



Dave Yost • Auditor of State

**BIG WALNUT JOINT FIRE DISTRICT
MORROW COUNTY**

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Dave Yost • Auditor of State

Big Walnut Joint Fire District
Morrow County
P.O. Box 217
Marengo, Ohio 43334

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Big Walnut Joint Fire District, Morrow 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, 2012 and 2011, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management and the Board are responsible for complying with the compliance requirements. This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

This report only describes exceptions exceeding \$10.

Cash

1. We tested the mathematical accuracy of the December 31, 2012 and December 31, 2011 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2011 beginning fund balances recorded in the Check Register to the December 31, 2010 balances in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2012 beginning fund balances recorded in the Check Register to the December 31, 2011 balances in the Check Register. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2012 and 2011 fund cash balances reported in the Check Register. The amounts agreed.
4. We confirmed the December 31, 2012 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, 2012 bank reconciliation without exception.
5. We selected the reconciling debit (such as outstanding checks) haphazardly from the December 31, 2012 bank reconciliation:
 - a. We traced all but one debit to the subsequent January or February bank statement. We noted one outstanding check in the amount of \$30 did not clear the bank and was still outstanding as of June 30, 2013.
 - b. We traced the amounts and dates to the Check Register, to determine the debit was dated prior to December 31. We noted no exceptions.

Property Taxes, Intergovernmental and Other Confirmable Cash Receipts

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the *Statement*) for 2012 and one from 2011.
 - a. We traced the net receipts from the *Statement* to the amount recorded in the Receipt Journal. We noted the 2012 and 2011 property tax receipts selected were recorded at net rather than gross amounts. The fiscal officer should record property tax receipts at gross amounts and also record the related tax settlement fees as disbursements.
 - b. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We scanned the Receipt Journal to determine whether it included two real estate tax receipts for 2012 and 2011. We noted the Receipt Journal included the proper number of tax receipts for each year.
3. We selected all (4) receipts from the State Distribution Transaction Lists (DTL) from 2012 and all (5) from 2011. We also selected five receipts from the Morrow County Vendor Listing Detail Report from 2012 and five from 2011.
 - a. We compared the amount from the above reports to the amount recorded in the Receipt Journal. The amounts agreed.
 - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.
4. We confirmed the amounts paid from Chester Township and Harmony Township to the District for fire protection services during 2012 and 2011 with the Townships. We found no exceptions.
 - a. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. From the prior agreed-upon procedures documentation, we noted the following notes outstanding as of December 31, 2010. These amounts agreed to the District's January 1, 2011 balances on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2010:
2001 Fire Station Construction Note	\$303,930
2002 Fire Station Construction Note	\$25,672

2. We inquired of management, and scanned the Receipt Journal and Cash Journal for evidence of debt issued during 2012 or 2011 or debt payment activity during 2012 or 2011. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of note debt activity for 2012 and 2011 and agreed principal and interest payments from the related debt amortization schedules to General fund payments reported in the Cash Journal. We also compared the date the debt service payments were due to the date the District made the payments. We found no exceptions.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from the Paychex Payroll Journals for 2012 and one payroll check for five employees from 2011 from the Cash Journal and:
 - a. We compared the hours and pay rate, or salary recorded in the Cash Journal or Paychex Payroll Journal to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
 - c. We determined whether the account code to which the check was posted was reasonable based on the employees' duties as documented in the minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.

2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2012 to determine whether remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period of 2012. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2013	January 10, 2013	\$519.58	\$519.58
State income taxes	January 15, 2013	January 10, 2013	\$117.68	\$117.68
OPERS retirement	January 30, 2013	January 10, 2013	\$60	\$60

Non-Payroll Cash Disbursements

1. From the Cash Journal, we re-footed checks recorded as General Fund disbursements for *utilities*, for 2012. We found no exceptions.

2. We haphazardly selected ten disbursements from the Cash Journal for the year ended December 31, 2012 and ten from the year ended 2011 and determined whether:
 - a. The disbursements were for a proper public purpose. We found no exceptions.
 - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Cash Journal and to the names and amounts on the supporting invoices. We found no exceptions.

Non-Payroll Cash Disbursement (Continued)

- 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 eighteen instances where the certification date was after the vendor invoice date, and there was also no evidence that a *Then and Now Certificate* was issued. Ohio Rev. Code Section 5705.41(D) requires certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used. Because we did not test all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

Compliance – Budgetary

1. We compared the total estimated receipts from the *Certificate of the Total Amount From All Sources Available For Expenditures and Balances*, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Receipt Journal for the years ended December 31, 2012 and 2011. The amounts on the *Certificate* were not recorded in the accounting system for 2012 or 2011. The fiscal officer should promptly record the amounts on the *Certificate* to the District's accounting system. Furthermore, the fiscal officer should provide budget versus actual receipt reports to the Board for budgeting and monitoring purposes.
2. We scanned the appropriation measures adopted for 2012 and 2011 to determine whether the Trustees appropriated separately for "each office, department, and division, and within each, the amount appropriated for personal services," as is required by Ohio Rev. Code Section 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Rev. Code Sections 5705.38 and 5705.40, to the amounts recorded in the Cash Journal for 2012 and 2011. The amounts on the appropriation resolutions were not recorded in the Cash Journal for 2012 or 2011. The fiscal officer should promptly record the amount on the appropriation resolutions to the District's accounting system. Furthermore, the fiscal officer should provide budget versus actual expenditure reports to the Board for budgeting and monitoring purposes.
4. Ohio Rev. Code Sections 5705.36(A)(5) and 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the years ended December 31, 2012 and 2011. We noted appropriations did not exceed certified resources.
5. Ohio Rev. Code Section 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2012 and 2011 as recorded in the Cash Journal. We noted expenditures did not exceed appropriations.
6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We scanned the Receipt Journal for evidence of new restricted receipts requiring a new fund during December 31, 2012 and 2011. We also inquired of management regarding whether the District received new restricted receipts. We noted no evidence of new restricted receipts for which Ohio Rev. Code Section 5705.09 would require the District to establish a new fund.

Compliance – Budgetary (Continued)

7. We inquired of management and scanned the Cash Journal to determine whether the District elected to establish reserve accounts permitted by Ohio Rev. Code Section 5705.13. We noted the District did not establish these reserves.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the District's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management, those charged with governance, and others within the District, and is not intended to be, and should not be used by anyone other than these specified parties.

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
Columbus, Ohio

July 30, 2013

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BIG WALNUT JOINT FIRE DISTRICT

MORROW 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
AUGUST 20, 2013**