

**BATTLE RUN JOINT FIRE DISTRICT**

**MARION COUNTY**

**JANUARY 1, 2010 TO DECEMBER 31, 2011  
AGREED UPON PROCEDURES**

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# Dave Yost • Auditor of State

Board of Trustees  
Battle Run Joint Fire District  
P. O. Box 241  
Prospect, Ohio 43342

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Battle Run Joint Fire District, Marion County, prepared by Holbrook & Manter, for the period January 1, 2010 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Battle Run Joint Fire District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

September 28, 2012

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**INDEPENDENT ACCOUNTANTS' REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

Board of Trustees  
Battle Run Joint Fire District  
P.O. Box 241  
Prospect, Ohio 43342

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Battle Run Joint Fire District (the District) and the Auditor of State 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, 2011 and 2010, 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, 2011 and 2010 bank reconciliations.
  - No exceptions were noted during the testing of the bank reconciliations.

**Cash and Investments (continued)**

2. We agreed the January 1, 2010 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2009 balances in the prior year audited financial statements.
  - We found that the District's beginning fund balance was \$1,955 less than the prior year audited financial statements. This difference came from a prior year audit adjustment that was not recorded by the District during 2009 to increase the fund balance for revenue received, not properly recorded, in the amount of \$2,288. In addition, a 2009 check in the amount of \$333 was voided during 2010, back-posting to the year written. The net effect of these two transactions was the difference noted from the prior year audited financial statements and the beginning balance the District maintained in the UAN system. We recommend that the District make all audit adjustments proposed by the auditors so that the District's fund balances match the audited fund balances.

**Officials Response:** The fiscal officer will monitor this and make any necessary adjustments provided by the auditors in the future.

3. We agreed the totals per the bank reconciliations to the totals of the December 31, 2011 and 2010 fund cash balances reported in the Fund Status Reports.
  - The amounts agreed from the bank reconciliation to the Fund Status Report.
4. We confirmed the December 31, 2011 and 2010 bank account balances with the District's financial institutions and agreed the confirmed balances to the amounts appearing in the December 31, 2011 and 2010 bank reconciliations.
  - The confirmed balances on the checking account agreed to those amounts within the bank reconciliation, and no exceptions were noted.
5. We selected all reconciling debits (such as outstanding checks) from the December 31, 2011 bank reconciliation and traced each debit appearing in the subsequent January bank statement. We also traced the amounts and date written to the check register, to determine that the debits were dated prior to December 31.
  - We found no exceptions when testing the reconciling debits.
6. We selected all reconciling credits (such as deposits in transit) from the December 31, 2011 bank reconciliation and traced each credit to the subsequent January bank statement and agreed the credit amounts to the Receipts Register. Each credit was recorded as a December receipt for the same amount recorded in the reconciliation.
  - We found no exceptions when testing the reconciling credits.
7. We tested interbank account transfers occurring in December 31, 2011 and 2010 to determine if they were properly recorded in the accounting records and on each bank reconciliation.
  - We found no exceptions when testing interbank transfers.

**Cash and Investments (continued)**

8. We tested investments held at December 31, 2011 and 2010 to determine that they were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144 and matured within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14.
  - We found no exceptions when testing investments.

**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 2011 and one from 2010 and traced the gross receipts from the *Statement* to the amount recorded in the Receipt Register Report, determined whether the receipt was allocated to the proper fund(s) as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10, and determined whether the receipt was recorded in the proper year.
  - We found no exceptions during our testing of the County receipts.
2. We scanned the Receipt Register Report to determine whether it included the proper number of tax receipts for 2011 and 2010 which includes two real estate tax receipts.
  - We found no exceptions during our testing of receipts.
3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2011 and all receipts from 2010 and compared the amount from the DTL to the amount recorded in the Receipt Register Report. We also determined whether these receipts were allocated to the proper funds and whether the receipts were recorded in the proper year.
  - We found no exceptions during our testing of the State receipts.
4. We also selected all receipts from the County Auditor's DTLs from 2011 and all receipts from 2010 and compared the amounts from the DTL to the amounts recorded in the Receipt Register Report. We also determined whether these receipts were allocated to the proper funds and whether the receipts were recorded in the proper year.
  - We noted that when recording receipts the wrong name was often associated with the receipts being recorded causing the comparison to be difficult. One tangible personal property receipt in 2010 was posted to an improper line item within UAN. Also, during 2010, a 2009 receipt was posted to the revenue ledger. An audit adjustment was proposed during the prior audit to correct the error; however, the adjustment was never recorded by the District.

**Officials Response:** Moving forward, the fiscal officer will carefully enter the receipts to the proper line items and the Trustee's will review them for accuracy at the monthly board meetings.

### Charges for Services

1. We confirmed the amounts paid from Ohio Billings, Inc. and MBI Solutions, Inc., the service organizations that performed the emergency medical billings, to the District during 2011 and 2010. We also determined whether these receipts were allocated to the proper funds and recorded in the proper year.
  - We found no exceptions during our testing for the 2010 year. However, during 2011, we noted seven receipts where the monies were received directly by the District and never reported to MBI Solutions, Inc.

