



Mary Taylor, CPA
Auditor of State

**CENTRAL JOINT FIRE AND EMS DISTRICT
CLERMONT COUNTY**

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Mary Taylor, CPA

Auditor of State

Central Joint Fire and EMS District
Clermont County
2401 Old State Route 32
Batavia,, Ohio 45103

To the Board of Turstees:

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.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

May 19, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Central Joint Fire and EMS District
Clermont County
2401 Old State Route 32
Batavia, OH 45103

To the Board of Trustees

We have audited the accompanying financial statements of Central Joint Fire and EMS District, Clermont County, Ohio (the District), as of and for the years ended December 31, 2009 and 2008. 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, 2009 and 2008 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, 2009, or its changes in financial.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Central Joint Fire and EMS District, Clermont County, as of December 31, 2009 and 2008, 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 May 19, 2010, 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

May 19, 2010

**CENTRAL JOINT FIRE AND EMS DISTRICT
CLERMONT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

Cash Receipts:	
Property and Other Local Taxes	\$1,722,515
Charges for Services	411,894
Intergovernmental	388,182
Earnings on Investments	9,190
Miscellaneous	<u>5,875</u>
Total Cash Receipts	<u>2,537,656</u>
Cash Disbursements:	
Current:	
General Government	119,360
Public Safety	2,401,326
Debt Service:	
Redemption of Principal	165,412
Interest and Other Fiscal Charges	<u>16,740</u>
Total Cash Disbursements	<u>2,702,838</u>
Total Receipts Over/(Under) Disbursements	<u>(165,182)</u>
Other Financing Receipts / (Disbursements):	
Other Financing Sources	<u>53,142</u>
Total Other Financing Receipts / (Disbursements)	<u>53,142</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(112,040)
Fund Cash Balances, January 1	<u>1,381,960</u>
Fund Cash Balances, December 31	<u><u>\$1,269,920</u></u>
Reserve for Encumbrances, December 31	<u><u>\$205,387</u></u>

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

**CENTRAL JOINT FIRE AND EMS DISTRICT
CLERMONT COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2008**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Property and Other Local Taxes	\$1,725,158	\$0	\$1,725,158
Charges for Services	328,237		328,237
Intergovernmental	351,469	30,625	382,094
Earnings on Investments	26,988		26,988
Miscellaneous	8,931		8,931
Total Cash Receipts	2,440,783	30,625	2,471,408
Cash Disbursements:			
Current:			
General Government	107,487	7,273	114,760
Public Safety	2,600,317	27,764	2,628,081
Debt Service:			
Redemption of Principal	160,893		160,893
Interest and Other Fiscal Charges	21,258		21,258
Total Cash Disbursements	2,889,955	35,037	2,924,992
Total Receipts Over/(Under) Disbursements	(449,172)	(4,412)	(453,584)
Other Financing Receipts / (Disbursements):			
Transfers-In		4,412	4,412
Transfers-Out	(4,412)		(4,412)
Reimbursement from Insurance	76,150		76,150
Proceeds From Loan	154,150		154,150
Other Financing Sources	17,008		17,008
Total Other Financing Receipts / (Disbursements)	242,896	4,412	247,308
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(206,276)	0	(206,276)
Fund Cash Balances, January 1	1,588,236		1,588,236
Fund Cash Balances, December 31	\$1,381,960	\$0	\$1,381,960
Reserve for Encumbrances, December 31	\$135,726	\$0	\$135,726

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

**CENTRAL JOINT FIRE AND EMS DISTRICT
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

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 Central Joint Fire and EMS District, Clermont County, Ohio (the District), as a body corporate and politic. A five member Board of Trustees directs the District. Each political subdivision within the District appoints two members. The other board member is an at large appointee. Those subdivisions are: Batavia Township, and the Village of Batavia. The District provides fire protection and rescue services within the District and y 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. Deposits and Investments

The District's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

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

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The District had the following significant Special Revenue Funds:

**CENTRAL JOINT FIRE AND EMS DISTRICT
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

FEMA Fund - This fund this fund was used to account for the receipt and disbursement of FEMA money granted to the District by the Federal Government.

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. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered 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.

A summary of 2009 and 2008 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.

