



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Portage Joint Fire District
Ottawa County
242 West Water Street, P.O. Box 240
Oak Harbor, Ohio 43449-0240

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Portage Joint Fire District, Ottawa 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, 2013 and 2012, 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, 2013 and December 31, 2012 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2012 beginning fund balance recorded in the General Journal to the December 31, 2011 balances in documentation in the prior year agreed-upon procedures working papers. We found no exceptions. We also agreed the January 1, 2013 beginning fund balance recorded in the General Journal to the December 31, 2012 balance in the General Journal. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2013 and 2012 fund cash balances reported in the General Journal. The amounts agreed.
4. We confirmed the December 31, 2013 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, 2013 bank reconciliation without exception.
5. We selected all reconciling debits (such as outstanding checks) haphazardly from the December 31, 2013 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 investments held at December 31, 2013 and December 31, 2012 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 and Intergovernmental Cash Receipts

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2013 and one from 2012.
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the General Journal. The amounts agreed.
 - b. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We scanned the General Journal to determine whether it included two real estate tax receipts for 2013 and 2012. We noted the General Journal included the proper number of tax receipts for each year.
3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2013 and all from 2012. We also selected all receipts from the Ottawa County Auditor Confirmation from 2013 and all from 2012.
 - a. We compared the amount from the above reports to the amount recorded in the General Journal. The amounts agreed except for homestead and rollback settlements received in 2013 and 2012. In 2013 and 2012 homestead and rollback settlements were posted net of administrative fees resulting in receipts and disbursements being understated by \$212 and \$108, respectively. We recommend homestead and rollback settlements be posted gross including administrative fees. Those fees should then, correspondingly, be posted as offsetting expenditures.
 - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2011.
2. We inquired of management, and scanned the General Journal for evidence of debt issued during 2013 or 2012 or debt payment activity during 2013 or 2012. We noted no new debt issuances, nor any debt payment activity during 2013 or 2012.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2013 and one payroll check for five employees from 2012 from the General Journal and:
 - a. We compared the hours and pay rate, or salary recorded on the pay stub to supporting documentation (timecard, legislatively approved rate or salary). We found no exceptions.

- b. We determined whether the account code to which the check was posted was 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. For any new employees selected in step 1 we determined whether the following information 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 and 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 scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2013 to determine whether remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable. Because employees are paid twice per year the due dates and payment dates have been limited to the third withholding period of 2013, the last period for which amounts would be due and payable to remitter agencies. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes and Medicare (and social security, for employees not enrolled in pension system)	October 31, 2013	July 8, 2013	\$5,729	\$5,729
State income taxes	July 31, 2013	July 8, 2013	216	216
Village of Oak Harbor income tax	October 31, 2013	July 8, 2013	378	378
OPERS retirement	July 31, 2013	July 8, 2013	254	254

Non-Payroll Cash Disbursements

We haphazardly selected ten disbursements from the General Journal for the year ended December 31, 2013 and ten from the year ended December 31, 2012 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 Journal and to the names and amounts on the supporting invoices. We found no exceptions.

- c. 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 four 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. We recommend the Fiscal Officer certify disbursements in accordance with the Revised Code. Because we did not test 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 Budget vs. Actual Report for the years ended December 31, 2013 and 2012. The amounts on the *Certificate agreed* to the amount recorded in the accounting system except for 2013. The Budget vs. Actual Report recorded budgeted (i.e. certified) resources of \$258,300 for 2013. However, the final *Amended Official Certificate of Estimated Resources* reflected \$244,810. The Fiscal Officer should periodically compare amounts recorded in the Budget vs. Actual 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 2013 and 2012 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 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 Budget vs. Actual Report for 2013 and 2012. The amounts on the appropriation resolutions agreed to the amounts recorded in the 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 years ended December 31, 2013 and 2012. We noted appropriations for 2013 exceeded certified resources by \$26,631, 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, 2013 and 2012, as recorded in the Budget vs. Actual Report. We noted no instances in which expenditures exceeded appropriations.
6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We scanned the General Journal for evidence of new restricted receipts requiring a new fund during December 31, 2013 and 2012. 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.
7. We inquired of management and scanned the General Journal to determine whether the District elected to establish reserve accounts permitted by Ohio Rev. Code Section 5705.13. We noted the District did not establish these reserves.

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 style with a large, looping initial "D".

Dave Yost
Auditor of State

Columbus, Ohio

April 7, 2014

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PORTAGE JOINT FIRE DISTRICT

OTTAWA 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 8, 2014**