**Officials Response:** The fiscal officer will submit all copies of receipt detail more timely to the service organization.

### Debt

1. From the prior audit documentation, we noted the following debt outstanding as of December 31, 2009. The amounts agreed to the Districts January 1, 2010 balances on the summary we used in Step 3.

<u>Issue</u>	<u>Principal outstanding as of December 31, 2009</u>
2009 Building Loan	\$ 167,357

2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2011 or 2010 or payment activity during 2011 or 2010.
  - All debt noted agreed to the summary we used in Step 3.
3. We obtained a summary of loan debt activity for 2011 and 2010 and agreed principal and interest payments from the related debt amortization schedule to general fund payments reported in the Payment Register Detail Report. We also compared the date the debt service payments were due to the date the District made the payments.
  - We found no exceptions during the debt testing.

### Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2011 and one payroll check for five employees from 2010 from the Employee Detail Adjustment Report and tested the following attributes:



**Payroll Cash Disbursements (continued)**

- We compared the hours and pay rate, or salary recorded in the Employee Detail Adjustment Report to supporting documentation (timecard, legislatively or statutorily approved rate or salary)
  - We determined whether the account code(s) to which the check was posted was reasonable based on the employees’ duties as documented in the employees’ personnel files and time records and determined whether the payment was posted to the proper year.
  - No exceptions were noted during our testing of payroll cash disbursements.
2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2011 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 2011. We noted the following:

<b>Withholding</b> (Plus employer share where applicable)	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income tax & Medicare	January 31, 2012	December 30, 2011	609.80	609.80
State income taxes	January 15, 2012	December 30, 2011	64.67	64.67
School district income taxes	January 31, 2012	December 30, 2011	30.07	30.07
OPERS retirement	January 30, 2012	December 30, 2011	468.01	468.01

- No exceptions were noted during the testing of the withholdings and all payments tested appeared to be made timely.

**Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2011 and ten from the year ended 2010 to determine the following:
- The disbursements are for a proper public purpose.
  - 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.
  - 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 no exceptions during our testing of disbursements.

## Compliance-Budgetary

1. We compared the total estimated receipts from the Amended 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 years ended December 31, 2011 and 2010.
  - The amounts on the Certificate differed from the amounts recorded in the accounting system for both 2010 and 2011. In 2010, the Revenue Status Report recorded budgeted (i.e. certified) resources of \$228,616. However, the final Amended Official Certificate of Estimated Resources reflected \$516,607. In 2011, the Revenue Status Report recorded budgeted (i.e. certified) resources of \$229,578. However, the final Amended Official Certificate of Estimated Resources reflected \$219,887. 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.

**Official's Response** - The fiscal officer will continue to monitor and issue an amended certificate as deemed necessary.

2. We scanned the appropriation measures adopted for 2011 and 2010 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 when comparing appropriation measures to Trustee salaries for personal services.
3. We compared the total appropriations required by Ohio Rev. Code Section 5705.38 and 5705.40 to the amounts recorded in the Appropriation Status Report for 2011 and 2010.
  - There were differences noted during both 2010 and 2011. In 2010, the Appropriation Status Report recorded budgeted appropriations of \$286,050 for 2010; however, the final Amended Annual Appropriation Resolution reflected \$248,050. In 2011, the Appropriation Status Report recorded budgeted appropriations of \$314,074 for 2011; however, the final Amended Annual Appropriation Resolution reflected \$315,264. The fiscal officer should periodically compare amounts recorded in the Appropriation Status Report to amounts recorded on the Amended Annual Appropriation Resolution to assure they agree. If the amounts do not agree, the Trustees may be using inaccurate information for budgeting and monitoring purposes.

**Officials Response:** The District is aware of these issues and will properly adjust the Appropriation Resolution with the County in the future when making changes in UAN.

4. Ohio Rev. Code Section 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, 2011 and 2010.
  - We noted no exceptions when comparing appropriations to certified resources.

### **Compliance-Budgetary (continued)**

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, 2011 and 2010, as recorded in the Appropriation Status Report.
  - We noted no exceptions where expenditures exceeded appropriations.
6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We scanned the Receipts Register Report for evidence of new restricted receipts requiring a new fund during December 31, 2011 and 2010. 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.
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; therefore, no exceptions were noted.

### **Compliance-Contracts & Expenditures**

1. We inquired of management and scanned the Payment Register Detail report for the years ended December 31, 2011 and 2010 for procurements requiring competitive bidding under the following statutes:
  - 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 \$50,000.
  - We identified no purchases exceeding \$50,000 which would be 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, those charged with governance, the Auditor of State, and others within the District, and is not intended to be, and should not be used by anyone other than these specified parties.

*Shullbrook & Mante*

Certified Public Accountants

July 17, 2012



# Dave Yost • Auditor of State

**BATTLE RUN JOINT FIRE DISTRICT**

**MARION 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  
OCTOBER 11, 2012**