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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, 2010 and 2009, 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, 2010 and December 31, 2009 bank reconciliations on the Cash/Funds Reconciliation Reports. We found no exceptions.
2. We agreed the January 1, 2009 beginning fund balances recorded in the Cash/Funds Reconciliation Report to the December 31, 2008 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, 2010 and 2009 fund cash balances reported in the Cash/Funds Reconciliation Reports. The amounts agreed.
4. We confirmed the December 31, 2010 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, 2010 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2010 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and dates written to the Cash Journal, to determine the debits 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 2010 and one from 2009.
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Cash Journal. We also traced the advances noted on the Statement to the Cash Journal. We noted for both property tax receipts tested that the Fire District recorded the tax receipts at the net amounts. However, because we did not test all of the property tax receipts, our report provides no assurance regarding whether or not other similar errors occurred.
 - 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 Cash Journal to determine whether it included the proper number of tax receipts for 2010 and 2009:
 - a. Two personal property tax receipts.
 - b. Two real estate tax receipts, plus one advance.

We noted the Cash Journal included the proper number of tax settlement receipts for each year.
3. We selected all three receipts from the State Distribution Transaction Lists (DTL) from 2010 and all three from 2009. We also selected five receipts from the County Auditor's DTL Vendor Activity by Budget Year listing from 2010 and five from 2009.
 - a. We compared the amount from the DTL to the amount recorded in the Cash Journal. 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 2010 and 2009. 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 report disclosed no debt outstanding as of December 31, 2008.
2. We inquired of management and scanned the Cash Journal for evidence of debt issued during 2010 or 2009 or debt payment activity during 2010 or 2009. We noted no new debt issuances or any debt payment activity during 2010 or 2009.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2010 and one payroll check for five employees from 2009 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 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, 2010 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld, during the final withholding period during 2010. We noted the following:

Withholding	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2011	December 31, 2010	940.41	940.41
State income taxes	January 15, 2011	December 31, 2010	344.26	344.26
OPERS retirement	January 30, 2011	December 31, 2010	2,454.67	2,454.67

Non-Payroll Cash Disbursements

1. From the Cash Journal report, we re-footed checks recorded as General Fund disbursements for *security of persons and property (payroll) and other disbursements*, for 2010. We found no exceptions.
2. We haphazardly selected ten disbursements from the Board approved monthly listings of expenditures for the year ended December 31, 2010 and ten from the year ended 2009 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.

Non-Payroll Cash Disbursements (Continued)

- 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 amounts from the *Amended Official Certificate of Estimated Resources*, required by Ohio Revised Code Section 5705.36(A)(1), to the amounts recorded in the Cash Journal for the General and FEMA funds for the years ended December 31, 2010 and 2009. The amounts agreed.
2. We scanned the appropriation measures adopted for 2010 and 2009 to determine whether, for the General and FEMA 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 2010 and 2009 for the following funds: General and FEMA funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Annual Appropriation listings.
4. Ohio Revised Code Section 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the General and FEMA funds for the years ended December 31, 2010 and 2009. 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, 2010 and 2009 for the General and FEMA 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 Cash Journal for evidence of new restricted receipts requiring a new fund during December 31, 2010 and 2009. 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.
7. We scanned the 2010 and 2009 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 Section 5705.16 would require approval by the Tax Commissioner and Court of Common Pleas.
8. 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 Cash Journals for the years ended December 31, 2010 and 2009 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 \$25,000.

In 2010, we identified that the District awarded a contract for Mobile Data Terminals associated with the FEMA Computer Grant for \$851,470 and also a contract to purchase a Quick Attack Truck for \$135,876. For these projects, we noted that the Fire District went through all the required bid steps which we saw documentation for: advertising for bids, selecting the lowest and best bidder, and awarding the contract in the Fire District's minutes.

Officials' Response: We did not receive a response from Officials to the exception reported above.

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.



Dave Yost
Auditor of State

August 19, 2011

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WESTERN RESERVE 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 27, 2011**