

Central Townships Joint Fire District
Madison County
Agreed-Upon Procedures
For the Years Ended December 31, 2017 and 2016



Millhuff-Stang, CPA, Inc.
1428 Gallia Street / Portsmouth, Ohio 45662 / Phone: 740.876.8548
45 West Second Street, Suite D / Chillicothe, Ohio 45601 / Phone: 740.851.4978
Fax: 888.876.8549
natalie@millhuffstangcpa.com / roush@millhuffstangcpa.com
www.millhuffstangcpa.com



Dave Yost • Auditor of State

Board of Trustees
Central Townships Joint Fire District
6770 State Route 38 SW
London, Ohio 43140

We have reviewed the *Agreed-Upon Procedures* of Central Townships Joint Fire District, Madison County, prepared by Millhuff-Stang, CPA, Inc., 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. Central Townships 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

September 4, 2018

This page intentionally left blank.

Central Townships Joint Fire District
Madison County
Table of Contents
For the Years Ended December 31, 2017 and 2016

<u>Title</u>	<u>Page</u>
Independent Accountant's Report on Applying Agreed-Upon Procedures.....	1

This page intentionally left blank.

Independent Accountant's Report on Applying Agreed-Upon Procedures

Central Townships Joint Fire District
Madison County
6770 State Route 38 SW
London, Ohio 43140

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Central Townships Joint Fire District, Madison 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

1. We recalculated the December 31, 2017 and December 31, 2016 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2016 beginning fund balances recorded in the General Ledger to the December 31, 2015 balances in the prior year audited statements. The January 1, 2016 beginning fund balance of \$155,114 recorded in the General Ledger for the checking account did not agree to the December 31, 2015 balance of \$157,832 reflected in the prior year audit working papers because an uncorrected difference of \$2,718 was identified in the prior audit that the District subsequently corrected within the General Ledger. We also agreed the January 1, 2017 beginning fund balances recorded in the General Ledger to the December 31, 2016 balances in the General Ledger. We found no exceptions.
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 General Ledgers. The amounts agreed.
4. We confirmed the December 31, 2017 bank account balances with the District's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2017 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2017 bank reconciliation:

Central Townships Joint Fire District
Madison County
Independent Accountants' Report on Applying Agreed-Upon Procedures

- a. We traced each debit to the subsequent January bank statement. We found no exceptions.
- b. We traced the amounts and dates to the General Ledger, to determine the debits were dated prior to December 31. There were no exceptions.

Property Taxes, Intergovernmental and Other Confirmable Cash 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 General Ledgers. The amounts agreed.
 - b. We inspected the General Ledgers to confirm the receipt was allocated to the proper fund as required by Ohio Revised Code Sections 5705.05-.06 and 5705.10. We found no exceptions.
 - c. We inspected the General Ledgers to confirm the receipt was recorded in the proper year. The receipt was recorded in the proper year.
- 2. We inspected the General Ledgers to determine whether it included two real estate tax receipts for 2017 and 2016. The General Ledgers 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 all from 2016. We also selected all receipts from the County Auditor's Audit Trail by Vendor Report from 2017 and all from 2016.
 - a. We compared the amount from the above reports to the amount recorded in the General Ledgers. The amounts agreed, except that we found the 2016 fire grant, received in the amount of \$48,366, was recorded as a reduction of disbursements instead of a receipt.
 - b. We inspected the General Ledgers to determine that these receipts were allocated to the proper funds. We found no exceptions.
 - c. We inspected the General Ledgers to determine whether the receipts were recorded in the proper year. We found no exceptions.

Debt

- 1. From the prior audit documentation, we observed the following bonds were outstanding as of December 31, 2015. This amount agreed to the District's January 1, 2016 balance on the summary we used in procedure 3.