**CENTRAL JOINT FIRE AND EMS DISTRICT
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

2. Equity in Pooled Deposits and Investments

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

	2009	2008
Demand deposits	\$1,269,920	\$1,381,960
Total deposits and investments	\$1,269,920	\$1,381,960

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, 2009, and 2008 follows:

2009 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,574,430	\$2,590,798	\$16,368
Total	\$2,574,430	\$2,590,798	\$16,368

2009 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,111,763	\$2,908,225	\$1,203,538
Total	\$4,111,763	\$2,908,225	\$1,203,538

2008 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,652,963	\$2,688,091	\$35,128
Special Revenue (FEMA)	35,037	35,037	0
Total	\$2,688,000	\$2,723,128	\$35,128

2008 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$4,289,343	\$3,030,093	\$1,259,250
Special Revenue (FEMA)	35,037	35,037	0
Total	\$4,324,380	\$3,065,130	\$1,259,250

**CENTRAL JOINT FIRE AND EMS DISTRICT
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

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.

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

Debt outstanding at December 31, 2009 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Fire Equipment Acquisition Note	\$108,898	4%
Lease Purchase Agreement for Ford Expedition	\$21,790	6%
Lease Purchase Agreement for Ambulance	53,781	4%
Total	<u>\$184,469</u>	

In 2008 the District entered into a lease purchase agreement with Ford Motor Credit Company for a 2008 Ford Expedition.

Amortization of the above debt, including interest, is scheduled as follows:

	Fire Equipment Acquisition Note	Lease Purchase Agreement on Ford Expedition	Lease Purchase Agreement on Ambulance
Year ending December 31:			
2010	<u>\$113,748</u>	<u>\$11,927</u>	<u>\$56,477</u>
2011		11,927	
Total	<u>\$113,748</u>	<u>\$23,854</u>	<u>\$56,477</u>

6. Retirement Systems

The District's certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other full time employees belong to the Ohio Public Employees Retirement System (OPERS). All part time employees belong to the Social Security System. OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

**CENTRAL JOINT FIRE AND EMS DISTRICT
CLERMONT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008
(Continued)**

6. Retirement Systems (Continued)

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OP&F participants contributed 10% of their wages. For 2008 and 2009, the District contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. For 2009 and 2008, OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2009.

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.

8. Compliance

The District did not establish a required fund to account for FEMA funds. The District had numerous posting errors on their annual that required audit adjustments.

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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*

Central Joint Fire and EMS District
Clermont County
2401 Old State Route 32
Batavia, Ohio 45103

To the District Board of Trustees:

We have audited the financial statements of the Central Joint Fire and EMS District, Clermont County, Ohio (the District), as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated May 19, 2010 wherein we noted the District prepared its financial statements using accounting practices the Auditor of State prescribes or permits 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. 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 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness and other deficiencies we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2009-001 described in the accompanying schedule of findings to be a material weakness.

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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 we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2009-001 and 2009-003.

We also noted a certain matter not requiring inclusion in this report that we reported to the District's management in a separate letter dated May 19, 2010.

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

May 19, 2010

**CENTRAL JOINT FIRE AND EMS DISTRICT
CLERMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008**

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

FINDING NUMBER 2009-001

Material Non Compliance/Material Weakness

Ohio Admin. Code, Section 117-2-02(A), requires public offices to maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

We noted numerous posting errors that affected the actual as well as the budgetary numbers reported in the financial statements.

Ohio Admin. Code, Section 117-2-01(D), provides that when designing a public office's system of internal control and the specific control activities, management should:

- Ensure that all transactions are properly authorized in accordance with management's policies.
- Ensure that accounting records are properly designed.
- Verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.
- Perform analytical procedures to determine the reasonableness of financial data.
- Ensure the collection and compilation of the data needed for the timely preparation of financial statements.

The District lacked management oversight in the proper recording of various transactions. In addition to posting errors the District created a special revenue fund (named "Special Revenue") to account for activity that should have been accounted for in the General Fund. Pursuant to Auditor of State Bulletin 96-012 the District did not create a separate fund for FEMA activity (see Finding 2009-002): The adjustments to eliminate the "Special Revenue" fund to account for General Fund activity and the creation of the FEMA fund are as follows:

Adjustments

	Fund	Description	Year	Originally Reported as:	Reclassified/ Adjusted to:	Amount
From	Special Revenue	To adjust payroll and nonpayroll disbursements to the general fund.	2008	Special Revenue	General	
To	General					\$ 2,847,822

