

428 Second St.  
Marietta, OH 45750  
740.373.0056

1035 Murdoch Ave.  
Parkersburg, WV 26101  
304.422.2203

104 South Sugar St.  
St. Clairsville, OH 43950  
740.695.1569



Certified Public Accountants, A.C.

**FREDERICKTOWN COMMUNITY FIRE DISTRICT  
KNOX COUNTY  
Agreed-Upon Procedures Report  
For the Years Ended December 31, 2015 and 2014**

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- Association of Certified Anti - Money Laundering Specialists •





# Dave Yost • Auditor of State

Board of Trustees  
Fredericktown Community Fire District  
139 Columbus Road  
Fredericktown, Ohio 43019

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Fredericktown Community Fire District, Knox County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the period January 1, 2014 through December 31, 2015. 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 Fredericktown Community 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

June 23, 2016

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FREDERICKTOWN COMMUNITY FIRE DISTRICT  
KNOX COUNTY

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

June 7, 2016

Fredericktown Community Fire District  
139 Columbus Road  
Fredericktown, Ohio 43019

To the Board of Trustees:

We have performed the procedures enumerated below, with which the Board of Trustees and the management of **Fredericktown Community Fire District**, Knox County, Ohio (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, 2015 and 2014, 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, 2015 and December 31, 2014 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2014 beginning fund balance recorded in the Balance Sheet to the December 31, 2013 balance in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2015 beginning fund balance recorded in the Balance Sheet to the December 31, 2014 balance in the Balance Sheet. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2015 and 2014 fund cash balance reported in the Balance Sheet. The amounts agreed.
4. We confirmed the December 31, 2015 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, 2015 bank reconciliation without exception.

...*"bringing more to the table"*

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### **Cash (Continued)**

5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2015 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. 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 2015 and one from 2014:
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Profit and Loss Detail Report. The amounts agreed.
  - b. We determined whether the receipt was allocated to the proper funds as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. We found no exceptions.
  - c. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We scanned the Profit and Loss Detail Report to determine whether it included two real estate tax receipts for 2015 and 2014. We noted the Profit and Loss Detail Report included the proper number of tax receipts for each year.
3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2015 and all from 2014. We also selected all receipts from the Knox County Voucher Inquiry Report from 2015 and all from 2014.
  - a. We compared the amount from the above reports to the amount recorded in the Profit and Loss Detail Report. The amounts agreed.
  - b. We determined whether these receipts were allocated to the proper funds. We found no exceptions.
  - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

### **Other Over-The-Counter Cash Receipts**

We haphazardly selected all over-the-counter cash receipts from the year ended December 31, 2014 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Profit and Loss Detail Report. The amounts agreed.
- b. Receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions. However, we noted the District incurred a fee in relation to the sale of a fire truck and recorded this expense as an offset to the revenue, thus understating revenues and expenses.

### **Debt**

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2013.
2. We inquired of management, and scanned the Profit and Loss Detail Report for evidence of debt issued during 2015 or 2014 or debt payment activity during 2015 or 2014. We noted no new debt issuances, nor any debt payment activity during 2015 or 2014.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2015 and one payroll check for five employees from 2014 from the Payroll Summary Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Summary Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
  - b. We determined whether the account codes to which the check was posted were 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, 2015 to determine whether the remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employers share, where applicable, during the final withholding period of 2015. 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, 2016	December 31, 2015	\$ 1,941.70	\$ 1,941.70
State income taxes	January 15, 2016	January 4, 2016	\$ 292.43	\$ 292.43
Local income tax	January 15, 2016	December 31, 2015	\$ 236.33	\$ 236.33
OPERS retirement	January 30, 2016	December 31, 2015	\$ 549.36	\$ 549.36

**Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the Check Register for the year ended December 31, 2015 and ten from the year ended 2014 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 Check Register 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 no exceptions.

### Compliance – Budgetary

1. We attempted to compare the total estimated receipts from the amounts on 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 Profit and Loss Detail Report; however, the District did not record budgeted (i.e. certified) resources for 2015 or 2014 in Quickbooks. Ohio Admin. Code 117-2-02(C)(1) states in part that all local public offices should integrate the budgetary accounts, at the legal level of control or lower, into the financial accounting system. This means designing an accounting system to provide ongoing and timely information on unrealized budgetary receipts and remaining uncommitted appropriation balances. The Clerk should record budget resources and periodically compare amounts recorded in the Profit and Loss Detail Report to amounts recorded on the *Certificate of the Total Amount From All Sources Available for Expenditures and Balances* to assure they agree. If the amounts do not agree, the Board may be using inaccurate information for budgeting and monitoring purposes. We recommend that the District record the budgeted amounts in the Profit and Loss Detail Report and compare the amounts to the *Certificate of the Total Amount From All Sources Available For Expenditures and Balances*, and use this as a tool to monitor estimated receipts versus actual receipts throughout the year.
2. We scanned the appropriation measures adopted for 2015 and 2014 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 Section 5705.38 and 5705.40, to the amounts recorded in the District Budget Report for 2015 and 2014. The amounts per the appropriation resolutions agreed to the amounts recorded in the District Budget 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 years ended December 31, 2015 and 2014. We noted 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, 2015 and 2014, as recorded in the District Budget Report. We noted no funds for which expenditures exceeded appropriations.
6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We scanned the Revenue Ledger for evidence of new restricted receipts requiring a new fund during December 31, 2015 and 2014. 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 District Budget Report 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.
8. We scanned the District Budget Report for the years ended December 31, 2015 and 2014 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. We noted no negative cash fund balances.

### **Other Compliance**

1. Ohio Rev. Code Section 117.38 requires entities to file their financial information in the HINKLE system formerly known as the Annual Financial Data Reporting System (AFDRS) within 60 days after the close of the fiscal year. We reviewed AFDRS to verify the District filed their financial information within the allotted timeframe for the years ended December 31, 2015 and 2014. We noted the District did not file notes as a required portion of the annual financial reporting in 2015. The District also chose GAAP as its filing type when it should have chosen the regulatory basis. No other exceptions noted.

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.



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

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# Dave Yost • Auditor of State

**FREDERICKTOWN COMMUNITY FIRE DISTRICT**

**KNOX 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  
JULY 12, 2016**