



Dave Yost • Auditor of State



VILLAGE OF POLAND  
MAHONING COUNTY

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# Dave Yost • Auditor of State

Village of Poland  
Mahoning County  
308 South Main Street  
Poland, Ohio 44514

To the Village Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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**Dave Yost**  
Auditor of State

August 1, 2012

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Village of Poland  
Mahoning County  
308 South Main Street  
Poland, Ohio 44514

To the Village Council:

We have audited the accompanying financial statements of the Village of Poland, Mahoning County, (the Village) as of and for the years ended December 31, 2011 and 2010. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Villages to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2011 and 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2011 and 2010, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances as of December 31, 2011 and 2010 and the reserves for encumbrances as of December 31, 2010 of the Village of Poland, Mahoning County, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 1F, during 2011 the Village of Poland adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 1, 2012, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "Y" and "O".

**Dave Yost**  
Auditor of State

August 1, 2012

VILLAGE OF POLAND  
MAHONING COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Permanent	
<b>Cash Receipts:</b>					
Property and Local Taxes	\$364,085	\$70,861			\$434,946
Intergovernmental	126,167	134,896	\$30,683		291,746
Special Assessments		613			613
Fines, Licenses and Permits	162,344	29,512			191,856
Earnings on Investments	565	134		\$24,951	25,650
Miscellaneous	19,338	31		22	19,391
	672,499	236,047	30,683	24,973	964,202
<b>Total Cash Receipts</b>					
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	407,704	67,550			475,254
Public Health Services	16,587				16,587
Leisure Time Activities	350			14,333	14,683
Community Environment	9,177				9,177
Transportation	27,172	167,579			194,751
General Government	233,390	8,848			242,238
Capital Outlay			30,683		30,683
	694,380	243,977	30,683	14,333	983,373
<b>Total Cash Disbursements</b>					
Total Receipts Over/(Under) Disbursements	(21,881)	(7,930)	0	10,640	(19,171)
<b>Other Financing Receipts / (Disbursements):</b>					
Transfers-In		20,005			20,005
Transfers-Out	(20,005)				(20,005)
	(20,005)	20,005	0	0	0
<b>Total Other Financing Receipts / (Disbursements)</b>					
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(41,886)	12,075	0	10,640	(19,171)
Fund Cash Balances, January 1 as restated (See note 9)	1,293,019	345,810	0	20,467	1,659,296
<b>Fund Cash Balance, December 31</b>					
Restricted		357,470		31,107	388,577
Committed		415			415
Unassigned (Deficit)	1,251,133				1,251,133
	1,251,133	357,885	\$0	\$31,107	\$1,640,125
<b>Fund Cash Balances, December 31</b>	<b>\$1,251,133</b>	<b>\$357,885</b>	<b>\$0</b>	<b>\$31,107</b>	<b>\$1,640,125</b>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF POLAND  
MAHONING COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - AGENCY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Agency</u>
<b>Operating Cash Receipts:</b>	
Fines, Licenses and Permits	<u>\$126,386</u>
Total Operating Cash Receipts	<u>126,386</u>
<b>Operating Cash Disbursements:</b>	
Other	<u>126,389</u>
Total Operating Cash Disbursements	<u>126,389</u>
Operating Income/(Loss)	<u>(3)</u>
Fund Cash Balances, January 1	<u>400</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$397</u></u></b>

*The notes to the financial statements are an integral part of this statement.*

VILLAGE OF POLAND  
MAHONING COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2010

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Permanent	
<b>Cash Receipts:</b>					
Property and Local Taxes	\$371,532	\$71,648			\$443,180
Intergovernmental	220,044	134,455	\$56,261		410,760
Special Assessments		576			576
Fines, Licenses and Permits	158,233	35,697			193,930
Earnings on Investments	1,046	195		\$25,696	26,937
Miscellaneous	13,538	641			14,179
<b>Total Cash Receipts</b>	<b>764,393</b>	<b>243,212</b>	<b>56,261</b>	<b>25,696</b>	<b>1,089,562</b>
<b>Cash Disbursements:</b>					
Current:					
Security of Persons and Property	523,824	85,914			609,738
Public Health Services	16,761				16,761
Leisure Time Activities	995			15,023	16,018
Community Environment	9,736				9,736
Transportation	5,472	176,346			181,818
General Government	237,499	8,142			245,641
Capital Outlay	0		70,885		70,885
<b>Total Cash Disbursements</b>	<b>794,287</b>	<b>270,402</b>	<b>70,885</b>	<b>15,023</b>	<b>1,150,597</b>
Total Receipts Over/(Under) Disbursements	(29,894)	(27,190)	(14,624)	10,673	(61,035)
<b>Other Financing Receipts / (Disbursements):</b>					
Transfers-In		8,006	7,815		15,821
Transfers-Out	(15,821)				(15,821)
<b>Total Other Financing Receipts / (Disbursements)</b>	<b>(15,821)</b>	<b>8,006</b>	<b>7,815</b>	<b>0</b>	<b>0</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(45,715)	(19,184)	(6,809)	10,673	(61,035)
Fund Cash Balances, January 1 as restated (See note 9)	1,338,514	364,994	6,809	9,794	1,720,111
<b>Fund Cash Balances, December 31</b>	<b>\$1,292,799</b>	<b>\$345,810</b>	<b>\$0</b>	<b>\$20,467</b>	<b>\$1,659,076</b>
Reserve for Encumbrances, December 31	\$3,926	\$1,262	\$0	\$0	\$5,188

The notes to the financial statements are an integral part of this statement.

