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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, 2010 and 2009, 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, 2010 and December 31, 2009 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2009 beginning fund balance recorded in the General Ledger to the December 31, 2008 balance 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, 2010 and 2009 fund cash balance reported in the General Ledger. The amounts agreed.
4. We confirmed the December 31, 2010 bank account balance with the District's financial institution. We found no exceptions.
5. We selected five outstanding checks haphazardly from the December 31, 2010 bank reconciliation:
 - a. We traced each check to the debit appearing in the subsequent January bank 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.

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 2010 and one from 2009.
 - 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 the proper number of tax receipts for 2010 and 2009:
 - a. Two personal property tax receipts
 - b. Two real estate tax receipts

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

3. We selected all five receipts from the State Distribution Transaction Lists (DTL) from 2010 and five from 2009.
 - a. We compared the amount from the DTL 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

We haphazardly selected five receipts recorded in the Cash Receipts Records from the year ended December 31, 2010 and five from the year ended December 31, 2009. We compared the amount billed and debited to accounts receivable for the service to the amount received per the cash receipts records, to the amount credited to accounts receivable, and 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 amounts received reflect gross amounts received by Medicount while the amount deposited are net of Medicount's fee that is remitted to the District. That is, the differences between amounts credited to accounts receivable versus amounts deposited per bank statements do not represent exceptions.

	Amount Billed and Debited to Accounts Receivable	Amount Recorded in Cash Receipts Records, 2010	Amount Credited to Accounts Receivable	Amount Deposited per Bank Statement	Date Recorded in Cash Receipts Records	Date Deposited per Bank Statement
1	\$5,684.46	\$5,684.46	\$5,684.46	\$5,116.01	2/22/10	2/22/10
2	4,726.99	4,726.99	4,726.99	4,260.28	3/15/10	3/15/10
3	1,574.43	1,574.43	1,574.43	1,448.48	8/16/10	8/16/10
4	3,303.03	3,303.03	3,303.03	2,972.73	10/19/10	10/19/10
5	1,574.80	1,574.80	1,574.80	1,417.32	11/22/10	11/22/10
6	811.64	811.64	811.64	730.48	3/16/09	3/16/09
7	4,098.38	4,098.38	4,098.39	3,711.40	4/22/09	4/22/09
8	872.00	872.00	872.00	784.80	9/16/09	9/16/09
9	3,179.55	3,179.55	3,179.55	2,925.18	9/16/09	9/16/09
10	17,755.88	17,755.88	17,755.88	16,335.41	11/7/09	11/24/09

Debt

We inquired of management, and scanned the General Ledger for evidence of bonded or note debt issued during 2010 or 2009 or outstanding as of December 31, 2010 or 2009. We noted no new debt issuances, nor any debt payment activity during 2010 or 2009.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2010 and one payroll check for five employees from 2009 from the General Ledger and determined whether the following information in the minute record and prior work papers was consistent with the information used to compute gross and net pay related to this check:
 - a. Name
 - b. Authorized salary or pay rate

We found that fiscal officer does not withhold any taxes or retirement from payroll checks from the fiscal officer and board member pay checks. 26 USC 3102(a) requires public employers to withhold Social Security Medicare Tax from employees hired on or after April 1, 1986. 26 USC 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 officer pay unless a proper exemption has been completed and filed.

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 (legislatively-approved rate or salary). We found no exceptions.
 - b. We recomputed gross and agreed it to the amount recorded in the General Ledger. We found no exceptions.

Non-Payroll Cash Disbursements

1. For the 2010 General ledger, we re-footed all checks recorded as General Fund disbursements for 2010. We found no exceptions.
2. We agreed total disbursements (non-payroll and payroll) from the General ledger for the years ended December 31, 2010 and 2009 to the total disbursements recorded in the 2010 and 2009 financial reports. We found no exceptions.
3. We haphazardly selected ten disbursements from the General ledger for the year ended December 31, 2010 and ten from the year ended 2009 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 they were not certified or issued a *Then and Now Certificate*, as required by Ohio Rev. Code Section 5705.41(D). Ohio Rev. Code Section 5705.41(D) requires certifying at the time of a commitment, which should precede the invoice date.

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 monthly budget to actual Report for years ended December 31, 2010 and 2009. The monthly budget to actual report for the General Fund recorded budgeted resources of \$387,603 for 2010 and \$313,540 for 2009. However, the final *Amended Official Certificate of Estimated Resources* reflected \$380,830 and \$288,270 respectively. The fiscal officer should periodically compare amounts recorded in the monthly budget to actual 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 2010 and 2009 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 Section 5705.38 and 5705.40, to the amounts recorded in the monthly budget to actual report for 2010 and 2009 for the General fund. The amounts on the appropriation resolutions were \$380,830 for 2010 and \$286,255 for 2009. However, the monthly budget to actual report indicates \$387,603 and \$290,968 respectively for 2010 and 2009. The fiscal officer should periodically compare amounts recorded in the monthly budget to actual report to amounts recorded in 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 Section 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the General fund for the years ended December 31, 2010 and 2009. 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, 2010 and 2009 for the General fund, as recorded in the 2010 and 2009 monthly budget to actual report. We noted expenditures did not exceed appropriations for the General Fund.
6. We inquired of management and scanned the 2010 and 2009 Financial 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 General ledger for the years ended December 31, 2010 and 2009 for procurements requiring competitive bidding under the following statutes: Ohio Rev. Code Sections 505.37 to 505.42 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.

Compliance – Contracts & Expenditures (Continued)

We identified purchases of turnout gear, airpicks and a new ambulance as projects exceeding \$25,000, subject to ORC 505.42. For the ambulance purchase, the Board advertised the project in a local newspaper, and selected the lowest responsible bidder.

We noted the purchases of turnout gear and air packs exceeded the \$25,000 threshold but were not bid.

Officials' Response: Officials declined to respond to exceptions noted.

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

April 27, 2011

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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 26, 2011**