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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Western Reserve Joint Fire District
Mahoning County
111 South Main Street
Poland, OH 44514

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Western Reserve Joint Fire District (the "Fire 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, 2012 and 2011, 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.

The Fire District changed the accounting of its books from the manual basis to the Ohio Township Accounting Software (OhioTAS), effective January 1, 2012.

Cash

1. We tested the mathematical accuracy of the December 31, 2012 and December 31, 2011 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2011 beginning fund balances recorded in the Cash/Funds Reconciliation Report to the December 31, 2010 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2012 beginning fund balances recorded in the Cash/Funds Reconciliation Report to the December 31, 2011 balances in the Cash/Funds Reconciliation Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the totals of the December 31, 2012 and 2011 fund cash balances reported in the Cash Summary By Fund Report and Cash/Funds Reconciliation Report, respectively. The amounts agreed.
4. We confirmed the December 31, 2012 bank account balances with the Fire District's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2012 bank reconciliation without exception.

Cash (Continued)

5. We selected five outstanding checks haphazardly from the December 31, 2012 bank reconciliation:
 - a. We traced each check to the debit appearing in the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and dates 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 2012 and one from 2011.
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Register and Cash Journal, respectively. We also traced the advances noted on the *Statement* to the Receipt Register and Cash Journal. The amounts agreed.
 - b. We determined whether the receipt was allocated to the proper fund as required by Ohio Revised Code Sections 5705.05-.06 and 5705.10. We found no exceptions.
 - c. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We scanned the Receipt Register in 2012 and the Cash Journal in 2011 to determine whether it included two real estate tax receipts, plus 10 and 9 advances respectively, for 2012 and 2011. We noted the Receipt Register and Cash Journal included the proper number of tax settlement receipts for each year.
3. We selected three receipts from the State Distribution Transaction Lists (DTL) from 2012 and the two from 2011. We also selected five receipts from the County Auditor's DTL Vendor Activity by Budget Year listing from 2012 and five from 2011.
 - a. We compared the amounts from the above reports to the amounts recorded in the Receipt Register in 2012 and Cash Journal in 2011. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper fund. We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.
4. We confirmed the amounts paid from the Federal Emergency Management Agency (FEMA) to the Fire District during 2012 and 2011. We found no exceptions.
 - a. We determined whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2010.
2. We inquired of management, and scanned the 2012 Receipt and Check Register reports and the 2011 Cash Journal for evidence of debt issued during 2012 or 2011 or debt payment activity during 2012 or 2011.

Debt (Continued)

The Fire District entered into a Note agreement for \$1,500,000 on May 4, 2012 with Farmers National Bank to make improvements and an addition to Fire Station #92 located on State Route 170 and to purchase a new and a used fire truck. The Fire District opted to only draw down \$1,474,760.98. All debt noted agreed to the summary we used in step 3.

3. According to the amortization schedule from Farmers National Bank, no debt payments on the Note agreement are due until 2013 and will be paid from the Capital Improvement fund.
4. We agreed the amount of debt proceeds of \$1,474,760.98 from the debt documents to amounts recorded in the General Fund per the Receipt Register. The amounts agreed.
5. For new debt issued during 2012, we inspected the debt legislation, noting the Fire District must use the proceeds to make improvements to Fire Station #92 and to purchase a new and a used fire truck. We scanned the Check Register and noted the Fire District purchased a used fire truck in May of 2012 and made payments on the improvements to Fire Station #92 in May of 2012. The unspent balance on the proceeds was \$684,692 as of December 31, 2012.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2012 and one payroll check for five employees from 2011 from the Payroll Registers and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Registers to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
 - c. We determined whether the fund and account codes to which the check was posted were reasonable based on the employee's duties as documented in the employees' personnel files. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2012 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld during the final withholding period during 2012. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Withheld	Amount Paid
Federal income taxes	January 31, 2013	December 31, 2012	\$2,322.50	\$2,322.50
State income taxes	January 15, 2013	December 31, 2012	\$479.94	\$479.94
OPERS retirement	January 30, 2013	December 31, 2012	\$4,026.76	\$4,026.76

Non-Payroll Cash Disbursements

1. For the Cash Journal report, we re-footed checks recorded as General Fund disbursements for *Security of Persons and Property (payroll) and other disbursements*, for 2012. We found no exceptions.

