



**ELM VALLEY JOINT FIRE DISTRICT
DELAWARE COUNTY**

AGREED UPON PROCEDURES

FOR THE YEARS ENDED DECEMBER 31, 2018-2017

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Elm Valley Joint Fire District
Delaware County
9821 US Route 42 North
Ashley, Ohio 43003

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Elm Valley Joint Fire District (the District) on the receipts, disbursements and balances recorded in the Districts cash basis accounting records for the years ended December 31, 2018 and 2017 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, 2018 and 2017 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 and Investments

1. We recalculated the December 31, 2018 and December 31, 2017 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2017 beginning fund balances recorded in the UAN Cash Summary Report to the December 31, 2016 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2018 beginning fund balances recorded in the UAN Cash Summary Report to the December 31, 2017 balances in the UAN Cash Summary Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2018 and 2017 fund cash balances reported in the UAN Cash Summary Report. The amounts agreed.
4. We observed the year-end bank balances on the financial institution's website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2018 bank reconciliation without exception.
5. We selected a non-statistical sample of five reconciling debits (such as outstanding checks) from the December 31, 2018 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statements. 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 reviewed a UAN adjusting amount from the December 31, 2018 bank reconciliation:
 - a. We traced the adjusting amount to the subsequent January UAN Receipt Ledger. We found no exceptions.
 - b. We agreed the adjusting amount to the December 31, 2018 bank statement. The amount was recorded as a December receipt for the same amount in the reconciliation.
7. We inspected the UAN Fund Balance Adjustment Listing to determine whether the Findings For Adjustment identified in the prior audit report, due from the Permanent fund, payable to the Capital Projects fund, was properly posted to the report. We found no exceptions.
8. We inspected investments held at December 31, 2018 and December 31, 2017 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. There were no exceptions.

Property Taxes and Intergovernmental Receipts

1. We performed a non-statistical sample selecting a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2018 and one from 2017:
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the UAN Receipt Export. The amounts agreed.
 - b. We inspected the UAN Receipt Export to confirm the receipt was allocated to the proper funds as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. We found receipts in the amount of \$93,046 in 2017 that was incorrectly recorded to a non-spendable permanent fund rather than a capital projects fund. However, we noted that the fund balance of the permanent fund was adjusted at year end to properly account for activity in the capital projects fund.
 - c. We inspected the UAN Receipt Export to confirm whether the receipt was recorded proper year. The receipt was recorded in the proper year.
2. We inspected the UAN Receipt Export to determine whether it included two real estate tax receipts from each County for 2018 and 2017. The UAN Receipt Export included the proper number of tax receipts for each year.
3. We performed a non-statistical sample selecting five receipts from the State Distribution Transaction Lists (DTL) from 2018 and five from 2017.
 - a. We compared the amount from the above reports to the amount recorded in the UAN Receipt Export. The amounts agreed.
 - b. We inspected the UAN Receipt Export to determine that these receipts were allocated to the proper funds. Receipts in the amount of \$10,345 in 2017 were incorrectly recorded to a non-spendable permanent fund rather than a capital projects fund. However, we noted that the fund balance of the permanent fund was adjusted at year end to properly account for activity in the capital projects fund.
 - c. We inspected the UAN Receipt Export 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, 2016. These amounts agreed to the District's January 1, 2017 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2016:
Fire Station Bonds, Series 2014	\$ 1,618,800
Vehicle Acquisition Bonds, Series 2016	\$ 69,316

2. We inquired of management, and inspected the UAN Receipt Export and UAN Payment Export for evidence of debt issued during 2018 or 2017 or debt payment activity during 2018 or 2017. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of bond debt activity for 2018 and 2017 and agreed principal and interest payments from the related debt amortization schedules to capital projects fund payments reported in the UAN Payment Register. In 2017 we identified total principal in the amount of \$37,900 and total interest in the amount of \$56,329 attributed to the Fire Station Bonds that were incorrectly paid from a non-spendable Permanent fund rather than a capital projects fund. However, we noted that the fund balance of the permanent fund was adjusted at year end to properly account for activity in the capital projects fund. 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 performed a non-statistical sample selecting one payroll check for five employees from 2018 and one payroll check for five employees from 2017 from the UAN Wage Detail Report and:
 - a. We compared the hours and pay rate, or salary recorded in the UAN Wage Detail Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. We inspected the UAN Wage Detail 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 and as required by statute. We also confirmed the payment was posted to the proper year. We found no exceptions.

