

***POLK-JACKSON-PERRY FIRE DISTRICT***

***ASHLAND COUNTY, OHIO***

**AGREED UPON PROCEDURES**

**For the Years Ended December 31, 2018 and 2017**







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Board of Trustees  
Polk-Jackson-Perry Fire District  
P.O. Box 275  
Polk, Ohio 44866-0275

We have reviewed the *Independent Accountant's Report on Applying Agreed-Upon Procedures* of the Polk-Jackson-Perry Fire District, Ashland County, prepared by Charles E. Harris & Associates, Inc., for the period January 1, 2017 through December 31, 2018. 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 Polk-Jackson-Perry Fire District is responsible for compliance with these laws and regulations.

Keith Faber  
Auditor of State  
Columbus, Ohio

August 9, 2019

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**POLK-JACKSON-PERRY FIRE DISTRICT  
ASHLAND COUNTY  
For the Years Ended December 31, 2018 and 2017**

**TABLE OF CONTENTS**

<b><u>Title</u></b>	<b><u>Page</u></b>
Independent Accountants' Report on Applying Agreed-Upon Procedures	1

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**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

Polk-Jackson-Perry Fire District  
Ashland County  
P.O. Box 275  
Polk, Ohio 44866-0275

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of the Polk-Jackson-Perry Fire District (the District) and the Auditor of State, on the receipts, disbursements and balances recorded in the District's 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**

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 Fund Ledger Report to the December 31, 2016 balances to documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2018 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2017 balances in the Fund Ledger 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 Fund Status 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 sample (agreed upon) 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 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 and Intergovernmental Cash Receipts**

1. We selected 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 Receipt Register Report. The amounts agreed.
  - b. We inspected the Receipt Register 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 Receipt Register Report to confirm whether the receipt was recorded proper year. The receipt was recorded in the proper year.
2. We inspected the Receipt Register Report to determine whether it included two real estate tax receipts for 2018 and 2017. The Receipt Register Report included the proper number of tax receipts for each year.
3. We selected a sample (agreed upon) of five receipts from the State Distribution Transaction Lists (DTL) from 2018 and four (all) from 2017. We also selected a sample (agreed upon) of five receipts from the County Auditor's DTLs from 2018 and five from 2017.
  - a. We compared the amount from the above reports to the amount recorded in the Receipt Register Report. The amounts agreed.
  - b. We inspected the Receipt Register Report to determine that these receipts were allocated to the proper fund. We found no exceptions.
  - c. We inspected the Receipt Register Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

### **Charges for Services**

1. We confirmed the amounts paid from Medicount Management, the service organization that performs the emergency medical billings, to the District during 2017 and 2018 with Medicount Management. We noted that the confirmation noted receipts of \$75,111.37 for 2017, while the Revenue Ledger had \$77,747.24. The confirmation noted receipts of \$71,004.15 for 2018, while the Revenue Ledger had \$74,597.06.
  - a. We inspected the Receipt Register Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
  - b. We inspected the Receipt Register Report 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 lease and bond 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.

<b>Issue</b>	<b>Principal outstanding as of December 31, 2016:</b>
General Obligation Bonds	\$245,000
Lease-Purchase	\$41,491

2. We inquired of management, and inspected the Receipt Register Report and Payment Register Detail Report 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 lease and bond debt activity for 2018 and 2017 and agreed principal and interest payments from the related debt amortization schedules to general fund payments reported in the Payment Register Detail Report. 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 selected one payroll check for five employees from 2018 and one payroll check for five employees from 2017 from the Employee Detail Adjustment Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Employee Detail Adjustment Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found one instance where an employee was paid for one hour more than the hours recorded on her timecard. We brought this to management's attention and they will correct this overpayment in the next payroll. Because we did not compare all timecards, our report provides no assurance whether or not other similar errors occurred.
  - b. We inspected the Payment Register Detail Report to determine the account codes to which the check was posted were reasonable based on the employees' duties as documented in the minute records. We also confirmed the payment was posted to the proper year. We found no exceptions.
2. For any new employees selected in procedure 1 we compared 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 procedures above.

3. 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:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2019	January 6, 2019	\$3,648.48	\$3,645.00
State income taxes	January 31, 2019	January 6, 2019	\$190.58	\$189.81
OPERS retirement	January 30, 2019	January 7, 2019	\$1,000.48	\$1,000.48

The amounts paid were under the amounts due because of an existing credit on the accounts for the District.

### **Non-Payroll Cash Disbursements**

1. We selected a sample (agreed upon) of 10 disbursements from the Payment Register Detail Report for the year ended December 31, 2018 and 10 from the year ended December 31, 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 Payment Register Detail Report 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 three instances where disbursements requiring certification 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 Revenue Status Report for the years ended December 31, 2018 and 2017. The amounts on the *Certificate* did not agree to the amount recorded in the accounting system. The Revenue Status Report recorded budgeted (i.e. certified) resources of \$382,572 for 2017. However, the final *Amended Official Certificate of Estimated Resources* reflected \$433,964. The Revenue Status Report recorded budgeted (i.e. certified) resources of \$444,665 for 2018. However, the final *Amended Official Certificate of Estimated Resources* reflected \$431,709. 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.

2. We inspected the appropriation measures adopted for 2018 and 2017 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 Appropriation Status Report for 2018 and 2017. The amounts on the appropriation resolutions did not agree to the amounts recorded in the Appropriation Status Report. The fiscal officer should periodically compare amounts recorded in the Appropriation Status Report to amounts recorded on the Appropriation resolution 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 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 as approved in the Appropriation resolution. Expenditures for 2017 exceeded total appropriations by \$120,756, contrary to Ohio Rev. Code Section 5705.41(B). The Fiscal Officer should not certify the availability of funds and should deny payment requests exceeding appropriations. The Fiscal Officer may request the Trustees to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary, and if resources are available.
6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We inspected the Receipt Register Report 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 established the Miscellaneous Debt Service fund prior to 2010 to account for miscellaneous debt activity; however, the District accounts for these receipts and disbursements in the General Fund.
8. 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.
9. 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. The 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 whether the District filed their complete financial statements, as defined by AOS Bulletin 2015-007 and the Auditor of State established policy, within the allotted timeframe for the years ended December 31, 2018 and 2017 in the Hinkle system. Financial information was filed on time for 2018. Financial information for 2017 was filed on February 25, 2019, which was not within the allotted timeframe.
2. For all credit card accounts we obtained:
  - copies of existing internal control policies,
  - a list of authorized users, and
  - a list of all credit card account transactions.

We selected 3 credit card transactions for testing for 2018 and 3 for 2017. For selected transactions we inspected documentation to determine that each transaction was supported with original invoices and were for a proper public purpose. We found 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, 2018 and 2017, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



**CHARLES E. HARRIS & ASSOCIATES, INC.**

June 28, 2019

# OHIO AUDITOR OF STATE KEITH FABER



**POLK JACKSON PERRY FIRE DISTRICT**

**ASHLAND 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  
AUGUST 22, 2019**