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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Bascom Joint Fire District
Seneca County
P.O. Box 132
Bascom, Ohio 44809-0132

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Bascom Joint Fire District, Seneca County, Ohio (the District), on the receipts, disbursements and balances recorded in the Districts cash basis accounting records for the years ended December 31, 2016 and 2015 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, 2016 and 2015 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, 2016 and December 31, 2015 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2015 beginning fund balances recorded in the Balance Sheet Report to the December 31, 2014 documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2016 beginning fund balances recorded in the Balance Sheet Report to the December 31, 2015 balances in the Balance Sheet Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2016 and 2015 fund cash balances reported in the Balance Sheet Reports. The amounts agreed.
4. We confirmed the December 31, 2016 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, 2016 bank reconciliation without exception.
5. We selected all reconciling debits (such as outstanding checks) from the December 31, 2016 bank reconciliation:
 - a. We traced one debit to the subsequent January bank statement. One other reconciling debit was not cleared in the January or February bank statements. We found no other 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 and Intergovernmental Cash Receipts

1. We haphazardly selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2016 and one from 2015.
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Total Income Report. The amounts agreed.
 - b. We inspected the Total Income Report to confirm 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 inspected the Total Income Report to confirm the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We scanned the Total Income Report to determine whether it included two real estate tax receipts for 2016 and 2015. The Total Income Report included the proper number of tax receipts for each year.
3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2016 and all from 2015. We also haphazardly selected five receipts from the Seneca County Audit Trail by Vendor report from 2016 and five from 2015:
 - a. We compared the amount from the above reports to the amount recorded in the Total Income Report. We noted one Mobile Home Real Estate Settlement receipt was incorrectly recorded at net, instead of being recorded at gross with the fees of \$17 recorded as a separate expense. The other amounts agreed. We recommend the fiscal officer record receipts at gross. However, because we did not inspect all intergovernmental receipts, our report provides no assurance regarding whether or not similar errors occurred.
 - b. We inspected the Total Income Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
 - c. We inspected the Total Income Report to determine 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, 2014.
2. We inquired of management, and inspected the Total Income Report and Total Payment Report for evidence of debt issued during 2016 or 2015 or debt payment activity during 2016 or 2015. There were no new debt issuances, nor any debt payment activity during 2016 or 2015.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2016 and one payroll check for five employees from 2015 from the Payroll Transactions by Payee report and:

- a. We compared the hours and pay rate, or salary recorded in the employee pay stubs to supporting documentation (timecard, legislatively approved rate or salary). We found two instances in 2015 where employees were under paid due to using incorrect rates in the amounts of \$66 and \$24. Because we did not compare all timecards, our report provides no assurance whether or not other similar errors occurred. We recommend the Fiscal Officer use the authorized rates for payroll.
 - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
 - c. We inspected the Payroll Transactions by Payee report to determine the fund and account codes to which the check was posted were reasonable based on the employees' duties as documented in the minute record. 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, 2016 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 2016. We observed 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)	January 31, 2017	January 12, 2017	\$5,760	\$5,760
State income taxes	January 31, 2017	January 12, 2017	361	361
School District Income Tax	January 31, 2017	January 12, 2017	153	153
OPERS retirement	January 31, 2017	January 5, 2017	235	235

Non-Payroll Cash Disbursements

We haphazardly selected ten disbursements from the Total Expense Report for the year ended December 31, 2016 and ten from the year ended December 31, 2015 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 Payment Register 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 Amended Official Certificate of Estimated Resources, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the accounting system for the General and Capital Project funds for the years ended December 31, 2016 and 2015. The amounts did not agree as the District does not integrate budgetary data into their accounting system. Failure to integrate budgetary data into the accounting system can result in inadequate and inefficient monitoring by the Board. We recommend the Fiscal Officer integrate budgetary data into the accounting system.
2. We inspected the appropriation measures adopted for 2016 and 2015 to determine whether, for the General and Capital Project 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 accounting system for 2016 and 2015. The amounts did not agree as the District does not integrate budgetary data into the accounting system. Failure to integrate budgetary data into the accounting system can result in inadequate and inefficient monitoring by the Board. We recommend the Fiscal Officer integrate budgetary data into the accounting system.
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 Capital Project funds for the years ended December 31, 2016 and 2015. 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, 2016 and 2015 for the General and Capital Project fund as recorded in the Accounting Record and approved by the Board. There were no funds for which expenditures exceeded appropriations.
6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We inspected the Total Income Report for evidence of new restricted receipts requiring a new fund during December 31, 2016 and 2015. 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, we inspected the fund activity to determine wither the fund is still being used for the statutorily approved purpose and that all 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 2016 and 2015 Total Income Report and Total Expense Report 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 Accounting Records 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.

10. We inspected the Accounting Records for the years ended December 31, 2016 and 2015 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. There were no funds having negative cash fund balances.

Other Compliance

Ohio Rev. Code Section 117.38 requires entities to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. We confirmed the District filed their complete financial statements, as defined by AOS Bulletin 2016-007, within the allotted timeframe for the years ended December 31, 2016 and 2015. 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 for the use of the District to assist in evaluating its receipts, disbursements, and balances recorded in their cash-basis accounting records for the years ended December 31, 2016 and 2015, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose



Dave Yost
Auditor of State

Columbus, Ohio

June 15, 2017

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BASCOM JOINT FIRE DISTRICT

SENECA 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
JULY 11, 2017**