



Dave Yost • Auditor of State

MADISON-JEFFERSON JOINT FIRE DISTRICT
JACKSON COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Madison-Jefferson Joint Fire District
Jackson County
P.O. Box 378
Oak Hill, Ohio 45656

We have performed the procedures enumerated below, with which the Board of Trustees and the management of the Madison-Jefferson Joint Fire District, Jackson County, Ohio (the District), 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 balance recorded in the General Transaction Ledger 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 General Ledger to the December 31, 2014 balance in the General Transaction Ledger. 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 General Transaction Ledger. 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.
5. We selected all reconciling debits (such as outstanding checks) from the December 31, 2015 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. Check number 4617 has not cleared the bank as of April 22, 2016.
 - 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.

Cash and Investments (Continued)

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 §§ 135.13, 135.14 or 135.144. We found no exceptions.
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code §§ 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 General Transaction Ledger. The District recorded these receipts in the net amounts resulting in receipts and disbursements being understated by \$2,945 in 2015 and \$3,690 in 2014. The Fiscal Officer should record property tax receipts at gross with a corresponding expenditure for the deductions.
 - b. We determined whether the receipt was allocated to the proper fund as required by Ohio Rev. Code §§ 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 General Transaction Report to determine whether it included two real estate tax receipts for 2015 and 2014. We noted the General Transaction Report included the proper number of tax receipts for each year.
3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2015 and five from 2014.
 - a. We compared the amount from the above report to the amount recorded in the General Transaction Report. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper fund. We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.
4. We confirmed the amounts paid from the Green Township Fire Department and Hoehne Fire Department during 2015 and from the Village of Oak Hill during 2015 and 2014. We found no exceptions.
 - a. We determined whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. From the prior audit documentation, we noted the following loan outstanding as of December 31, 2013. These amounts agreed to the Districts January 1, 2014 balances on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2013:
Fire Truck Loan	\$155,487

Debt (Continued)

2. We inquired of management, and scanned the Transaction Detail Report 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 debt activity for 2015 and 2014 and agreed principal and interest payments from the related debt amortization schedule to debt service fund payments reported in the Transaction 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

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for all employees from 2015 and one payroll check for all employees from 2014 from the General Transaction Ledger and:
 - a. We compared the hours and pay rate, or salary recorded in the General Transaction Ledger 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 General Transaction ledger. We found no exceptions.
 - c. We determined whether the account code to which the check was posted were reasonable based on the employees' duties as documented in the employees' personnel file. 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 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. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	1/31/16	1/25/16	\$400	\$400
State income taxes	1/15/16	1/11/16	\$103	\$103
OPERS retirement	1/30/16	12/8/15	\$276	\$276

Non-Payroll Cash Disbursements

1. From the General Transaction Ledger, we re-footed checks recorded as General Fund disbursements for Capital Outlay for 2015. We found no exceptions.
2. We haphazardly selected ten disbursements from the General Transaction Ledger 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 General Transaction Ledger and to the names and amounts on the supporting invoices. We found no exceptions.
 - c. We found twenty instances where disbursements requiring certification were not certified. The District does not use purchase orders nor any other method to certify funds prior to disbursement. Ohio Rev. Code § 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.

Compliance – Budgetary

1. We could not compare the total estimated receipts from the *Certificate of the Total Amount From All Sources Available For Expenditures*, required by Ohio Rev. Code § 5705.36(A)(1), to the amounts recorded in the District's ledgers for the years ended December 31, 2015 and 2014. The District did not maintain a report that showed estimated receipts. A receipt ledger should be maintained and include information such as estimated receipts, receipts number and date, and the name of the individual/entity the monies were received from.
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 § 5705.38(C). We found no exceptions.
3. We could not compare total appropriations required by Ohio Rev. Code §§ 5705.38 and 5705.40, to the amounts recorded in the District's ledgers for 2015 and 2014. The District did not maintain an appropriations ledger. An appropriation ledger should be maintained and include such information as amount, fund, date, check number, purchase order number, encumbrance amount, unencumbered balance, and any other information required to be entered into the appropriate columns.
4. Ohio Rev. Code §§ 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 § 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 for the General Fund. We noted that expenditures did not exceed appropriations.
6. Ohio Rev. Code § 5705.09 requires establishing separate funds to segregate externally-restricted resources. We scanned the Receipt Ledger 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 § 5705.09 would require the District to establish a new fund.
7. We inquired of management and scanned the General Transaction Ledger to determine whether the District elected to establish reserve accounts permitted by Ohio Rev. Code § 5705.13. We noted the District did not establish these reserves.
8. We scanned the General Fund for years ended December, 31 2015 and 2014 for a negative cash balance. Ohio Rev. Code § 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 the General Fund did not have a negative cash balance.

Other Compliance

Ohio Rev. Code § 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. No 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, and others within the District, and is not intended to be, and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State
Columbus, Ohio

May 18, 2016

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MADISON JEFFERSON JOINT FIRE DISTRICT

JACKSON 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
JUNE 2, 2016**