

SCIOTO VALLEY FIRE DISTRICT

MARION COUNTY

**JANUARY 1, 2010 TO DECEMBER 31, 2011
AGREED UPON PROCEDURES**



Dave Yost • Auditor of State

Board of Trustees
Scioto Valley Joint Fire District
P.O. Box 367
Larue, Ohio 43332

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Scioto Valley Joint Fire District, Marion County, prepared by Holbrook & Manter, for the period January 1, 2010 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Scioto Valley Joint Fire District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

October 23, 2012

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

Board of Trustees
Scioto Valley Fire District
P.O. Box 367
Larue, Ohio 43332

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Scioto Valley Fire District (the District) and the Auditor of State 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, 2011 and 2010, 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 and Investments

1. We tested the mathematical accuracy of the December 31, 2011 and 2010 bank reconciliations.
 - No exceptions were noted during the testing of the bank reconciliations.
2. We agreed the January 1, 2010 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2009 balances in the prior year audited financial statements.
 - The January 1, 2010 beginning fund balances tied to the December 31, 2009 balances on the prior year audited financial statements.
3. We agreed the totals per the bank reconciliations to the corresponding totals in the December 31, 2011 and 2010 fund cash balances reported in the Fund Status Reports.
 - The amounts agreed from the bank reconciliation to the Fund Status Report.

Cash and Investments (continued)

4. We confirmed the December 31, 2011 and 2010 bank account balances with the District's financial institutions and agreed the confirmed balances to the corresponding amounts appearing in the December 31, 2011 and 2010 bank reconciliations.
 - The confirmed balances on the checking account agreed to those amounts within the bank reconciliation, and no exceptions were noted.
5. We selected all reconciling debits (such as outstanding checks) haphazardly from the December 31, 2011 bank reconciliation and traced each debit appearing in the subsequent January and February bank statements. We also traced the amounts and date written to the check register, to determine that the debits were dated prior to December 31.
 - We found no exceptions when testing the reconciling debits.
6. We tested investments held at December 31, 2011 and 2010 to determine that they were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144 and matured within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14.
 - We found no exceptions when testing investments.

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 2011 and one from 2010 and traced the gross receipts from the *Statement* to the amount recorded in the Receipt Register Report, determined whether the receipt was allocated to the proper fund(s) as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10, and determined whether the receipt was recorded in the proper year.
 - We found no exceptions during our testing of the County receipts.
2. We scanned the Receipt Register Report to determine whether it included the proper number of tax receipts for 2011 and 2010 which includes two real estate tax receipts.
 - We found no exceptions during our testing of receipts.
3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2011 and all receipts from 2010 and compared the amount from the DTL to the amount recorded in the Receipt Register Report. We also determined whether these receipts were allocated to the proper funds and whether the receipts were recorded in the proper year.
 - We found no exceptions during our testing of the State receipts.

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

4. We also selected all receipts from the County Auditor's DTLs from 2011 and all receipts from 2010 and compared the amount from the DTL to the amount recorded in the Receipt Register Report. We also determined whether these receipts were allocated to the proper funds and whether the receipts were recorded in the proper year.
 - We found no exceptions when comparing the County confirms to the Receipt Register Report.
5. We agreed the amount paid from a FEMA grant to the District during 2010 to documentation supporting the amount received. We also determined whether this receipt was allocated to the proper fund and recorded in the proper year.
 - We found no exceptions when viewing supporting documentation on the amount received from a FEMA grant.

Debt

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2009.
2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2011 or 2010 or payment activity during 2011 or 2010.
 - All debt noted agreed to the summary we used in Step 3.
3. We obtained a summary of loan debt activity for 2011 and 2010 and agreed principal and interest payments from the related debt amortization schedule to general fund payments reported in the Payment Register Detail Report. We also compared the date the debt service payments were due to the date the District made the payments.
 - We found no exceptions when comparing the payments from the amortization schedule to the actual payments recorded.
4. We agreed the amount of debt proceeds from the debt documents recorded in the general fund per the Receipt Register Report.
 - All loan proceeds agreed to the Receipt Register Report.
5. For new debt issued during 2010, we inspected the debt legislation, noting the District must use the proceeds to purchase a fire truck. We scanned the Payment Register Detail Report and noted the District purchased a fire truck in February of 2010. The balance of the loan as of December 31, 2011 was \$113,405.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2011 and one payroll check for five employees from 2010 from the Employee Detail Adjustment Report and tested the following attributes:
 - We compared the hours and pay rate, or salary recorded in the Employee Detail Adjustment Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary)
 - We determined whether the account code(s) to which the check was posted was reasonable based on the employees' duties as documented in the employees' personnel files and time records and determined whether the payment was posted to the proper year.
 - No exceptions were noted during our testing of payroll cash disbursements.
2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2011 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 2011. We noted the following:

