



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, were agreed to by the Board of Trustees and the management of the Madison-Jefferson Joint Fire District, Jackson County, Ohio (the District), 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 purpose.

This report only describes exceptions exceeding \$10.

### Cash and Investments

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 balance recorded in the General Transaction Ledger to the December 31, 2015 balance in the documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2017 beginning fund balance recorded in the General Transaction Ledger to the December 31, 2016 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, 2017 and 2016 fund cash balances reported in the General Transaction Ledger. The amounts agreed.
4. We confirmed the December 31, 2017 bank account balance with the District's financial institution. We found no exceptions. We also agreed the confirmed balance to the amount appearing in the December 31, 2017 bank reconciliation without exception.
5. We selected all reconciling debits (such as outstanding checks) from the December 31, 2017 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. There were no exceptions.

**Cash and Investments (Continued)**

6. We inspected investments held at December 31, 2017 and December 31, 2016 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. 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 Transaction Ledger. The District recorded these receipts in the net amounts, resulting in receipts and disbursements being understated by \$3,048 in 2017 and \$2,874 in 2016. The Fiscal Officer should record property tax receipts at gross with a corresponding expenditure for the deductions.
  - b. We inspected the General Transaction Ledger to confirm 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 inspected the General Transaction Ledger to confirm the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We scanned the General Transaction Ledger to determine whether it included two real estate tax receipts for 2017 and 2016. The General Transaction Ledger included the proper number of tax receipts for each year.
3. We haphazardly selected five receipts from the State Distribution Transaction Lists (DTL) from 2017 and five from 2016.
  - a. We compared the amount from the above report to the amount recorded in the General Transaction Ledger. The amounts agreed.
  - b. We inspected the General Transaction Ledger to determine whether these receipts were allocated to the proper fund. We found no exceptions.
  - c. We inspected the General Transaction Ledger to determine whether the receipts were recorded in the proper year. We found no exceptions.
4. We confirmed the amounts paid from the Village of Oak Hill to the District during 2017 and 2016 with the Village of Oak Hill. We also confirmed the amounts paid from Washington Township to the District during 2017 with Washington Township. We found no exceptions.
  - a. We inspected the General Transaction Ledger to determine whether these receipts were allocated to the proper fund. We found no exceptions.
  - b. We inspected the General Transaction Ledger to determine whether the receipts were recorded in the proper year. We found no exceptions.

**Debt**

1. From the prior agreed-upon procedures documentation, we observed the following loan outstanding as of December 31, 2015. These amounts agreed to the District's January 1, 2016 balances on the summary we used in step 3.

| Issue           | Principal outstanding as of December 31, 2015: |
|-----------------|--|
| Fire Truck Loan | \$52,563                                       |

**Debt (Continued)**

2. We inquired of management, and inspected the General Transaction Ledger for evidence of debt issued during 2017 or 2016 or debt payment activity during 2017 or 2016. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of loan debt activity for 2017 and 2016 and agreed principal and interest payments from the related debt amortization schedule to debt service fund payments reported in the General Transaction Ledger. 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 2017 and one payroll check for all employees from 2016 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 inspected the General Transaction Ledger to determine the account code to which the check was posted were reasonable based on the employees' duties as documented in the employees' personnel files. We also confirmed the payment was posted to the proper year. We found no exceptions.
2. For any new employees selected in step 1 we determined whether the following information contained in the employees' personnel files 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 to which the check should be charged.
  - d. Retirement system participation and payroll withholding.
  - e. Federal, State & Local income tax withholding authorization and withholding.
  - f. Any other deduction authorizations (deferred compensation, etc.).

We found no exceptions related to the steps 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 noted the following:

| <b>Withholding<br/>(plus employer share,<br/>where applicable)</b> | <b>Date Due</b>  | <b>Date Paid</b> | <b>Amount<br/>Due</b> | <b>Amount<br/>Paid</b> |
|--|------------------|------------------|-----------------------|------------------------|
| Federal income taxes & Medicare                                    | January 31, 2018 | January 23, 2018 | \$400                 | \$400                  |
| State income taxes   | January 15, 2018 | January 8, 2018  | \$86                  | \$86                   |
| OPERS retirement   | January 30, 2018 | January 12, 2018 | \$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 2017. We found no exceptions.
2. We haphazardly selected ten disbursements from the General Transaction Ledger for the year ended December 31, 2017 and ten from the year ended 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 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 or 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, 2017 and 2016. 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 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 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 2017 and 2016. 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 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 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, 2017 and 2016 for the General Fund. There were no funds for which expenditures exceeded appropriations.



### **Compliance – Budgetary (Continued)**

6. Ohio Rev. Code § 5705.09 requires establishing separate funds to segregate externally-restricted resources. We scanned the General Transaction Ledger 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 Rev. Code § 5705.09 would require the District to establish a new fund.
7. We inquired of management and inspected the General Transaction Ledger to determine whether the District elected to establish reserve accounts permitted by Ohio Rev. Code § 5705.13. The District did not establish these reserves.
8. We inspected the General Transaction Ledger for the years ended December 31, 2017 and 2016 for a negative cash fund balance. Ohio Rev. Code § 5705.10(l) 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 negative cash fund balances.

### **Other Compliance**

Ohio Rev. Code § 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 refile 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 2015-2016 or 2016-2017 agreed up on 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 31, 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 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

March 21, 2018



# Dave Yost • Auditor of State

**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  
APRIL 10, 2018**