



Certified Public Accountants, A.C.

**NORTHERN UNION COUNTY
JOINT FIRE AND EMS DISTRICT
UNION COUNTY
Agreed-Upon Procedures
For the Years Ended December 31, 2017 and 2016**

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104 South Sugar St.
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740.435.3417

www.perrycpas.com



Dave Yost • Auditor of State

Board of Trustees
Northern Union County Fire & EMS District
602 North Franklin Street
Richwood, Ohio 43344

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Northern Union County Fire & EMS District, Union County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the period January 1, 2016 through December 31, 2017. 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 Northern Union County Fire & EMS 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 18, 2018

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NORTHERN UNION COUNTY JOINT FIRE AND EMS DISTRICT
UNION COUNTY

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Independent Accountants' Report on Applying Agreed-Upon Procedures.....	1

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

June 15, 2018

Northern Union County Joint Fire and EMS District
Union County
602 North Franklin Street
Richwood, OH 43344

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of **Northern Union County Joint Fire and EMS District**, Union County (the District) and the Auditor of State, on the receipts, disbursements and balances recorded in the District's cash basis accounting records for the years ended December 31, 2017 and 2016 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, 2017 and 2016 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 and Investments

1. We recalculated the December 31, 2017 and December 31, 2016 bank reconciliations. The District's bank reconciliation investment bank account balance reflected \$219,734.98 in 2017 and \$219,734.98 in 2016. However, the financial institution reflected a balance of \$224,174.45 and \$221,946.64, respectively. We noted this difference was due to accrued interest not recorded in the accounting system. We also noted Other Adjusting Factors consisted of outstanding items greater than one year old. We recommend the District investigate old outstanding items and take appropriate action. We found no other exceptions.
2. We agreed the January 1, 2016 beginning fund balances recorded in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances to the December 31, 2015 balances in the documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2017 beginning fund balances recorded in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances to the December 31, 2016 balances in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances. We found no exceptions.

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Cash and Investments (Continued)

3. We agreed the totals per the bank reconciliations to the total of the December 31, 2017 and 2016 fund cash balances reported in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances. The amounts agreed.
4. We confirmed the December 31, 2017 bank account balances with the District's financial institution. We also agreed the confirmed balances to the amounts appearing in the December 31, 2017 bank reconciliation. The financial institution's account balance for investments was \$224,174.45 however the District's recorded cash balance was \$219,734.98.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2017 bank reconciliation:
 - a. We traced each debit to the subsequent January and February bank statements. We found no exceptions. However, we noted the District had \$11,710.36 in outstanding items that were greater than one year old. We recommend the District investigate old outstanding items and take appropriate action.
 - 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.
6. We inspected investments held at December 31, 2017 and December 31, 2016 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We found no exceptions.
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. There were no exceptions.

Property Taxes and Intergovernmental Receipts

1. We haphazardly selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2017 and one from 2016:
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Revenue Ledger. The amounts agreed.
 - b. We inspected the Revenue Ledger 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 Revenue Ledger to confirm whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We inspected the Revenue Ledger to determine whether it included two real estate tax receipts for 2017 and 2016. The Revenue Ledger included the proper number of tax receipts for each year.
3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2017 and five from 2016. We also selected all receipts from the Union County Checks Browse Report from 2017 and all from 2016.
 - a. We compared the amount from the above reports to the amount recorded in the Revenue Ledger. The amounts agreed.
 - b. We inspected the Revenue Ledger to determine that these receipts were allocated to the proper funds. We found no exceptions. However, it was noted Property Tax Rollback receipts were posted to Property tax receipts instead of Intergovernmental receipts in 2017 and 2016. We also noted a state grant was improperly classified as Other Financing Sources instead of Intergovernmental in 2017.
 - c. We inspected the Revenue Ledger Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Charges for Services

