



Mary Taylor, CPA
Auditor of State

HILL VALLEY FIRE DISTRICT #3
BELMONT COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Hill Valley Fire District #3
Belmont County
P.O. Box 133
Colerain, Ohio 43916

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Hill Valley Fire District #3, Belmont County, Ohio (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 balance recorded in the Cash Journal to the December 31, 2007 balance 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 cash balance reported in the Cash Journal. The amounts agreed.
4. We confirmed the December 31, 2009 bank account balance with the District's financial institution. The bank account balance per the bank confirmation agreed to amounts appearing in the December 31, 2009 bank reconciliation. We found 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 Receipts Ledger. The amounts agreed.
 - b. We determined whether the receipt was allocated to the proper account. We found no exceptions.

Property Taxes, Intergovernmental and Other Confirmable Cash Receipts (Continued)

- c. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We scanned the Receipts Ledger 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 receiptsWe noted the Receipts Ledger included the proper number of tax settlement receipts for each year.
3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2009 and all from 2008. We also selected five receipts from the County Auditor's DTLs from 2009 and five from 2008.
 - a. We compared the amount from the DTL to the amount recorded in the Receipts Ledger. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper account. We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Debt

We inquired of management, and scanned the Cash Journal and the Appropriations Ledger for evidence of bonded or note debt issued during 2009 or 2008 or outstanding as of December 31, 2009 or 2008. We noted no new debt issuances or any debt payment activity during 2009 or 2008.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for all employees from 2009 and one payroll check for all employees from 2008 from the Appropriations Ledger and determined whether the following information in the minute record 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. Medicare tax withholding.We found no exceptions related to the steps above.
2. We tested the checks we selected in step 1, as follows:
 - a. We compared the salary amount used in computing gross pay to the legislatively-approved rate. We found no exceptions.
 - b. We recomputed gross and net pay and agreed it to the amount recorded in the Appropriations Ledger. We found no exceptions.

Payroll Cash Disbursements (Continued)

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 final withholding period during 2009. We noted the following:

Withholding	Date Due	Date Paid	Amount Withheld	Amount Paid
Medicare taxes	1/31/10	1/10/10	\$125.28	\$125.28
OPERS retirement (withholding plus employee share)	1/30/10	1/10/10	\$86.40	\$86.40

Non-Payroll Cash Disbursements

1. For the Appropriations Ledger, we refooted checks recorded as disbursements for *Other Expenses*, for 2009. We found no exceptions.
2. We agreed total disbursements (non-payroll and payroll) from the Appropriations Ledger for the years ended December 31, 2009 and 2008 to the total disbursements recorded in the Cash Journal. For the year ended December 31, 2009, there were no exceptions. For the year ended December 31, 2008, there was a memo entry in the Cash Journal for administration fees related to a State Distribution dated September 13, 2008 that was not recorded in the Appropriations Ledger. This resulted in disbursements being understated in the Appropriations Ledger by \$66. We recommend the Fiscal Officer record all disbursements in both the Cash Journal and the Appropriations Ledger and periodically review postings in these ledgers to ensure they agree.
3. We selected all non-payroll disbursements from the Appropriations Ledger for the years ended December 31, 2009 and 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 Appropriations Ledger and to the names and amounts on the supporting invoices. We found no exceptions.
 - c. We found four instances where the certification date was after the vendor invoice date. Ohio Rev. Code Section 5705.41(D) requires certifying at the time of a commitment, which should precede the invoice date. We recommend the Fiscal Officer follow the requirements in Ohio Rev. Code Section 5705.41(D) when certifying availability of funds prior to incurring obligations.

Compliance – Budgetary

1. We compared the total from the *Amended Official Certificate of Estimated Resources*, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Receipts Ledger for the years ended December 31, 2009 and 2008. The amounts on the *Certificate* were not recorded in the Receipts Ledger. The Fiscal Officer should post in the Receipts Ledger amounts per the *Amended Official Certificate of Estimated Resources*. By not recording estimated receipts in the Receipts Ledger, the Fiscal Officer may not be providing adequate information to the Trustees for budgeting and monitoring purposes.

Compliance – Budgetary (Continued)

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.
3. We compared total appropriations required by Ohio Rev. Code Section 5705.38 and 5705.40, to the amounts recorded in the Appropriations Ledger for 2009 and 2008. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriations Ledger.
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 appropriations did not 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 Appropriations Ledger. We noted expenditures did not exceed appropriations.
6. We inquired of management and scanned the Appropriations Ledger 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

We inquired of management and scanned the Appropriations Ledger for the years ended December 31, 2009 and 2008 for procurements requiring competitive bidding under the following statute(s):

Ohio Rev. 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 \$25,000.

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
Auditor of State

June 18, 2010



Mary Taylor, CPA
Auditor of State

HILL VALLEY FIRE DISTRICT #3

BELMONT 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 3, 2010**