



**FAIRFIELD, HOCKING, LICKING, AND PERRY MULTI-COUNTY JUVENILE DETENTION
DISTRICT
FAIRFIELD 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

Fairfield, Hocking, Licking, and Perry Joint Juvenile Detention District
Fairfield County
923 Liberty Center Drive
Lancaster, Ohio 43130

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Fairfield, Hocking, Licking, and Perry Joint Juvenile Detention District (the District), 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. Fairfield County is custodian for the District's deposits, and therefore the County's deposit and investment pool holds the District's assets. We compared the District's fund balances reported on its December 31, 2018 Account Summary to the balances reported on Fairfield County's FY2018 MCJDC recalculation of fund balances per GASB 54. We found no exceptions.
2. We agreed the January 1, 2017 beginning fund balances recorded in the Account Summary Trial Balance 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 Account Summary Trial Balance Report to the December 31, 2017 balances in Fairfield County's FY2017 MCJDC recalculation of fund balances per GASB 54. We found no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

1. We confirmed the amounts paid from the Member Counties to the District during 2018 and 2017 with the Counties. We found no exceptions.
 - a. We inspected the Detailed Revenue Report to determine whether these receipts were allocated to the proper funds. We found no exceptions.
 - b. We inspected the Detailed Revenue Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Intergovernmental and Other Confirmable Cash Receipts (Continued)

2. We confirmed the amounts paid from Lancaster City School District to the District during 2018 and 2017 with the School District. We found no exceptions.
 - a. We inspected the Detailed Revenue Report to determine whether these receipts were allocated to the proper funds. We found no exceptions.
 - b. We inspected the Detailed Revenue Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Over-The-Counter Cash Receipts

We selected a sample (agreed upon) of 10 over-the-counter cash receipts from the year ended December 31, 2018 and 10 over-the-counter cash receipts from the year ended 2017 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the Detailed Revenue Report. The amounts agreed.
- b. Confirmed the amounts charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the Detailed Revenue Report to determine the receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

Debt

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2016.
2. We inquired of management, and inspected the Detailed Revenue Report and Detailed Expenditure Ledger for evidence of debt issued during 2018 or 2017 or debt payment activity during 2018 or 2017. There were no new debt issuances, nor any debt payment activity during 2018 or 2017.

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 Detailed Expenditure Ledger and:
 - a. We compared the hours and pay rate, or salary recorded in the Detailed Expenditure Ledger to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. We inspected the fund and account codes to which the check was posted to determine the posting was reasonable based on the employees' duties as documented in the employees' personnel files and/or 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, 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:

Payroll Cash Disbursements (Continued)

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	Various dates before the due date	\$970,209.48	\$970,209.48
State income taxes	January 15, 2019	1/9/2019	\$209,972.49	\$209,972.49
Local income tax	January 15, 2019	Various dates before the due date	\$50,376.21	\$50,376.21
OPERS retirement	January 30, 2019	1/31/2019	\$819,467.95	\$819,467.95

3. We selected and recomputed one termination payment (unused vacation, etc.) using the following information, and agreed the computation to the amount paid as recorded in the Detailed Expenditure Ledger:
 - a. Accumulated leave records
 - b. The employee's pay rate in effect as of the termination date
 - c. The District's payout policy.

The amount paid was consistent with the information recorded in a. through c. above.

Non-Payroll Cash Disbursements

1. We selected a sample (agreed upon) of 10 disbursements from the Detailed Expenditure Ledger for the year ended December 31, 2018 and 10 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 Detailed Expenditure Ledger 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 Budget Revenue Report for all funds. The amounts agreed.
2. We inspected the appropriation measures adopted for 2018 and 2017 to determine whether, for all 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 Budget Expense Report for 2018 and 2017 for all funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Budget Expense Report.

Compliance – Budgetary (Continued)

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 per fund, 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 expenditures to appropriations per fund for the years ended December 31, 2018 and 2017, as recorded in the Budget Expense 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 Detailed Revenue 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. 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 2018 and 2017 Detailed Revenue Reports and 2017 and 2018 Detailed Expenditure Ledgers for evidence of interfund transfers exceeding \$1000 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).
9. We inquired of management and inspected the Budget Expense Report 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 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

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.

Other Compliance (Continued)

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.
- We found no exceptions.
- b. We selected 3 credit card transactions made by employees and all credit card transactions from Fiscal Officer and Superintendent 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.

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 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.



Keith Faber
Auditor of State

Columbus, Ohio

June 17, 2019

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OHIO AUDITOR OF STATE
KEITH FABER



MULTI- COUNTY JUVENILE DETENTION CENTER

FAIRFIELD 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 2, 2019**