1. We confirmed the amounts paid from Lifeforce Management, Inc., the service organization that performs the emergency medical service billings, to the District during 2016 and 2017 with the Revenue Ledger. We noted a variance of \$2,150 in 2016 and \$50 in 2017 between Lifeforce Management, Inc.'s confirmation and the District's Revenue Ledger. We found no other exceptions.
 - a. We inspected the Revenue Ledger to determine whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We inspected the Revenue Ledger to determine whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2015.
2. We inquired of management, and inspected the Revenue Ledger and Payment Register Detail Report for evidence of debt issued during 2017 or 2016 or debt payment activity during 2017 or 2016. There were no new debt issuances, nor any debt payment activity during 2017 or 2016.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2017 and one payroll check for five employees from 2016 from the Wage Detail Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Wage Detail Report to supporting documentation (timecard, legislatively approved rate or salary). In 2016, we found one instance where an employee was paid for nine hours more than the hours recorded on his timecard. In 2017, the District was unable to provide employee timesheets for the employees selected for testing. However, the District did supply bi-weekly payroll records from a separate payroll system to support hours paid. This report is generated after the Fire Chief enters time from the employee's timecard. We recommend the District maintain manual timecards to support hours paid. Because we did not compare all timecards, our report provides no assurance whether or not other similar errors occurred.
 - b. We inspected the Wage Detail Report to determine the account code to which the check was posted were reasonable based on the employees' duties as documented in employee's personnel files and/or 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, 2017 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 2017. 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 15, 2018	January 18, 2018	\$8,751.85	\$8,751.85
State income taxes	January 15, 2018	February 1, 2018	\$935.55	\$935.55
Local income tax	January 31, 2018	February 5, 2018	\$1.63	\$1.63
OPERS retirement	January 31, 2018	January 16, 2018	\$904.78	\$904.78
School Income tax	January 15, 2018	February 1, 2018	\$307.60	\$307.60

As noted above, the District did not remit Federal, State, Local, and School taxes by the required due date.

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Appropriation Ledger for the year ended December 31, 2017 and ten from the year ended 2016 and determined whether:
 - a. The disbursements were for a proper public purpose. We found two instances where the District was unable to provide itemized receipts for credit card purchases. Based on review of the statements and vendors listed, the disbursements appeared reasonable for District business. We also noted the District was charged interest and penalties for late payments on credit card purchases. Because we did not inspect all disbursements, our report provides no assurance whether or not additional similar errors occurred.
 - 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 and to the names and amounts on the supporting invoices. We found no exceptions.
 - 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 one instance 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 inspect 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 *Official 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 General fund for the years ended December 31, 2017 and 2016. The amounts agreed.
2. We inspected the appropriation measures adopted for 2017 and 2016 to determine whether, for the General fund, 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.

Compliance – Budgetary (Continued)

3. We compared total appropriations required by Ohio Rev. Code Sections 5705.38 and 5705.40, to the amounts recorded in the Appropriation Status Report for 2017 and 2016 for the following fund: General fund. The amount on the appropriation resolution agreed to the amount recorded in the Appropriation Status Report.
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, 2017 and 2016. 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, 2017 and 2016 for the General fund, as recorded in the Appropriation Status Report. There were no funds for which expenditures exceeded appropriations.
6. Ohio Rev. Code Section 5705.09 requires establishing segregate funds to segregate externally-restricted resources. We inspected the Revenue Ledger for evidence of new restricted receipts requiring a new fund during December 31, 2017 and 2016. 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.
7. For funds existing in prior years, we inspected the fund activity to determine whether the fund was 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 inquired of management and inspected the Appropriation Status 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.
9. We inspected the Cash Summary by Fund Report for the years ended December 31, 2017 and 2016 for negative cash fund balances. 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

Ohio Rev. Code Section 117.38 requires Districts to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies, in addition to filing extensions granted for extenuating circumstances, allow for refiling complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System for December 31, 2017 and 2016 fiscal year ends included in 2015-2016 or 2016-2017 agreed upon procedure engagements, subsequent to the District's deadline where the initial filing was filed on time but incomplete. We confirmed the District filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy, within the allotted timeframe for the years ended December 31, 2017 and 2016 in the Hinkle system. There were no exceptions.

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 to provide assistance in the evaluation of the District's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2017 and 2016, 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

NORTHERN UNION COUNTY JOINT FIRE AND EMS DISTRICT

UNION 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 2, 2018**