



Dave Yost • Auditor of State





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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Cardinal Joint Fire District  
Mahoning County  
104 Lisbon Street  
Canfield, Ohio 44406

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Cardinal 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.

### 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 Balance Sheet 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 Balance Sheet to the December 31, 2011 balances in the Balance Sheet. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2012 and 2011 fund cash balances reported in the Balance Sheet. The amounts agreed.
4. We confirmed the December 31, 2012 bank account balances with the Fire District's financial institutions (Huntington National Bank). We also observed the year-end bank balances on the financial institution's (Farmers National Bank) website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2012 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2012 bank reconciliation:
  - a. We traced each debit to the subsequent January bank statements on the financial institutions website. We found no exceptions.

### **Cash (Continued)**

- b. We traced the amounts and dates written to the check register, to determine the debits were dated prior to December 31. We noted no exceptions.
6. We tested interbank account transfers occurring in December of 2012 to determine if they were properly recorded in the accounting records and on the 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 2012 and one from 2011.
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Profit and Loss Detail Report. We also traced the advances noted on the Statement to the Profit and Loss Detail Report. The amounts agreed.
  - b. We determined whether the receipt was allocated to the proper fund(s) 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 Profit and Loss Detail Report to determine whether it included two real estate tax receipts, plus seven advances for 2012 and 2011. We noted the Profit and Loss Detail Report included the proper number of tax receipts for each year.
3. We selected four receipts from the State Distribution Transaction Lists (DTL) from 2012 and three 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 amount from the above DTLs to the amount recorded in the Profit and Loss Detail Report. The amounts agreed.
  - b. We determined whether these receipts were allocated to the proper fund(s). 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 audit documentation disclosed no debt outstanding as of December 31, 2010.
2. We inquired of management, and scanned the Profit and Loss Detail Reports for evidence of debt issued during 2012 or 2011 or debt payment activity during 2012 or 2011. We noted no new debt issuances, nor any debt payment activity during 2012 or 2011.

**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 Payment Register and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Register to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
  - b. We determined whether the fund and account code(s) to which the check was posted were reasonable based on the employees' 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 if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period of 2012. We noted the following:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare	January 31, 2013	December 6, 2012	\$4,421.13	\$4,421.13
State income taxes	January 15, 2013	December 20, 2012	\$1,277.02	\$1,277.02
Local income tax	January 1, 2013	December 21, 2012	\$532.26	\$532.26
OPERS retirement	January 30, 2013	December 20, 2012	\$3,293.03	\$3,293.03
OP&F retirement	January 31, 2013	December 20, 2012	\$11,688.41	\$11,688.41

3. We haphazardly 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 Payment Register:
  - a. Accumulated leave records
  - b. The employee's pay rate in effect as of the termination date
  - c. The Fire District's payout policy.

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

**Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the Payment Register 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 Payment Register 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.

### Non-Payroll Cash Disbursements (Continued)

- d. 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.

### Compliance – Budgetary

1. We compared the total estimated receipts from the *Certificate of the Total Amount From All Sources Available For Expenditures and Balances*, required by Ohio Revised Code Section 5705.36(A)(1), to the amounts recorded in the Profit and Loss Budget vs. Actual All Funds Report for the General, Equipment and FEMA Grant 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, Equipment 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 Sections 5705.38 and 5705.40, to the amounts recorded in the Profit and Loss Budget vs. Actual All Funds Report for 2012 and 2011 for the following funds: the General, Equipment and FEMA Grant funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Profit and Loss Budget vs. Actual All Funds Report.
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, Equipment 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, Equipment and FEMA Grant funds, as recorded in the Profit and Loss Budget vs. Actual All Funds Report. 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 Profit and Loss Detail Report 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. We noted no evidence of new restricted receipts for which Ohio Revised Code Section 5705.09 would require the Fire District to establish a new fund. We did note that the Trustees established the Building fund during 2012, and transferred \$500,000 of the Equipment Fund cash into it. The 2006 Levy allows for the construction of a building for Fire District operations. However, Ohio Revised Code Section 5705.09 does not require establishing this fund (i.e., there are no external restrictions limiting the use of its cash). Therefore, Ohio Revised Code Section 5705.12 requires the Fire District to obtain the Auditor of State’s permission to establish this fund. The Fire District did not obtain this permission.
7. We scanned the 2012 and 2011 Profit and Loss Budget vs. Actual All Funds Reports 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 Section 5705.16 would require approval by the Tax Commissioner and Court of Common Pleas.

**Compliance – Budgetary – (Continued)**

8. We inquired of management and scanned the Profit and Loss Budget vs. Actual All Funds Report 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.

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, those charged with governance, and others within the Fire District, and is not intended to be, and should not be used by anyone 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

July 31, 2013

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# Dave Yost • Auditor of State

**CARDINAL JOINT FIRE 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  
SEPTEMBER 26, 2013**