recorded in the General Ledger to the December 31, 2010 balance in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2012 beginning fund balance recorded in the General Ledger to the December 31, 2011 balance in the General Ledger. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2012 and 2011 fund cash balance reported in the General Ledger. The amounts agreed.
4. We confirmed the December 31, 2012 bank account balance with the District's financial institution. We found no exceptions. We also agreed the confirmed balance to the amount appearing in the December 31, 2012 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2012 bank reconciliation:
 - a. We traced four of the five debits to the subsequent January bank statement. While we were unable to trace one debit (outstanding check number 7284) to the subsequent January or February bank statements as the debit was still outstanding at February 28, 2013.
 - 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* (the Statement) for 2012 and one from 2011.
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the General Ledger. The amounts agreed.
 - 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 General Ledger to determine whether it included two real estate tax receipts for 2012 and 2011. We noted the General Ledger included the proper number of tax receipts for each year.
3. We selected all three receipts from the State Distribution Transaction Lists (DTL) from 2012 and all four from 2011.
 - a. We compared the amount from the above report to the amount recorded in the General Ledger. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper fund. We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Charges for Services

1. We confirmed the amounts paid from Medicount Management, the service organization that performs the emergency medical billings, to the District during 2011 with the General Ledger. We found no exceptions.
 - a. We determined whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2010.
2. We inquired of management, and scanned the General Ledger for evidence of debt issued during 2012 or 2011 or debt payment activity during 2012 or 2011. We noted no new debt issuances, nor any debt payment activity during 2012 or 2011.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2012 and one payroll check for five employees from 2011 from the General Ledger and:
 - a. We compared the hours and pay rate, or salary recorded in the General Ledger to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.

Payroll Cash Disbursements (Continued)

- b. We recomputed gross pay and agreed it to the amount recorded in the payroll register. We found that net pay was the same as gross pay because the fiscal officer did not withhold any taxes or retirement from payroll checks. (See Payroll Cash Disbursement item #2).
 - c. We determined whether the account code to which the check was posted were reasonable based on the employees' duties as documented in the minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. We could not scan the last remittance of tax and retirement withholdings for the year ended December 31, 2012. There were no withholdings or remittance of taxes or retirement recorded in the General Ledger for the years ended December 31, 2012 and 2011. We found that the fiscal officer had not withheld any taxes or retirement from payroll checks from the fiscal officer and board members compensation. 26 USC 3102(a) requires public employers to withhold Social Security Medicare Tax from employees hired on or after April 1, 1986. 26USC 3402 requires public employees to withhold federal income tax from wages. Ohio Rev. Code Section 5747.06 requires employers to withhold Ohio income tax, and Ohio Rev. Code Section 145.03 (A) requires that membership in the public employees retirement system is compulsory upon being employed and shall continue as long as public employment continues. The fiscal officer should withhold the appropriate tax from all payroll checks and PERS from the fiscal offer pay unless a proper exemption has been completed and filed, if allowed.

Non-Payroll Cash Disbursements

1. From the General Ledger, we re-footed all checks recorded as General Fund disbursements for 2012. We found no exceptions.
2. We haphazardly selected ten disbursements from the General Ledger for the year ended December 31, 2012 and ten from the year ended 2011 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 General Ledger and to the names and amounts on the supporting invoices. We found no exceptions.
 - c. For the twenty selected disbursements, we found that they were not certified or a *Then and Now Certificate* was issued. Ohio Rev. Code Section 5705.41(D) requires certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used. Because we did not test all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

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 Budget Summary Report for the years ended December 31, 2012 and 2011. The amounts on the *Certificate* agreed to the amount recorded in the Budget Summary Report, except for 2012. The Budget Summary Report recorded budgeted (i.e. certified) resources of \$130,485 for 2012. However, the final *Amended Official Certificate of Estimated Resources* reflected \$142,426. The fiscal officer should periodically compare amounts recorded in the Budget Summary Report 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.

Compliance – Budgetary (Continued)

2. We scanned the appropriation measures adopted for 2012 and 2011 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 Budget Summary Report for 2012 and 2011 for the General Fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the Budget Summary Report, except for 2012. The Budget Summary Report recorded budgeted appropriations of \$398,763. However, the amounts on the appropriation resolutions reflected \$333,402. The fiscal officer should periodically compare amounts recorded in the Budget Summary Report to amounts approved in the appropriation measures to assure they agree. If the amounts do not agree, the Trustees may be using inaccurate information for budgeting and monitoring purposes.
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, 2012 and 2011. We noted appropriations did not exceed certified resources for the General Fund.
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, 2012 and 2011 as recorded in the Budget Summary Report. We noted expenditures did not exceed appropriations for the General Fund.
6. We inquired of management and scanned 2012 and 2011 General Ledger to determine whether the District elected to establish external restricted resources accounts permitted by Ohio Rev. Code Section 5705.09. We noted the District did not establish any externally restricted resources accounts.
7. We inquired of management and scanned the General Ledger 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.

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

May 2, 2013



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PLEASANT HILL-NEWTON TOWNSHIP JOINT FIRE DISTRICT

MIAMI 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 21, 2013**