



Mary Taylor, CPA
Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Clinton Highland Joint Fire District, Clinton County, Ohio (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, 2009 and 2008, 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 and Investments

1. We tested the mathematical accuracy of the December 31, 2009 and December 31, 2008 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2008 beginning fund balances recorded in the Fund Status Report to the December 31, 2007 balances in the prior year audited statements. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2009 and 2008 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2009 and 2008 bank account balances with the District's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2009 and 2008 bank reconciliation without exception.
5. We selected five outstanding checks haphazardly from the December 31, 2009 and 2008 bank reconciliation:
 - a. We traced each check to the debit appearing in the subsequent January statement. We found no exceptions.
 - b. We traced the amounts and date written to the check register, to determine the checks were dated prior to December 31. We noted no exceptions.

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6. We tested investments held at December 31, 2009 and December 31, 2008 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We found no exceptions.
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. 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 2009 and one from 2008.
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Revenue 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 Revenue Ledger to determine whether it included the proper number of tax receipts for 2009 and 2008:
 - a. Two personal property tax receipts
 - b. Four real estate tax receipts

We noted the Revenue Ledger included the proper number of tax settlement receipts for each year.

3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2009 and five from 2008.
 - a. We compared the amount from the DTL to the amount recorded in the Revenue Ledger. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper funds. We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Charges for Services

We haphazardly selected five receipts recorded in the Cash Receipts Records from the year ended December 31, 2009 and five from the December 31, 2008 to compare the amount billed and debited to accounts receivable for the service to the amount received per the cash receipt records to the amounts credited to accounts receivable, and to the amount deposited to the bank as well as compare the date of the payment that was recorded in the cash receipts records to the date deposited per the bank statement. However, the District does not maintain accounts receivable records and records their charges for services in their accounting records on a monthly basis.

Therefore, we haphazardly selected three months of cash receipts recorded in the Revenue Ledger from the year ended December 31, 2009 and three months from the year ended December 31, 2008. We compared the amount billed to the amount received per the cash receipts records, to the amount deposited to the bank. We also compared the date the payment was recorded in the cash receipts records to the date deposited per the bank statement. The amount agreed.

2009	Amount Billed	Amount Recorded in Cash Receipts Records	Amount Deposited per Bank Statement	Date Recorded in Cash Receipts Records ***	Date Deposited per Bank Statement ***
January	\$11,833.33	\$11,833.33	\$11,833.33	January 1 – January 31	January 1 – January 31
April	11,313.58	11,313.58	11,313.58	April 1 – April 30	April 1 – April 30
November	7,720.57	7,720.57	7,720.57	November 1- November 30	November 1- November 30
2008	Amount Billed	Amount Recorded in Cash Receipts Records	Amount Deposited per Bank Statement	Date Recorded in Cash Receipts Records ***	Date Deposited per Bank Statement ***
January	\$1,941.22	\$1,941.22	\$1,941.22	January 1 – January 31	January 1 – January 31
June	9,226.81	9,226.81	9,226.81	June 1 – June 31	June 1 – June 31
November	10,930.60	10,940.60	10,940.60	November 1- November 30	November 1- November 30

*** = We traced the amounts of total deposits per the bank statement to the posting in the Revenue Ledger. We noted during January 2008, that one deposit was not made in a timely manner.

Debt

We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of bonded or note debt issued during 2009 or 2008 or outstanding as of December 31, 2009 or 2008. We noted no new debt issuances, nor any debt payment activity during 2009 or 2008.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for four employees from 2009 and one payroll check for four employees from 2008 from the Payroll Register Detail Report and determined whether the following information in the employees' personnel files, minute records and contract were consistent with the information used to compute gross and net pay related to this check:
 - a. Name
 - b. Authorized salary or pay rate

- c. Retirement system participation and payroll withholding.
- d. Federal, State & Local income tax withholding authorization and withholding.
- e. Any other deduction authorizations (deferred compensation, etc.)
- f. Fund to which the check should be charged.

During our testing we found that the district did not maintain withholding authorizations in the personnel files.

