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Certified Public Accountants, A.C.

**TRI-COUNTY JOINT FIRE DISTRICT
MADISON COUNTY
Agreed-Upon Procedures
For the Years Ended December 31, 2016 & 2015**

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Tax – Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll
Litigation Support – Financial Investigations

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- Association of Certified Anti - Money Laundering Specialists •



Dave Yost • Auditor of State

Board of Trustees
Tri-County Joint Fire District
P.O. Box 235
Mount Sterling, OH 43143

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Tri-County Joint Fire District, Madison County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the period January 1, 2015 through December 31, 2016. Based upon this review, we have accepted this report 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 Tri-County 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

July 19, 2017

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TRI-COUNTY JOINT FIRE DISTRICT
MADISON COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

June 27, 2017

Tri-County Joint Fire District
Madison County
P.O. Box 235
Mount Sterling, OH 43143

To the Board of Trustees:

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of **Tri-County Joint Fire District**, Madison County, Ohio (the District) and the Auditor of State agreed, on the receipts, disbursements and balances recorded in the Districts cash basis accounting records for the years ended December 31, 2016 and 2015 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the District. The District is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2016 and 2015 and certain compliance requirements related to these transactions and balances included in the information provided to us by the District. 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 recalculated the December 31, 2016 and December 31, 2015 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2015 beginning fund balance recorded in the 2015 Financial Statement to the December 31, 2014 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2016 beginning fund balance recorded in the 2016 Financial Statement to the December 31, 2015 balances in the 2015 Financial Statement. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2016 and 2015 fund cash balances reported in the Financial Statements. The amounts agreed.

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Cash (Continued)

4. We confirmed the December 31, 2016 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, 2016 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2016 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. There were no exceptions.

Property Taxes, Intergovernmental and Other Confirmable Cash Receipts

1. We haphazardly selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the *Statement*) for 2016 and one from 2015.
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Journal. The District improperly recorded the receipt at net instead of gross in 2016 and 2015. We noted no other exceptions.
 - b. We inspected the Receipt Journal to confirm 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 inspected the Receipt Journal to confirm the receipt was recorded in the proper year. The receipt was recorded in the proper.
2. We scanned the Receipt Journal to determine whether it included two real estate tax receipts for 2016 and 2015. We noted the Receipt Journal included the proper number of tax receipts for each year.
3. We haphazardly selected five receipts from the State Distribution Transaction Lists (DTL) from 2016 and five from 2015. We also haphazardly selected five receipts from the Madison County Audit Trail by Vendor from 2016 and five from 2015.
 - a. We compared the amount from the above reports to the amount recorded in the Receipt Journal. The amounts agreed.
 - b. We inspected the Receipt Journal to determine whether these receipts were allocated to the proper fund. We found no exceptions.
 - c. We inspected the Receipt Journal to determine whether the receipts were recorded in the proper year. We found no exceptions.
4. We confirmed the amounts paid from Madison Township, Fayette County, Ohio and Monroe Township, Pickaway County, Ohio for fire services to the District during 2016 and 2015 with each Township. We found no exceptions.
 - a. We inspected the Receipt Journal to determine whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We inspected the Receipt Journal to determine whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2014.
2. We inquired of management, and inspected the Receipt Journal and Appropriation Ledger for evidence of debt issued during the 2016 or 2015 or debt payment activity during 2016 or 2015. There were no new debt issuances, nor any debt payment activity during 2016 or 2015.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2016 and one payroll check for five employees from 2015 from the Payroll Record:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Record to supporting documentation (timecard, legislatively 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 Record. We found no exceptions.
 - c. We inspected the Appropriation Ledger to determine the fund and account codes to which the check was posted were reasonable based on the employees' duties as documented in the minute record. We also confirmed the payment was posted to the proper year. We found no exceptions.
2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2016 to confirm 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 2016. We observed 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, 2017	December 30, 2016	\$ 3,526.06	\$ 3,526.06
State income taxes	January 15, 2017	January 3, 2017	\$ 508.72	\$ 508.72
Local Income tax	January 30, 2017	January 3, 2017	\$ 175.87	\$ 175.87
OPERS retirement	January 30, 2017	December 30, 2016	\$ 256.80	\$ 256.80
OP&F retirement	January 31, 2017	December 30, 2016	\$ 6,279.38	\$ 6,279.38

Non-Payroll Cash Disbursements

1. From the Appropriation Ledger, we re-footed checks recorded as General Fund disbursements for *utilities*, for 2016. We found no exceptions.

Non-Payroll Cash Disbursements (Continued)

2. We haphazardly selected ten disbursements from the Appropriation Ledger Report for the year ended December 31, 2016 and ten from the year ended 2015 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 Appropriation Ledger Report and to the names and amounts on the supporting invoices. We found no exceptions.
 - c. 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.
 - d. 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.

Compliance – Budgetary

1. We compared the total estimated receipts from the *Certificate of the Amended Official Certificate of Estimated Resources*, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Receipt Journal for the years ended December 31, 2016 and 2015. The Receipt Journal recorded budgeted resources of \$610,341 for 2016. However the final *Amended Official Certificate of Estimated Resources* reflected \$635,341. The fiscal officer should periodically compare amounts recorded in the Receipt Journal 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 inspected the appropriation measures adopted for 2016 and 2015 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 Appropriation Ledger for 2016 and 2015 for the General Fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Ledger.
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 General Fund for the years ended December 31, 2016 and 2015. There were no funds for which appropriations exceeded 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, 2016 and 2015 for the General Fund as recorded in the Appropriation Ledger. There were no funds for which expenditures exceeded appropriations.
6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We inspected the Receipt Journal for evidence of new restricted receipts requiring a new fund during December 31, 2016 and 2015. We also inquired of management regarding whether the District received new restricted receipts. We observed 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. For funds existing in prior years, inspect the fund activity to determine whether the fund is still being used for the statutorily approved purpose and that all the required funds were established. All the required funds were established and no funds for which the statutorily approved purpose was no longer valid were included on the accounting records.
8. We inspected the 2016 and 2015 Receipt Journal and Appropriation Ledger for evidence of interfund transfers exceeding \$1,000 which Ohio Rev. Code Sections 5705.14 - .16 restrict. We found no evidence of transfers these Sections prohibit, or for which Section 5705.16 would require approval by the Tax Commissioner and Court of Common Pleas.
9. We inquired of management and inspected the Appropriation Ledger Reports to determine whether the District elected to establish reserve accounts permitted by Ohio Rev. Code Section 5705.13. The District did not establish these reserves.
10. We inspected the Cash Journal for the years ended December 31, 2016 and 2015 for negative cash fund balance. Ohio Rev. Code Section 5705.10 (I) provides that money paid into a fund must be used for the purposes for which such fund is established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another. There were no funds having negative cash fund balances.

Other Compliance

1. Ohio Rev. Code Section 117.38 requires entities to file their financial information in the HINKLE system within 60 Days after the close of the fiscal year. We confirmed the District filed their complete financial statements, as defined by AOS Bulletin 2016-007, within the allotted timeframe for the years ended December 31, 2016 and 2015. There were no exceptions. However, we noted the District selected GAAP as their filing type instead of regulatory. We recommend the District ensure the correct filing type is selected.

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

This report is for the use of the District to assist in evaluating it's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2016 and 2015, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio



Dave Yost • Auditor of State

TRI-COUNTY JOINT FIRE DISTRICT

MADISON 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 1, 2017**