



Dave Yost • Auditor of State

**SOUTHERN HIGHLAND JOINT FIRE DISTRICT
HIGHLAND COUNTY**

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Dave Yost • Auditor of State

Southern Highland Joint Fire District
Highland County
50 Maple St
Mowrystown, Ohio 45155

To the Board:

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 black ink that reads "Dave Yost".

Dave Yost
Auditor of State

November 30, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Southern Highland Joint Fire District
Highland County
50 Maple St
Mowrystown, Ohio 45155

To the Board:

We have audited the accompanying financial statements of the Southern Highland Joint Fire District, Highland County, Ohio (the District), as of and for the years ended December 31, 2010 and 2009. 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 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. 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(A) mandates 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, 2010 and 2009 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, 2010 and 2009, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Southern Highland Joint Fire District, Highland County, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described more fully in Note 9 to the financial statements, the Fire District was newly established on April 7, 2008 and had financial activity beginning in October 2008. We audited the Fire District's January 1, 2009 opening balance of \$38,121 and believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion on the Fire District's financial position.

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 November 30, 2011, 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

November 30, 2011

**SOUTHERN HIGHLAND JOINT FIRE DISTRICT
HIGHLAND COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Property and Other Local Taxes	\$109,772	\$0	\$109,772
Charges for Services	0	30,920	30,920
Intergovernmental	30,174	3,745	33,919
Miscellaneous	337		337
	140,283	34,665	174,948
Cash Disbursements:			
Current Disbursements:			
Public Safety	66,189	21,566	87,755
Capital Outlay	8,889		8,889
Debt Service:			
Redemption of Principal	11,875		11,875
Interest and Other Fiscal Charges			0
	86,953	21,566	108,519
Total Receipts Over/(Under) Disbursements	53,330	13,099	66,429
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	53,330	13,099	66,429
Fund Cash Balances, January 1	43,252	23,819	67,071
Fund Cash Balances, December 31	\$96,582	\$36,918	\$133,500

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

**SOUTHERN HIGHLAND JOINT FIRE DISTRICT
HIGHLAND COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
Charges for Services	0	31,896	31,896
Intergovernmental	29,051	9,585	38,636
Total Cash Receipts	29,051	41,481	70,532
Cash Disbursements:			
Current Disbursements:			
Public Safety	112,991	21,216	134,207
Debt Service:			
Redemption of Principal	2,375		2,375
Total Cash Disbursements	115,366	21,216	136,582
Total Receipts Over/(Under) Disbursements	(86,315)	20,265	(66,050)
Other Financing Receipts / (Disbursements):			
Other Debt Proceeds	95,000		95,000
Total Other Financing Receipts / (Disbursements)	95,000	0	95,000
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	8,685	20,265	28,950
Fund Cash Balances, January 1	34,567	3,554	38,121
Fund Cash Balances, December 31	\$43,252	\$23,819	\$67,071

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

**SOUTHERN HIGHLAND JOINT FIRE DISTRICT
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

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 Southern Highland Joint Fire District, Highland County, Ohio (the District), as a body corporate and politic. The Southern Highland Joint Fire District formed on April 17, 2008 by Concord Township, Whiteoak Township, and the Village of Mowrystown. A seven-member Board of Trustees governs the District. Each political subdivision within the District appoints two members. These six members then appoint one at large member. Those subdivisions are Concord Township, Whiteoak Township, and Village of Mowrystown. The District provides fire protection within the District and by 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 cash as assets. The District's funds are pooled in a Regular Business Checking Account with a local bank.

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 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 Fund:

Fire Fund - This fund receives the charges for emergency medical services for the payment of the costs of the management, maintenance, and operation of emergency medical services in the District.

**SOUTHERN HIGHLAND JOINT FIRE DISTRICT
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

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. 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 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 2010 and 2009 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.

2. Equity in Pooled Deposits and Investments

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

	<u>2010</u>	<u>2009</u>
Demand deposits	<u>\$133,500</u>	<u>\$67,071</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

**SOUTHERN HIGHLAND JOINT FIRE DISTRICT
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2010 and 2009 follows:

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$111,265	\$140,283	\$29,018
Special Revenue	45,000	34,665	(10,335)
Total	\$156,265	\$174,948	\$18,683

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$154,517	\$86,953	\$67,564
Special Revenue	68,819	21,566	47,253
Total	\$223,336	\$108,519	\$114,817

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$128,016	\$124,051	(\$3,965)
Special Revenue	45,000	41,481	(3,519)
Total	\$173,016	\$165,532	(\$7,484)

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$65,002	\$115,366	(\$50,364)
Special Revenue	48,554	21,216	27,338
Total	\$113,556	\$136,582	(\$23,026)

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General fund by \$50,364 for the year ended December 31, 2009. Also contrary to Ohio law, at December 31, 2009, appropriations exceeded available resources in the Fire Fund by \$3,519. During 2010, appropriations exceeded available resources by \$10,335 in the Fire Fund.