- 2. We tested the checks we selected in step 1, as follows:
 - a. We compared the hours and pay rate, or salary amount used in computing gross pay to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
- 3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2009 and 2008 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld during the final withholding period during 2009 and 2008. We noted the following:

2009 Withholding	Date Due	Date Paid	Amount Withheld	Amount Paid
Federal income taxes	January 31, 2010	N/A	\$1,917.39	\$0
State income taxes	January 15, 2010	N/A	\$607.68	\$0
Local income tax	January 15, 2010	N/A	\$84.00	\$0
OPERS retirement (withholding plus employee share)	January 30, 2010	01/28/10 01/29/10	\$3,862.32	\$3,862.32
School District taxes	January 15 2010	N/A	\$84.00	\$0

2008 Withholding	Date Due	Date Paid	Amount Withheld	Amount Paid
Federal income taxes	January 31, 2009	N/A	\$2,903.11	\$0
State income taxes	January 15, 2009	N/A	\$778.43	\$0
Local income tax	January 15, 2009	N/A	\$76.00	\$0
OPERS retirement (withholding plus employee share)	January 30, 2009	01/26/10	\$4,391.47	\$4,391.47
School District taxes	January 15, 2009	N/A	\$76.00	\$0

As noted above, as of the date of this report, the District has not paid Federal, Medicare and State Income taxes as required by 26 U.S.C., Sections 3401-3406 & Section 3102(a) and O.R.C., Sections 5747.06 (A) & 5747.07. Local Income Tax and School District Tax amounts were also not paid as required. In the prior audit it was also noted that Federal, Medicare and State Income tax was withheld from employee's earnings, but the district failed to remit the amount withheld. The Auditor of State will notify the necessary agencies of this matter.

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2009 and ten from the year ended 2008 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 fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code Section 5705.41(D). We found that purchase orders were prepared and the necessary language was included; however, the fiscal officer did not sign the certificates. Therefore, the certifications were not valid.
 - d. 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.

Compliance – Budgetary

1. We compared the total from the Amended Official Certificate of Estimated Resources, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Revenue Status Report for the General and Special Revenue funds for the years ended December 31, 2009 and 2008. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General and Special Revenue Fund of \$435,200 for 2009 and \$521,500 for 2008. However, the final *Amended Official Certificate of Estimated Resources* reflected \$1,064,382 for 2009 and \$858,338 for 2008. The fiscal officer should periodically compare amounts recorded in the Revenue Status 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.
2. We scanned the appropriation measures adopted for 2009 and 2008 to determine whether, for the General and Special Revenue 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 Section 5705.38 and 5705.40, to the amounts recorded in the Appropriation Status Report for 2009 and 2008 for the following funds: General and Special Revenue. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status report, except for the General Fund in 2009. The Appropriation Status Report recorded appropriations for the General Fund of \$657,350. However, the final approved Appropriations reflected \$661,348. A variance of \$3,998 was noted.

4. Ohio Rev. Code, Section 5705.39, prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the General and Special Revenue Fund for the years ended December 31, 2009 and 2008. We noted that General Fund appropriations for 2008 exceeded certified resources by \$192,280, contrary to Ohio Rev. Code, Section 5705.39. The Trustees should not pass appropriations exceeding certified resources. Allowing this to occur could cause the District to incur fund balance 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, 2009 and 2008 for the General and Special Revenue Fund as recorded in the Appropriation Status Report. We noted no funds for which expenditures exceeded appropriations.
6. We scanned the 2009 and 2008 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers which Ohio Rev. Code Sections 5705.14 -- .16 restrict. We found no evidence of transfers these sections prohibit.
7. We inquired of management and scanned the Appropriation Status Reports 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.

Compliance – Contracts & Expenditures

1. We inquired of management and scanned the Payment Register Detail report for the years ended December 31, 2009 and 2008 for procurements requiring competitive bidding under the following statute(s): Ohio Rev. Code Sections 505.37 to 505.42 & 731.14 require a fire district to competitively bid purchases of fire apparatus, mechanical resuscitators, other fire equipment, appliances, materials, fire hydrants, buildings, or fire-alarm communications equipment or service costs exceeding \$25,000.

We identified no purchases subject to the aforementioned bidding requirements.

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 and those charged with governance and is not intended to be, and should not be used by anyone other than these specified parties.



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May 3, 2010



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CLINTON HIGHLAND JOINT FIRE DISTRICT

CLINTON COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 1, 2010**