<u>Issue</u>	<u>Principal outstanding as of December 31, 2015:</u>
2012 Fire Truck Acquisition Bonds	\$125,000

- 2. We inquired of management, and inspected the General Ledgers for evidence of debt issued during 2017 or 2016 or debt payment activity during 2017 or 2016. All debt agreed to the summary we used in procedure 3.
- 3. We obtained a summary of bond debt activity for 2017 and 2016 and agreed principal and interest payments from the related debt amortization schedule(s) to debt service fund payments reported in the General Ledgers. 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 five employees from 2017 and one payroll check for five employees from 2016 from the Payroll Registers and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Registers 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 Registers. We found no exceptions.
 - c. We inspected the Payroll Registers to determine 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, minute record or as required by statute. We also confirmed the payment was posted to the proper year. We found no exceptions.

2. For any new employees selected in procedure 1 we determined the following information contained in the employees' personnel files and minute record was consistent with the information used to compute gross and net pay related to this check:
 - a. Name
 - b. Authorized salary or pay rate
 - c. Department(s) to which the check should be charged
 - d. Retirement system participation and payroll withholding
 - e. Federal, State and Local income tax withholding authorization and withholding
 - f. Any other deduction authorizations (deferred compensation, etc.).

We found no exceptions related to the procedures above.

3. 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 and Medicare	January 31, 2018	December 21, 2017	\$2,734.02	\$2,734.02
State income taxes	January 15, 2018	December 20, 2017	756.70	756.70
Local city taxes	January 31, 2018	December 19, 2017	595.73	595.73
School district taxes	January 15, 2018	December 20, 2017	221.26	221.26
OPERS retirement	January 31, 2018	January 5, 2018	539.07	539.07
OP&F retirement	January 31, 2018	January 5, 2018	2,363.82	2,363.82

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the General Ledger for the year ended December 31, 2017 and ten from the year ended December 31, 2016 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 Ledger and to the names and amounts on the supporting invoices. We found no exceptions.

Central Townships Joint Fire District
Madison County
Independent Accountants' Report on Applying Agreed-Upon Procedures

- c. The fiscal officer certified disbursements requiring certification or issued a Then and Now Certificate, as required by Ohio Revised Code Section 5705.41(D). The District did not encumber funds for 2017 or 2016. Ohio Revised 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.

Compliance – Budgetary

1. We compared the total estimated receipts from the Amended Official Certificate of Estimated Resources, required by Ohio Revised Code Section 5705.36(A)(1), to the amounts recorded in the Profit and Loss Budget Overview Reports 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 the Trustees appropriated separately for “each office, department, and division, and within each, the amount appropriated for personal services,” as is required by Ohio Revised Code Section 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Revised Code Sections 5705.38 and 5705.40, to the amounts recorded in the Profit and Loss Budget Overview Reports for 2017 and 2016. The amounts on the appropriation resolutions agreed to the amounts recorded in the Profit and Loss Budget Overview Reports.
4. Ohio Revised Code Sections 5705.36(A)(5) and 5705.39 prohibit appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the years ended December 31, 2017 and 2016. There were no funds for which appropriations exceeded certified resources.
5. Ohio Revised 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 as recorded in the Profit and Loss Budget Overview Reports. There were no funds for which expenditures exceeded appropriations.
6. Ohio Revised Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We inspected the General Ledgers 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 Revised Code Section 5705.09 would require the District to establish a new fund.
7. For funds existing in prior years, inspect the fund activity to determine whether the fund is 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 General Ledgers to determine whether the District elected to establish reserve accounts permitted by Ohio Revised Code Section 5705.13. The District did not establish these reserves.

Central Townships Joint Fire District
Madison County
Independent Accountants' Report on Applying Agreed-Upon Procedures

9. We inspected the General Ledgers for the years ended December 31, 2017 and 2016 for negative cash fund balance. Ohio Revised 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 a negative cash fund balance.

Other Compliance

1. Ohio Revised 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 refileing to 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 the 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 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 it's 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.



Natalie Millhuff-Stang, CPA, CITP
President/Owner
Millhuff-Stang, CPA, Inc.
Portsmouth, Ohio

June 28, 2018

This page intentionally left blank.



Dave Yost • Auditor of State

CENTRAL TOWNSHIP JOINT FIRE DISTRICT

MADISON 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
SEPTEMBER 18, 2018**