



Certified Public Accountants, A.C.

**TRI-VALLEY FIRE DISTRICT
LOGAN COUNTY
Agreed-Upon Procedures
For the Years Ended December 31, 2017 and 2016**

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www.perrycpas.com



Dave Yost • Auditor of State

Board of Trustees
Tri-Valley Fire District
P.O. Box 162
Zanesfield, OH 43360

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Tri-Valley Fire District, Logan County, prepared by Perry & Associates, Certified Public Accountants, A.C., 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. The Tri-Valley 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

May 9, 2018

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TRI-VALLEY FIRE DISTRICT
LOGAN COUNTY

TABLE OF CONTENTS

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

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

April 13, 2018

Tri-Valley Fire District
Logan County
P.O. Box 162
Zanesfield, OH 43360

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of **Tri-Valley Fire District**, Logan County (the District) and the Auditor of State on the receipts, disbursements and balances recorded in the Districts 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 Combined Statement of Receipts, Disbursements and Changes in Fund Balances to the December 31, 2015 balances in the prior year audited statements. We noted the beginning fund balance as of January 1, 2016 was \$176,078 for the General Fund, however the ending fund balance as of December 31, 2015 was \$176,157; a difference of \$79. We also agreed the January 1, 2017 beginning fund balances recorded in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances to the December 31, 2016 balances in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances. We found no exceptions.

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

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Cash (Continued)

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 Cash Journals. 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:
 - 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.

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 Cash Journal. The amounts agreed.
 - b. We inspected the Cash Journal to confirm the receipt was allocated to the proper fund as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. We noted the District posted a portion of their property tax receipt to the Special Revenue Ambulance Fund instead of the General Fund. The District should have posted the property tax receipt to the General Fund and posted a transfer to the Ambulance Fund. We found no other exceptions.
 - c. We inspected the Cash Journal to confirm the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We inspected the Cash Journal to determine whether it included two real estate tax receipts for 2017 and 2016. The Cash Journal 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. We also haphazardly selected five receipts from the Logan County Auditor's Vendor Expense Report from 2017 and five from 2016.
 - a. We compared the amount from the above reports to the amount recorded in the Cash Journal. The amounts agreed.
 - b. We inspected the Cash Journal to determine whether these receipts were allocated to the proper fund. We found no exceptions.
 - c. We inspected the Cash Journal to determine whether the receipts were recorded in the proper year. We found no exceptions.

Charges for Services

1. The District provides ambulance services and bills patients subsequent to providing the service. The District does not have an accounts receivable system. Without accounts receivable information, the District lacks reliable information on overdue or otherwise unpaid amounts, copayment information, documentation on noncash adjustments and approval of noncash adjustments, and information upon which to judge whether the District should write off or follow up on uncollectible amounts. We recommend the District acquire an accounts receivable and billing system.
2. We haphazardly selected five run sheets, and agreed the patient name and service date to the related amounts billed from the year ended December 31, 2017; and five from the year ended December 31, 2016. Per the table below, there were no exceptions.

2017

	Amount Billed per the Billing / Run Report, 2017	
1.	\$	650.00
2.	\$	450.00
3.	\$	450.00
4.	\$	650.00
5.	\$	450.00

2016

	Amount Billed per the Billing / Run Report, 2016	
1.	\$	650.00
2.	\$	650.00
3.	\$	650.00
4.	\$	450.00
5.	\$	450.00

We also agreed the amounts billed above to the rates in force as of the service date. There were no exceptions.

Charges for Services (Continued)

- We haphazardly selected five receipts recorded in the cash receipts records from the year ended December 31, 2017 and five from the year ended December 31, 2016. We compared the receipt to the amount credited in the bank statement. We also compared the date the payment was recorded in the cash receipts records to the date deposited per the bank statement. Per the table below, the amounts agreed, and the cash was deposited timely for all tested in 2016, however not timely for 3 tested in 2017.