VILLAGE OF POLAND  
MAHONING COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - AGENCY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Agency</u>
<b>Operating Cash Receipts:</b>	
Fines, Licenses and Permits	<u>\$130,284</u>
Total Operating Cash Receipts	<u>130,284</u>
<b>Operating Cash Disbursements:</b>	
Other	<u>130,284</u>
Total Operating Cash Disbursements	<u>130,284</u>
Operating Income/(Loss)	<u>0</u>
Fund Cash Balances, January 1	<u>400</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$400</u></u></b>

*The notes to the financial statements are an integral part of this statement.*

**VILLAGE OF POLAND  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Poland, Mahoning County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general government and police services. The Village receives free volunteer fire protection services from Western Reserve Joint Fire District.

The Village's management believes these financial statements present all activities for which the Village is financially accountable, except the Hine Trust Fund which is maintained by an outside custodian. The principal (assets) are not included in these financial statements. Assets held by custodians are described in Note #8 to the financial statements. Interest earnings are reflected on the financial statements in the Permanent Funds.

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Deposits and Investments**

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Village's investments are limited to an overnight sweep account and investments in STAR Ohio.

**D. Fund Accounting**

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

**1. General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The village had the following significant Special Revenue Funds:

**VILLAGE OF POLAND  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

Law Enforcement Trust Fund - This fund receives forfeiture money to help operate the law enforcement department.

Court Computer Fund – This fund receives fines to help fund computerization of the Courts.

**3. Capital Project Funds**

This fund accounted for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds).

**4. Permanent Funds**

These funds account for assets held under a trust agreement that are legally restricted to the extent that only earnings, not principal, are available to support the Village's programs. The Village had the following significant permanent fund:

Hine Trust Fund – This fund receives interest and dividend earnings from the Samuel K. Hine Trust Account, which is administered by an outside trustee. The principal (assets) is not reflected on the financial statements.

**5. Fiduciary Funds**

Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund accounts for revenue received from individuals for speeding and other offenses. The money is held by the Village and remitted to the Treasurer of State.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund except the agency funds be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

VILLAGE OF POLAND  
MAHONING COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2011 and 2010 budgetary activity appears in Note 3.

F. Fund Balance

For December 31, 2011, fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

**VILLAGE OF POLAND  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**5. Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**G. Property, Plant, and Equipment**

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**H. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS**

The Village maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2011	2010
Demand deposits	\$524,343	\$543,811
Total deposits	524,343	543,811
STAR Ohio	1,116,179	1,115,665
Total investments	1,116,179	1,115,665
Total deposits and investments	\$1,640,522	\$1,659,476

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution’s public entity deposit pool.

**Investments:** Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**VILLAGE OF POLAND  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2011 and 2010 follows:

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$672,498	\$672,499	\$1
Special Revenue	256,052	256,052	0
Capital Projects	30,683	30,683	0
Permanent	24,973	24,973	0
Total	\$984,206	\$984,207	\$1

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$809,849	\$714,385	\$95,464
Special Revenue	351,049	243,977	107,072
Capital Projects	30,683	30,683	0
Permanent	31,865	14,333	17,532
Total	\$1,223,446	\$1,003,378	\$220,068

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$764,391	\$764,393	\$2
Special Revenue	251,064	251,218	154
Capital Projects	94,759	64,076	(30,683)
Permanent	25,696	25,696	0
Total	\$1,135,910	\$1,105,383	(\$30,527)

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$907,249	\$814,034	\$93,215
Special Revenue	373,995	271,664	102,331
Capital Projects	101,568	70,885	30,683
Permanent	24,075	15,023	9,052
Total	\$1,406,887	\$1,171,606	\$235,281

**VILLAGE OF POLAND  
MAHONING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**5. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

**6. RETIREMENT SYSTEMS**

The Village's full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2011 and 2010, OP&F participants contributed 10% of their wages. For 2011 and 2010, the Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. For 2011 and 2010, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2011.

**7. RISK MANAGEMENT**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**8. ASSETS HELD BY CUSTODIANS**

The Samuel K. Hine Trust agreement required the Village to establish a Hine Trust Fund to be maintained by a custodian bank. The Village has established this fund. The assets are not reflected in the accompanying financial statements. Earnings on investments are forwarded to the Village on a monthly basis and recorded in the financial statements of the Village as earnings on investments.

VILLAGE OF POLAND  
MAHONING COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)

9. RESTATEMENT OF FUND BALANCES

The prior year report accounted for outstanding checks as a reconciling item. These checks were voided and subsequently added back to the original fund. The restatement had the following effect on fund balance at January 1, 2010 and 2011

	<u>General</u>
Fund Balance, January 1, 2010	\$1,337,934
Outstanding check added back	580
	<hr/>
Fund Balance, January 1, 2010	\$1,338,514
	 <u>General</u>
Fund Balance, January 1, 2011	\$1,292,799
Outstanding check added back	220
	<hr/>
Fund Balance, January 1, 2011	\$1,293,019

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Village of Poland  
Mahoning County  
308 South Main Street  
Poland, Ohio 44514

To the Village Council:

We have audited the financial statements of the Village of Poland, Mahoning County, (the Village) as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated August 1, 2012 wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted the Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(A) mandates the Auditor of State to audit Ohio governments. For the period ending December 31, 2011, we also noted the Village adopted Governmental Accounting Standards Board Statement No. 54. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated August 1, 2012.

We intend this report solely for the information and use of management, the audit committee, Village Council and others within the Village. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

August 1, 2012



# Dave Yost • Auditor of State

VILLAGE OF POLAND

MAHONING 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 11, 2012