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.

**SOUTHERN HIGHLAND JOINT FIRE DISTRICT
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

4. Property Tax (Continued)

Public utilities are also taxed on personal and real property located within the Township.

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 Township.

5. Debt

Debt Payments

Debt outstanding at December 31, 2010 was as follows:

	Principal	Interest Rate
Tanker Truck Loan	\$80,750	0%

The District obtained a non-interest bearing loan from the Small Government Fire Department Services Revolving Loan Program Fund to purchase two tanker trucks and the cost of repairs and equipment needed to get them ready for fire runs

Amortization of the above debt is scheduled as follows:

	Tanker Truck Loan
Year ending December 31:	
2011	\$9,500
2012	9,500
2013	9,500
2014	9,500
2015	9,500
2016-2019	33,250
Total	\$80,750

6. Retirement Systems

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

The Fire District belongs to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2010 and 2009, 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, 2010.

**SOUTHERN HIGHLAND JOINT FIRE DISTRICT
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

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. Opening Balance January 1, 2009

The Fire District was established on April 7, 2008. The Fire District had activity from October 2008 to December 31, 2008. As of December 31, 2008, the Fire District had Fund Balance of \$38,121. This was comprised of the following:

	<u>Total</u>
Receipts from Township and Village from Fire Funds	\$ 37,371
Miscellaneous Receipts	\$ 3,698
Expenses from October 10, 2008 - December 31, 2008	<u>\$ (2,948)</u>
Balance at December 31, 2008	<u><u>\$ 38,121</u></u>

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

Southern Highland Joint Fire District
Highland County
50 Maple St
Mowrystown, Ohio 45155

To the Board:

We have audited the financial statements of the Southern Highland Joint Fire District, Highland County, Ohio (the District), as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated November 30, 2011, 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 and we audited the Fire District's January 1, 2009 opening balance of \$38,121. 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.

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 combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain matters that we reported to the District's management in a separate letter dated November 30, 2011.

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 2010-001 through 2010-003.

We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated November 30, 2011.

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



Dave Yost
Auditor of State

November 30, 2011

**SOUTHERN HIGHLAND FIRE DISTRICT
HIGHLAND COUNTY**

**SCHEDULE OF FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2010-001

MATERIAL NONCOMPLIANCE

Ohio Rev. Code, Section 5705.41(D), prohibits a subdivision or taxing unit from making any contract or giving any order involving the expenditure 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 encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

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 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.

Contrary to the above requirement of prior certification, the availability of funds was neither certified prior to incurring the obligation nor pursuant to the above mentioned exceptions for 100% of the expenditures tested for 2009. Failure to certify the availability of funds and encumber appropriations reduces management's ability to monitor available appropriations and can result in overspending funds and negative cash balances.

**FINDING NUMBER 2010-001
 (Continued)**

Unless the District uses the exceptions noted above, prior certification is not only required by statute but also 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 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 officials and employees obtain the Fiscal Officer's certification of the availability of funds prior to the commitment being incurred. 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 orders to the proper appropriation code to reduce the available appropriation.

FINDING NUMBER 2010-002

MATERIAL NONCOMPLIANCE

Ohio Revised Code, § 5705.36(A), provides in part that upon a determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in an official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations, the fiscal officer shall certify the amount of the deficiency to the commission, and the commission shall certify an amended certificate reflecting the deficiency.

Actual receipts were less than estimated receipts and the deficiency reduced available resources below the level of current appropriations in the following funds:

Fund	Available Resources (Beginning Fund Balance Plus Actual Receipts)	Appropriations	Variance
2010 Fire Levy Fund	\$45,035	\$48,554	\$(3,519)
2009 Fire Levy Fund	58,484	68,819	(10,335)

Over estimating receipts could result in spending more funds than received. When it is determined receipts are going to be less than originally estimated, an amended certificate should be obtained and appropriations reduced, if necessary. Also, each fund should be listed individually on the budgetary documents.

FINDING NUMBER 2010-003

MATERIAL NONCOMPLIANCE

Ohio Revised Code, § 5705.41(B), prohibits a subdivision from making an expenditure unless it has been properly appropriated. During 2009, expenditures exceeded appropriations as follows:

Fund	Appropriations	Expenditures	Variance
General Fund	\$66,746	\$117,110	\$(50,364)

**FINDING NUMBER 2010-003
(Continued)**

Failure to monitor budgetary expenditures and available appropriations can result in overspending funds and negative cash balances. The Board should monitor the budgetary receipts and expenditures by having the Fiscal Officer provide budgetary reports for their review. By regularly monitoring the budgetary position of the District throughout the year, the Board will be better able to determine when amendments are needed.

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

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Dave Yost • Auditor of State

SOUTHERN HIGHLAND JOINT FIRE DISTRICT

HIGHLAND 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
DECEMBER 13, 2011**