Non-Payroll Cash Disbursements (Continued)

2. We haphazardly selected ten disbursements from the board approved monthly listings of expenditures for the year ended December 31, 2012 and ten from the year ended 2011 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 monthly expenditures listing 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 Revised Code Section 5705.41(D). We found no exceptions.
 - d. 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.

Compliance – Budgetary

1. We compared the total estimated receipts from the *Amended Official Certificate of Estimated Resources*, required by Ohio Revised Code Section 5705.36(A)(1), to the amounts recorded in the Receipt Account Status Report and Cash/Funds Reconciliation reports for the General, Capital Improvement, and FEMA funds for the years ended December 31, 2012 and 2011. The amounts agreed.
2. We scanned the appropriation measures adopted for 2012 and 2011 to determine whether, for the General, Capital Improvement, and FEMA Grant 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 Revised Code Section 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Revised Code Section 5705.38 and 5705.40, to the amounts recorded in the Annual Appropriation listings for 2012 and 2011 for the following funds: the General, Capital Improvement, and FEMA Grant funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Annual Appropriation listings.
4. Ohio Revised 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, Capital Improvement, and FEMA Grant funds for the years ended December 31, 2012 and 2011. We noted no funds for which appropriations exceeded certified resources.
5. Ohio Revised 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, 2012 and 2011 for the General, Capital Improvement, and FEMA Grant funds as recorded in the Annual Appropriation listings. We noted no funds for which expenditures exceeded appropriations.
6. Ohio Revised Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We scanned the Receipt Register and Cash Journal for evidence of new restricted receipts requiring a new fund during December 31, 2012 and 2011. We also inquired of management regarding whether the Fire District received new restricted receipts.

Compliance – Budgetary (Continued)

7. In 2011, the Fire District established the FEMA Safer Education Grant fund to segregate Federal Emergency Management Agency receipts and disbursements for a grant the Department of Homeland Security awarded to the Fire District. This grant has permitted the opportunity for the Fire District to offer eight, four year full scholarships to Youngstown State University for qualified individuals. The Fire District also established the Capital Improvement fund during 2011 to hold monies generated by the new One-Mill Capital Levy approved by the voters in May 2011, that will begin collecting monies in 2012, in compliance with Ohio Revised Code Section 5705.09 and 2 CFR Part 176.210.
8. We scanned the 2012 and 2011 Cash Journals and Annual Appropriation listings for evidence of interfund transfers exceeding \$1,000 which Ohio Revised Code Sections 5705.14 -- .16 restrict. We found no evidence of transfers these Sections prohibit, or for which Ohio Revised Code Section 5705.16 would require approval by the Tax Commissioner and Court of Common Pleas.
9. We inquired of management and scanned the Annual Appropriation listings to determine whether the Fire District elected to establish reserve accounts permitted by Ohio Revised Code Section 5705.13. We noted the Fire District did not establish these reserves.

Compliance – Contracts & Expenditures

We inquired of management and scanned the Check Register and the Cash Journal for the years ended December 31, 2012 and 2011, respectively, for procurements requiring competitive bidding under the following statute(s):

Ohio Revised Code Sections 505.37 to 505.42 & 731.14 require a fire district to competitively bid purchases of fire apparatus, mechanical resuscitators, other fire equipment, appliances, materials, fire hydrants, buildings, or fire-alarm communications equipment or service costs exceeding \$50,000. We identified a Fire Station #92 Additions project exceeding \$50,000, subject to Ohio Revised Code Section 505.37. For this project, we noted that the Board advertised the project in a local newspaper, and selected the lowest responsible bidder.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the Fire 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, Board of Trustees, and others within the Fire District and is not intended to be, and should not be used by anyone other than these specified parties.



Dave Yost
Auditor of State

June 17, 2013

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WESTERN RESERVE JOINT DISTRICT

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
AUGUST 1, 2013**