Payroll Cash Disbursements (Continued)

2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2018 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 2018. 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, 2019	December 27, 2018	\$ 1,058.77	\$ 1,058.77
State income taxes	January 15, 2019	January 6, 2019	\$ 318.07	\$ 318.07
Local income tax	February 28, 2019	December 27, 2018	\$ 211.57	\$ 211.57
School District Tax	January 31, 2019	January 3, 2019	\$ 670.43	\$ 670.43
OPERS retirement	January 31, 2019	January 7, 2019	\$ 519.12	\$ 519.12

Non-Payroll Cash Disbursements

1. We performed a non-statistical sample selecting ten disbursements from the UAN Payment Export for the year ended December 31, 2018 and ten from the year ended 2017 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 UAN Payment Export 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 UAN Revenue Status Report for the General, and Capital Projects funds for the years ended December 31, 2018 and 2017. The 2018 amounts on the Certificate agreed to the amounts recorded in the accounting system. However, the 2017 amounts on the Certificate did not agree to the amount recorded in the accounting system for the General Fund and Capital Projects fund. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General fund of \$233,100 and the Capital Projects fund of \$305,984 for 2017. However, the final Amended Official Certificate of Estimated Resources reflected \$250,700 and \$312,541 respectively. The fiscal officer should periodically compare amounts recorded in the Revenue Status 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.

Compliance – Budgetary (Continued)

2. We inspected the appropriation measures adopted for 2018 and 2017 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 Appropriation Status Report for 2018 and 2017 for the following funds: General and Capital Projects funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status Report with the exception of the General Fund in 2017. The Appropriation Status Report recorded total appropriations for the General fund of \$563,563. However, the final Appropriation measure certified by the County reflected \$558,063. The fiscal officer should periodically compare amounts recorded in the Appropriation Status Report to amounts recorded on the certified appropriation measure to assure they agree. If the amounts do not agree, the Trustees may be using inaccurate information for budgeting and monitoring purposes.
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 Projects funds for the years ended December 31, 2018 and 2017. 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, 2018 and 2017 for the General, and Capital Projects funds, as recorded in the Appropriation Status Report. 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 UAN Receipt Export for evidence of new restricted receipts requiring a new fund during December 31, 2018 and 2017. 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 whether the fund is still being used for the statutorily approved purpose and that all the required funds were established. The District improperly established a non-spendable permanent fund during 2016 to segregate activity from the permanent improvement tax levy. This activity should have been recorded in a capital project fund type. The permanent fund was used in 2017 to record transactions related to the tax levy. However, we noted that the fund balance of the permanent fund was adjusted at year end to properly account for activity in the capital projects fund.
8. We inspected the 2018 and 2017 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers exceeding \$20,000 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 (effective after June 30, 2017) or Court of Common Pleas (effective through June 30, 2017).

Compliance – Budgetary (Continued)

9. We inquired of management and inspected the Appropriation Status Reports 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 Summary by Fund Report for the years ended December 31, 2018 and 2017 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

1. 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 regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. 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, 2018 and 2017 in the Hinkle system. There were no exceptions.
2. For all credit card accounts we obtained:
 - copies of existing internal control policies,
 - a list(s) of authorized users, and
 - a list of all credit card account transactions.
 - a. We inspected the established policy obtained above and determined it is:
 - i. in compliance with the HB 312 statutory requirements, and
 - ii. implemented by the entity.
 - b. We selected 5 credit card transactions made by employees for testing. For selected transactions we inspected documentation to determine that:
 - i. Use was by an authorized user within the guidelines established in the policy, and
 - ii. Each transaction was supported with original invoices and for a proper public purpose.

We found no exceptions related to procedures a. and b. above.

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.

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Delaware County
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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, 2018 and 2017, 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 "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State

Columbus, Ohio

May 9, 2019

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OHIO AUDITOR OF STATE
KEITH FABER



ELM VALLEY JOINT FIRE DISTRICT

DELAWARE 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 28, 2019**