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Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Garrettsville Freedom Nelson Joint Fire District
Portage County
8035 Elm St
Garrettsville, OH 44231

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Garrettsville Freedom Nelson Joint Fire District (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, 2009 and 2008, 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

1. We tested the mathematical accuracy of the December 31, 2009 and December 31, 2008 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2008 beginning fund balances recorded in the Monthly Transaction and Treasury Balance Report to the December 31, 2007 balances in the prior year audited statements. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2009 and 2008 fund cash balances reported in the Monthly Transaction and Treasury Balance Report. The amounts agreed.
4. We confirmed the December 31, 2009 bank account balance with the District's financial institution. The balance agreed. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2009 bank reconciliation. We found no exceptions.
5. We selected five outstanding checks haphazardly from the December 31, 2009 bank reconciliation:
 - a. We traced each check to the debit appearing in the subsequent January 2010 bank statement. We found no exceptions.
 - b. We traced the amounts and date written to the check register, to determine the checks were dated prior to December 31. We noted no exceptions.

Property Taxes, Intergovernmental and Other Confirmable Cash Receipts

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2009 and one from 2008.
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Monthly Transactions and Treasury Balance Report. The amounts agreed.
 - b. We determined whether the receipts were allocated to the proper fund as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.
2. We scanned the Transaction Detail by Account Report to determine whether it included the proper number of tax receipts for 2009 and 2008:
 - a. Two personal property tax receipts
 - b. Two real estate tax receipts

We noted the Transaction Detail by Account Report included the proper number of tax settlement receipts for each year. We found no exceptions.

3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2009 and 2008.
 - a. We compared the amount from the DTL to the amount recorded in the Monthly Transactions and Treasury Balance Report. The amounts agreed.
 - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. We inquired of management, and scanned the Transaction Detail by Account Report for evidence of bonded or note debt issued during 2009 or 2008 or outstanding as of December 31, 2009 or 2008. All debt noted agreed to the summary we used in step 2 below.
2. We obtained a summary of note debt activity for 2009 and 2008 and agreed principal and interest payments from the related debt amortization schedule to payments reported in the Transaction Detail by Account 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 haphazardly selected one payroll check for five employees from 2009 and one payroll check for five employees from 2008 from the Payroll Transaction Detail Report and determined whether the following information in the minute record and Employee Rate Sheet 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. Retirement system participation and payroll withholding.
 - d. Federal, State & Local income tax withholding authorization and withholding.
 - e. Any other deduction authorizations (deferred compensation, etc.)

We found no exceptions related to the steps above.

Payroll Cash Disbursements – (Continued)

2. We tested the checks we selected in step 1, as follows:
 - a. We compared the hours and pay rate, or salary amount used in computing gross pay to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2009 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld during the appropriate withholding period during 2009. We noted the following:

Withholding	Date Due	Date Paid	Amount Withheld	Amount Paid
Federal income taxes	January 31, 2010	2-1-2010	\$4,416.58	\$4,416.58
State income taxes	January 15, 2010	12/30/09	\$240.29	\$240.29
Local income tax	January 31, 2010	12/31/09	\$536.29	\$536.29
OPERS retirement (withholding plus employer share)	PAID Monthly December 30, 2009	12/8/09 (Nov 2009)	\$ 407.40	\$ 407.40
OP&F retirement (withholding-employee)	Paid Monthly December 31, 2009	12/8/09 (Nov 2009)	\$398.12	\$398.12
OP&F retirement (employer portion)	Paid Quarterly January 31, 2010	12/8/09 (3 rd Quarter 2009)	\$2,866.47	\$2,866.47

No exceptions were noted.

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Check Detail Report for the year ended December 31, 2009 and ten from the year ended 2008 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 Check 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 no exceptions.

Compliance – Budgetary

1. We compared the total from the Amended *Certificate of Estimated Resources*, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Profit & Loss Budget vs. Actual Report for the years ended December 31, 2009 and 2008. The amounts agreed.
2. We scanned the appropriation measures adopted for 2009 and 2008 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.

Compliance – Budgetary – (Continued)

3. We compared total appropriations required by Ohio Rev. Code Section 5705.38 and 5705.40, to the amounts recorded in the Profit & Loss Budget vs Actual Report for 2009 and 2008. The amounts on the appropriation resolutions agreed to the amounts recorded in the Profit & Loss Budget vs Actual Report.
4. Ohio Rev. Code Section 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the years ended December 31, 2009 and 2008. We noted 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, 2009 and 2008 as recorded in the Profit & Loss Budget vs Actual Report. We noted no funds for which expenditures exceeded appropriations.
6. We inquired of management and scanned the Profit & Loss Budget vs Actual Report 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.

Compliance – Contracts & Expenditures

1. We inquired of management and scanned the Monthly Transaction and Treasury Balance Report for the years ended December 31, 2009 and 2008 for procurements requiring competitive bidding under the following statute(s):

Ohio Rev. Code Section 505.376 requires a fire and ambulance district to competitively bid purchases exceeding \$50,000 (other than compensation).

We identified no purchases subject to the aforementioned bidding requirements

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 and those charged with governance and is not intended to be, and should not be used by anyone other than these specified parties.



Mary Taylor, CPA
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July 23, 2010



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GARRETTSVILLE FREEDOM NELSON JOINT FIRE DISTRICT

PORTAGE 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
SEPTEMBER 7, 2010**