



Dave Yost • Auditor of State



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Perry Joint Fire District
Lake County
3742 Center Road
Perry, OH 44081

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Perry Joint Fire District (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 traced the January 1, 2014 beginning fund balances recorded in the Annual Financial Report to the December 31, 2013 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. The amounts did not agree. The prior AUP work papers and reported the Retirement Reserve fund as part of the General Fund instead of a Special Revenue fund as designated by Board Resolution and Ohio Rev. Code 5705.13. The Annual Financial Report reported incorrectly the Retirement Reserve fund as an Internal Service Fund. The Annual Financial Report January 1, 2014 beginning fund balances was \$20,387 higher than the December 31, 2013 balances. The \$20,387 was intended to reclassify posting errors of \$15,356 and \$5,995 from the General fund to the EMS and Debt Service funds respectively and not to increase the overall Fund Balance. We also noted several other posting errors in the amount of \$964. None of the individual beginning fund balances agreed with the 2013 ending fund balance due to combining the General fund and Retirement Reserve fund balances into the 2013 General Fund and other posting errors.

We also agreed the January 1, 2015 beginning fund balances recorded in the Fund Status Report to the December 31, 2014 balances in the Fund Balance Report. We noted the January 1, 2015 General Fund balance was \$101 more than the December 31, 2014 balance, and the January 1, 2015 Capital Project Fund balance was \$101 less than the December 31, 2014 balance. The total fund balance from December 31, 2014 agreed to the total fund balance at January 1, 2015.

The District has posted the corrections to their accounting records.

Cash and Investments (Continued)

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 Fund Status Report and the Fund Balance Report, respectively. The amounts agreed.
4. We observed the year-end bank balances on the financial institutions' websites. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2015 bank reconciliation with one exception. The Investment account was understated by \$7,726 because interest and dividend income was not recorded in the accounting system. The District has posted the correction to their accounting records.
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.
6. We tested interbank account transfers occurring in December of 2015 and 2014 to determine if they were properly recorded in the accounting records and on each bank statement. We found no exceptions.
7. 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 2015 Receipt Register Report and the 2014 Deposit Detail Report. We also traced the advances noted on the Statement to the Receipt Register Report and Deposit Detail Report. The amounts agreed.
 - 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 2015 Receipt Register Report and 2014 Deposit Detail Report to determine whether each included two real estate tax receipts, plus 2 advances for 2015 and 2014. We noted the Receipts Register Report and Deposit Detail Report included the proper number of tax receipts for each year.

Property Taxes, Intergovernmental and Other Confirmable Cash (Continued)

3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2015 and all receipts from 2014. We also selected all the District's receipts from the County Auditor's Deregulation Reimbursement List from 2015 and 2014.
 - a. We compared the amount from the above reports to the amount recorded in the 2015 Receipt Register Report and the 2014 Deposit 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.

4. We confirmed the amounts paid from Perry Township to the District during 2015 and 2014 with the Township. 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.

Charges for Services

1. We confirmed the amounts paid from Medicount Management, Inc, the service organization that performs the emergency medical billings to the District during 2014 and 2015 with Medicount Management, Inc. 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 agreed-upon procedures documentation, we noted the following bonds and loans outstanding as of December 31, 2013.

Issue	Principal outstanding as of December 31, 2013:
North Perry Village Loan	\$50,000

2. We inquired of management, and scanned the 2015 Receipt Register Report, the 2014 Deposit Detail Report, the 2015 Payment Register Detail Report and the 2014 Expenditure Transaction by Account 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. The District does maintain an outstanding balance for the North Perry Village loan from Step 1, but no payments are required until the District sells certain land parcels listed in the debt agreement.

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 2015 Employee Detail Adjustment Report and 2014 Payroll Register and:
 - a. We compared the hours and pay rate, or salary recorded in the Employee Detail Adjustment Report or Payroll Register to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. 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 employees' personnel files. 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 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	\$11,962.79	\$11,962.79
State income taxes	January 15, 2016	December 29, 2015	\$9,264.03	\$9,264.03
RITA income taxes	February 29, 2016	December 29, 2015	\$4,439.17	\$4,439.17
OPERS retirement	January 30, 2016	December 31, 2015	\$3,574.67	\$3,574.67
OP&F retirement	January 31, 2016	December 18, 2015	\$46,708.32	\$46,708.32

3. We haphazardly selected and recomputed one termination payment (unused vacation, etc.) using the following information, and agreed the computation to the amount paid as recorded in the Employee Detail Adjustment Report:
 - a. Accumulated leave records
 - b. The employee's pay rate in effect as of the termination date
 - c. The District's payout policy.

The amount paid was consistent with the information recorded in a. through c. above.

Non-Payroll Cash Disbursements

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

Compliance – Budgetary

1. We compared the total estimated receipts from 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 Revenue Status Report and Budget vs Actual Report for the General, EMS funds for the years ended December 31, 2015 and 2014. The amounts on the *Certificate* agreed to the amount recorded in the accounting system, except for the 2015 General and EMS Funds and 2014 EMS Fund. The 2015 Revenue Status Report recorded budgeted (i.e. certified) resources for the General Fund and the Emergency Medical Services Fund of \$3,824,175 and \$175,000, respectively, for 2015. However, the final *Amended Official Certificate of Estimated Resources* reflected \$2,533,553 and \$165,000. The 2014 Budget vs. Actual Report recorded budgeted (i.e. certified) resources for the General Fund of \$3,699,856 for 2014. However, the final *Amended Official Certificate of Estimated Resources* reflected \$3,593,506. The fiscal officer should periodically compare amounts recorded in the Revenue Status Report 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, for the General and Emergency Medical Services funds, 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 Status Report for 2015 and the Budget vs. Actual Report for 2014 for the following funds: General, EMS, and Capital Projects. The amounts on the appropriation resolutions did not agree to the amounts recorded in the 2015 Appropriation Status report and 2014 Budget vs. Actual 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 and the Emergency Medical Services Fund for the years ended December 31, 2015 and 2014. We noted that General Fund appropriations for 2015 exceeded certified resources by \$700,244, contrary to Ohio Rev. Code Section 5705.39. The Trustees should not pass appropriations exceeding certified resources. Allowing this to occur could cause the District to incur fund balance deficits.
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 for the General, Emergency Medical Services Fund and Capital Project fund, as recorded in the 2015 Appropriation Status Report and the 2014 Budget vs. Actual 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 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.

Compliance – Budgetary (Continued)

7. We scanned the 2015 Revenue Status Report and Appropriation Status Report and the 2014 Budget vs. Actual Report for evidence of interfund transfers exceeding \$10,000 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 Appropriation Status Reports to determine whether the District elected to establish reserve accounts permitted by Ohio Rev. Code Section 5705.13. We noted the District established a Retirement Reserve Special Revenue Fund.
9. We scanned the Cash Summary by Fund Report for the year ended December 31, 2015 and the Fund Balance Report for the year ended December 31, 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 AFDRS to verify the Entity 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.



Dave Yost
Auditor of State
Columbus, Ohio

November 23, 2016



Dave Yost • Auditor of State

PERRY JOINT FIRE DISTRICT

LAKE 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
DECEMBER 13, 2016**