**FINDING NUMBER 2009-001
 (Continued)**

				Originally	Reclassified/	
	Fund	Description	Year	Reported as:	Adjusted to:	Amount
From	Special Revenue	To adjust FEMA activity into a separate FEMA Special Revenue Fund.	2008	Special Revenue	FEMA	35,037
To	FEMA					
From	General	To reclass loan principal and interest payments in separate line items.	2008	General Government Admin	Debt Service Principal and Interest	11,927
To	General					
From	General	Record a transfer from the General Fund to the FEMA fund for local match.	2008	Not accounted for	General - Transfer Out FEMA - Transfer In	4,412
To	FEMA					
From	Special Revenue	Adjust public housing settlement recorded as Intergovernmental Revenue in the Special Revenue Fund to Property and Local Taxes in the General Fund.	2008	Special Revenue Intergovernmental	General Fund Property and Local Taxes	26
To	General					
From	Special Revenue	Adjust TPP replacement and reimbursements recorded as Property and Local Taxes in the Special Revenue Fund to Intergovernmental Revenue in the General Fund.	2008	Special Revenue Property and local taxes	General Fund Intergovernmental	131,220
To	General					
From	General	Record Auditor and Treasurer fees	2008	Not accounted for	General Fund Property and General Government Expense	114
To	General					
From	Special Revenue	Adjust Property and Local Taxes recorded in the Special Revenue Fund to the General Fund.	2008	Special Revenue Property and local taxes	General Fund Property and local taxes	1,695,237
To	General					
From	General	Record Auditor and Treasurer fees	2008	Not accounted for	General Fund Property and local taxes and General Government Expense	29,895
To	General					

**FINDING NUMBER 2009-001
 (Continued)**

				Originally	Reclassified/	
	Fund	Description	Year	Reported as:	Adjusted to:	Amount
From	General	To correct decrease in fund balance generated from conversion from Peachtree. Also, to correct \$82.50 discrepancy noted in 2006 audit.	2008	Not accounted for	General - Public Safety Misc Expense	4,181
To	General					
From	Special Revenue	Adjust roll back and deregulation money from property and other local taxes recorded in the Special Revenue Fund to Intergovernmental Revenue in	2008	Special Property and Local Taxes	General Fund Intergovernmental	220,135
To	General					
From	Special Revenue	Adjust miscellaneous receipts from the Special Revenue to the General fund..	2008	Special Revenue Miscellaneous Receipts	General Misc Receipts	7,076
To	General					
From	Special Revenue	To establish a separate special revenue fund for FEMA money received from the Federal government originally classified in	2008	Special Revenue Miscellaneous Receipts	FEMA - Intergovernmental	30,625
To	FEMA					
From	Special Revenue	Adjust loan proceeds reported as miscellaneous receipts in the Special Revenue fund to other financing sources in the	2008	Special Revenue Miscellaneous Receipts	General Other Financing Sources	154,150
To	General					
From	Special Revenue	Adjust interest received on loan money held by bank reported as miscellaneous receipts in the Special Revenue fund to interest receipts in the General fund.	2008	Special Revenue Miscellaneous Receipts	General Fund - Interest	3,640
To	General					
From	Special Revenue	Adjust insurance settlement reported as miscellaneous receipts in the Special Revenue fund to other financing sources in the General fund.	2008	Special Revenue Miscellaneous Receipts	General Other Financing Sources	76,151
To	General					
From	Special Revenue	Adjust utility reimbursements reported as miscellaneous receipts in the Special Revenue fund to other financing sources in the General fund.	2008	Special Revenue Miscellaneous Receipts	General Other Financing Sources	17,007
To	General					

**FINDING NUMBER 2009-001
 (Continued)**

	Fund	Description	Year	Originally Reported as:	Reclassified/ Adjusted to:	Amount
From	General	Adjust beginning fund balances to correct increase in fund balance generated from a prior period voided voucher.	2009	n/a	General - Misc Expense (Credit) -	3,355
To	General					
From	Special Revenue	Adjust charges for service receipts recorded in the Special Revenue fund to the General fund.	2008	Special Revenue Charges for Services	General Fund Charges for Services	325,610
To	General					
To	Special Revenue	Adjust tax rollback from property and other local taxes recorded in the Special Revenue fund to intergovernmental in the General fund.	2009	Special Revenue - Property and Other Local Taxes	General - Intergovernmental	195,696
From	General					
To	Special Revenue	Adjust tax receipts from an unnecessary special revenue fund to the general fund	2009	Special Revenue - Property and Other Local Taxes	General - Property and Other Local Taxes	1,706,801
From	General					
To	General	Record Auditor and Treasurer fees.	2009	Not accounted for	General - Property and Other Local Taxes and General Government.	15,714
From	General					
To	Special Revenue	Adjust intergovernmental receipts from Special Revenue to General fund.	2009	Special Revenue - Intergovernmental	General Fund - Intergovernmental	187,986
From	General					
To	Special Revenue	Adjust reimbursements for utilities recorded as Intergovernmental in the Special Revenue fund to Other Financing Sources in the General Fund.	2009	Special Revenue - Intergovernmental	General Fund - Other Financing Sources	6,556
From	General					
To	Special Revenue	Adjust auditor and treasurer fees recorded in the Special Revenue fund to the General Fund.	2009	Special Revenue General Government	General Fund - General Government Expense.	13,581
From	General					
To	Special Revenue	Adjust charges for services receipts from the Special Revenue to the General fund.	2009	Special Revenue Charges for Services	General Fund Charges for Services	406,573
From	General					