2017

	Amount Recorded in Cash Receipts Records, 2017	Amount Deposited per Bank Statement	Date Recorded in Cash Receipts Records	Date Deposited per Bank Statement
1.	\$ 520.00	\$ 520.00	5/8/2017	5/9/2017
2.	\$ 450.00	\$ 450.00	4/27/2017	5/12/2017
3.	\$ 45.00	\$ 45.00	7/20/2017	7/21/2017
4.	\$ 130.00	\$ 130.00	11/15/2017	11/17/2017
5.	\$ 450.00	\$ 450.00	9/5/2017	9/11/2017

2016

	Amount Recorded in Cash Receipts Records, 2016	Amount Deposited per Bank Statement	Date Recorded in Cash Receipts Records	Date Deposited per Bank Statement
1.	\$ 408.83	\$ 408.83	6/29/2016	6/29/2016
2.	\$ 650.00	\$ 650.00	5/25/2016	5/25/2016
3.	\$ 65.00	\$ 65.00	7/5/2016	7/6/2016
4.	\$ 450.00	\$ 450.00	7/19/2016	7/22/2016
5.	\$ 450.00	\$ 450.00	10/31/2016	10/31/2016

Debt

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

Issue	Principal outstanding as of December 31, 2015:
Huntington National Bank Loan	\$ 82,291
KS State Bank Loan	\$ 108,620

- We inquired of management, and inspected the Cash Journal for evidence of debt issued during 2017 or 2016 or debt payment activity during 2017 or 2016. All debt observed agreed to the summary we used in procedure 3.

Debt (Continued)

3. We obtained a summary of loan debt activity for 2017 and 2016 and agreed principal and interest payments from the related debt amortization schedules to the General and Ambulance funds debt payments reported in the Cash Journal. 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 Journal and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Journal to supporting documentation (timecard, legislatively 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 Journal. We found no exceptions.
 - c. We inspected the Cash Journal to determine the fund and 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. 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 & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2018	January 2, 2018	\$ 4,350.79	\$ 4,350.79
State income taxes	January 31, 2018	January 12, 2018	\$ 122.49	\$ 122.49
OPERS retirement	January 30, 2018	December 29, 2017	\$ 102.00	\$ 102.00

Non-Payroll Cash Disbursements

1. From the Cash Journal, we re-footed checks recorded as General Fund disbursements for *equipment*, for 2017. We found no exceptions.
2. We haphazardly selected ten disbursements from the Cash Journal 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 Cash Journal 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 two instances where the certification date was after the vendor invoice date, and there was also 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 inspect 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 *Amended Official Certificate of Estimated Resources*, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Receipt Journal for the General and Ambulance funds 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, for the General and Ambulance 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 Ledger for 2017 and 2016 for the following funds: General and Ambulance Fund. In 2017, the amounts on the appropriation resolution did not agree to the amounts recorded in the Appropriation Ledger for the Ambulance fund. The amount per the appropriation ledger reflected \$83,000 and the amount per the Appropriation resolution reflected \$96,000. No other exceptions noted.
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 and Ambulance funds for the years ended December 31, 2017 and 2016. There were no funds for which appropriations exceeded certified resources.
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, 2017 and 2016 for the General and Ambulance funds, as recorded in the Appropriation Ledger. There were no funds for which expenditures exceeded appropriations.

Compliance – Budgetary (Continued)

6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We inspected the Receipt Journal 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 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 inspected the 2017 and 2016 Cash Journal and Appropriation Ledger 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.
9. We inquired of management and inspected the Appropriation Ledger to determine whether the District elected to establish reserve accounts permitted by Ohio Rev. Code Section 5705.13. The District did not establish these reserves.
10. We inspected the Cash Journal for the years ended December 31, 2017 and 2016 for negative cash fund balances. 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. There were no funds having negative cash fund balances.

Other Compliance

Ohio Rev. 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 refiling 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 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.

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio



Dave Yost • Auditor of State

TRI- VALLEY 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
MAY 22, 2018**