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Certified Public Accountants, A.C.

**INDIAN JOINT FIRE DISTRICT
LOGAN COUNTY
Agreed-Upon Procedures
For the Years Ended December 31, 2015 and 2014**

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...“bringing more to the table”

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

Members: American Institute of Certified Public Accountants

- Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners •
- Association of Certified Anti - Money Laundering Specialists •



Dave Yost • Auditor of State

Board of Trustees
Indian Joint Fire District
P O Box 61
Russells Point, OH 43348

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Indian Joint Fire District, Logan 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 Indian 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 27, 2016

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**INDIAN JOINT FIRE DISTRICT
LOGAN COUNTY**

TABLE OF CONTENTS

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



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

June 24, 2016

Indian Joint Fire District
Logan County
P O Box 61
Russells Point, OH 43348

To the Board of Trustees:

We have performed the procedures enumerated below, with which the Board of Trustees and the management of **Indian Joint Fire District**, Logan 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 and Investments

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 balances recorded in the Monthly Revenue Statement to the December 31, 2013 balances in the documentation in the prior year audited statements. We found a difference of \$2,196 from the audited financial statements year ended December 31, 2013 and the beginning fund balance January 1, 2014. We also agreed the January 1, 2015 beginning fund balances recorded in the Monthly Revenue Statement to the December 31, 2014 balances in the Monthly Revenue Statement. 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 balances reported in the Monthly Revenue Statements. The amounts agreed.



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

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Cash and Investments (Continued)

4. We confirmed the December 31, 2015 and 2014 bank account balances with the District's financial institution. We noted the following exceptions, the 2015 and 2014 bank confirmations had a difference of \$10.79 and \$65.70, respectively from the District's reported balance related to a certificate of deposit. We also agreed the confirmed balances to the amounts appearing in the December 31, 2015 and 2014 bank reconciliations with the same exceptions.
5. We selected all reconciling debits (such as outstanding checks) from the December 31, 2015 and five from the December 31, 2014 bank reconciliation:
 - a. We traced each debit to the subsequent January and February bank statements. We found the following exceptions; there was one outstanding check listed on December 31, 2014, that had actually cleared the bank in November 2014. There were two outstanding checks listed on December 31, 2015, one of which has still not cleared the bank and the other was lost and was voided and reissued and cleared the bank in May 2015. We found no other 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.
6. We tested investments held at December 31, 2015 and December 31, 2014 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. 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 Monthly Revenue Statement. The amounts did not agree because property tax receipts are being recorded at net.
 - b. We determined whether 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 determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We scanned the Monthly Revenue Statements to determine whether it included two real estate tax receipts for 2015 and 2014. We noted the Monthly Revenue Statements 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 five receipts from the County Auditor's Vendor Payments by Vendor Number report from 2015 and five from 2014.
 - a. We compared the amount from the above reports to the amount recorded in the Monthly Revenue Statement. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper fund. We found no exceptions. However, we noted all receipts tested were recorded as Taxes and Other Sources rather than Intergovernmental Receipts.
 - c. We determined 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, 2013
2. We inquired of management, and scanned the Monthly Revenue Statement and Monthly Expense Statement for evidence of debt issued during 2015 or 2014 or debt payment activity during 2015 or 2014. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of loan activity for 2015 and 2014 and agreed principal and interest payments from the related debt amortization schedule to the General Fund payments reported in the Monthly Expense Statement. We also compared the date the loan payments were due to the date the District made the payments. We found the District paid off the debt early in October 2015. No exceptions noted.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the General fund per the Monthly Revenue Statements. The amounts agreed.
5. For new debt issued during 2014 and 2015, we inspected the debt legislation, noting the District must use the proceeds to build a new storage building. We scanned the Monthly Expense Statements and noted the District completed the new storage building in 2015.

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 Report:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Report 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 the following exceptions; the December 2015 payroll Medicare taxes were incorrectly calculated and withheld. We found no other exceptions.
 - c. We determined whether the fund and account codes to which the check was posted were reasonable based on the employees' duties as documented in the minute record or as required by statute. 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, 2014 and 2015 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 2014 and 2015. We noted the following:

Payroll Cash Disbursements (Continued)

| 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 | N/A | Estimated \$1,404.67 for 2015 | \$ 0.00 |
| State income taxes | January 15, 2016 | January 4, 2016 | \$55.30 | \$ 55.30 |
| Local income tax | January 20, 2016 | January 14, 2016 | \$103.40 | \$ 103.40 |
| OPERS retirement | January 30, 2016 | December 17, 2015 | \$143.18 | \$ 143.18 |

We found no record of Federal income taxes & FICA payments being made for 2015. The estimated amount in the above table is based on gross payroll for the fourth quarter of 2015. We also noted the fiscal officer incorrectly calculated the withholding amount for social security and Medicare taxes in 2015.

Non-Payroll Cash Disbursements

1. From the Monthly Expense Report, we re-footed checks recorded as General Fund disbursements for Salaries, for 2015. We found no exceptions.
2. We haphazardly selected ten disbursements from the Payment Register Detail Report 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 Payment Register Detail 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 6 instances where the certification date was after the vendor invoice date, and there was 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 Amended Official Certificate of Estimated Resources*, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Monthly Revenue Statement for the years ended December 31, 2015 and 2014. The District does not maintain a ledger or report with budgeted receipts. The fiscal officer should create a budget for receipts and periodically compare amounts recorded in the budgeted receipts 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 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 Sections 5705.38 and 5705.40, to the amounts recorded in the Budget Appropriation Report for 2015 and 2014. The amounts on the appropriation resolutions did not agree to the amounts recorded in the Budget Appropriation Report. The Budget Appropriation Report amounts exceeded appropriations by \$ 172,098 in 2014 and appropriations exceeded amounts in the Budget Appropriation Report by \$ 137,000 in 2015.
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 appropriations exceeded certified resources in 2015 by \$20,961
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 Monthly Expense Statement. 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 Receipt Register Report 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 scanned the 2015 and 2014 Monthly Revenue Statements and Monthly Expense Statements 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.
8. We inquired of management and scanned the Monthly Expense 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.

Compliance – Budgetary (Continued)

9. We scanned the Cash Summary by Fund 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 funds having a negative cash fund balance.

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 the AFDRS to verify the District filed their financial information within the allotted timeframe for the years ended December 31, 2015 and 2014. There was no indication that the 2014 financial information was filed. We noted the 2015 filing did not contain expenses and notes.

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

INDIAN JOINT FIRE DISTRICT

LOGAN 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 9, 2016**