**FINDING NUMBER 2009-001
 (Continued)**

	Fund	Description	Year	Originally Classified as:	Reclassified/ Adjusted to:	Amount
To	Special Revenue	Adjust all non-payroll transactions from the Special Revenue to the General fund.	2009	Special Revenue	General Fund	1,398,111
From	General					
To	Special Revenue	Adjust miscellaneous receipts from the Special Revenue to the General fund.	2009	Special Revenue Miscellaneous	General Fund - Miscellaneous	3,390
From	General					
To	Special Revenue	Adjust reimbursements for utilities recorded as Intergovernmental Revenue in the Special Revenue fund to Other Financing Sources in the General fund.	2009	Special Revenue Intergovernmental	General Fund - Other Financing Sources	43,877
From	General					
To	Special Revenue	Adjust insurance payment recorded as miscellaneous receipts in the Special Revenue fund to other financing sources in the General fund.	2009	Special Revenue - Miscellaneous	General Fund - Other Financing Sources	2,709
From	General					
To	Special Revenue	Adjust miscellaneous receipts in the Special Revenue fund to intergovernmental in the General Fund.	2009	Special Revenue - Miscellaneous	General - Intergovernmental	4,500
From	General					
To	Special Revenue	Adjust charges for services receipts to the General fund recorded as miscellaneous receipts in the Special Revenue fund.	2009	Special Revenue - Misc	General - Charges for Services	219
From	General					
To	Special Revenue	Adjust payroll expenses recorded in the Special Revenue fund to the general fund.	2009	Special Revenue - Public Safety and General Government Expense.	General Fund - Public Safety	1,265,651
From	General					

As a result of these errors, receipts and disbursements for certain line items and funds were incorrectly reported on the annual report. Material audit adjustments were required to the cash fund balances, cash receipts, and cash disbursements to fairly state the individual line items on the financial statements. These adjustments have been posted to the District's financial statements and accounting records.

We recommend due care be exercised when posting entries to the cash journal to prevent errors and accurately present the District's financial activity in the annual report. The Chief Fiscal Officer should refer to the chart of accounts when posting to the District's records. The District should also establish control procedures for the review of the financial activity posted to the accounting records and financial statements.

FINDING NUMBER 2009-002

Noncompliance Citation

Ohio Rev. Code, Section 5705.09(F), provides in part that each subdivision is required to establish a special fund for each class of revenues derived from a source other than the general property tax, which the law requires to be used for a particular purpose. Upon establishment of such a fund all budgetary requirements will need to be adhered to as well.

The District did not establish a special revenue fund to account for the FEMA funds awarded to the District in the amount of \$30,625. During 2008, the entire amount of this grant was posted to an incorrect special revenue fund in miscellaneous receipts. These adjustments are included in Finding 2009-001. The District should review Auditor of State bulletin 96-112 for FEMA activity accounting.

FINDING NUMBER 2009-003

Noncompliance Citation

Ohio Rev. Code, Section 5705.41(D)(1), provides that a subdivision or taxing unit shall not make any contract or ordering involving the disbursement 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 encumbrance. Every such contract made without such a certificate shall be null and void and no warrant shall be issued in payment.

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 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 three thousand dollars \$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.

**FINDING NUMBER 2009-003
(Continued)**

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 obtain the Fiscal Officer's prior certification for 53% of transactions tested in 2009 and 70% of transactions tested in 2008. Failure to properly certify the availability of funds can result in overspending funds and negative cash 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 fiscal officer certify that the 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 District 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.

We received no response from officials to the above findings.

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**CENTRAL JOINT FIRE AND EMS DISTRICT
CLERMONT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007.001	Ohio Rev. Code Section, 5705.41 (D)(1), Prior Certification	No	Not corrected. Reissued as Finding #2009-003



Mary Taylor, CPA
Auditor of State

CENTRAL JOINT FIRE AND EMS DISTRICT

CLERMONT 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
JUNE 10, 2010**