Withholding (Plus employer share where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income tax & Medicare	January 31, 2012	December 10, 2011	941.52	941.52
State income taxes	January 15, 2012	December 10, 2011	70.65	70.65
School district income taxes	January 31, 2012	December 10, 2011	79.71	79.71
OPERS retirement	January 30, 2012	December 10, 2011	715.20	715.20

- No exceptions were noted during the testing of the withholdings and all payments tested were made timely.

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2011 and ten from the year ended 2010 to determine the following:
 - The disbursements are for a proper public purpose.
 - 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 Detail Report and to the names and amounts on the supporting invoices.
 - The fiscal officer certified disbursements requiring certification or issued a Then and Now Certificate, as required by Ohio Rev. Code Section 5705.41(D).

Non-Payroll Cash Disbursements (continued)

- During our testing of non-payroll disbursements, we found five instances where the certification date was after the vendor invoice date, and there was no evidence that a Then and Now Certificate was issued. Ohio Rev. Code Section 5705.41 (D) requires certifying at the time of a commitment, which should be on or before the invoice date, unless a Then and Now Certificate is used. Because we did not test all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

Official's Response - The fiscal officer will continue to monitor the certification of expenditures moving forward and utilize "Then and Now" Certificates when necessary to prevent this issue from occurring in the future.

Compliance-Budgetary

1. We compared the total estimated receipts from the Amended Certificate of Estimated Resources required by Ohio Rev. Code Section 5705.36 (A)(1) to the amounts recorded in the Revenue Status Report for the years ended December 31, 2011 and 2010.
 - The amounts on the Certificate agreed to the amount recorded in the accounting system in 2010. In 2011 the Revenue Status Report recorded budgeted (i.e. certified) resources of \$107,810. However, the final Amended Official Certificate of Estimated Resources reflected \$106,441. The fiscal officer should periodically compare amounts recorded in the Revenue Status Report to amounts recorded on the Amended Official Certificate of Estimated Resources to assure they agree. If the amounts do not agree, the Trustees may be using inaccurate information for budgeting and monitoring purposes.

Official's Response - The fiscal officer will continue to monitor and issue an amended certificate as deemed necessary.

2. We scanned the appropriation measures adopted for 2011 and 2010 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 when comparing appropriation measures to Trustee salaries for personal services.
3. We compared the total appropriations required by Ohio Rev. Code Section 5705.38 and 5705.40 to the amounts recorded in the Appropriation Status Report for 2011 and 2010.
 - The amounts on the appropriation resolution agreed to the amounts recorded in the Appropriation Status report.

Compliance-Budgetary (continued)

4. Ohio Rev. Code Section 5705.36 (a)(5) and 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the years ended December 31, 2011 and 2010.
 - We noted that General Fund appropriations for 2011 exceeded certified resources by \$1,369, contrary to Ohio Rev. Code Section 575.39. The Trustees should not pass appropriations exceeding certified resources. Allowing this to occur could cause the Township to incur fund balance deficits. No exceptions were noted for 2010.

Official's Response – The fiscal officer will monitor the appropriations throughout the year and adjust for the decrease of estimated resources accordingly and when necessary issue amended Certificates to the County for approval.

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, 2011 and 2010, as recorded in the Appropriation Status Report.
 - We noted that expenditures for 2010 exceeded total appropriations by \$2,301, contrary to Ohio Rev. Code Section 5705.41 (B). The Fiscal Officer should not certify the availability of funds and should deny payment requests exceeding appropriations. The Fiscal Officer may request the Trustees to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary, and if resources are available. No exceptions were noted for 2011.

Official's Response – The fiscal officer will monitor the appropriations throughout the year and adjust for the decrease of estimated resources accordingly and when necessary issue amended Certificates to the County for approval.

6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We scanned the Receipts Register Report for evidence of new restricted receipts requiring a new fund during December 31, 2011 and 2010. We also inquired of management regarding whether the District received new restricted receipts.
 - We noted no evidence of new restricted receipts for which Ohio Rev. Code Section 5705.09 would require the District to establish a new fund.
7. We scanned the 2011 and 2010 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers which Ohio Rev. 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. No exceptions were noted.

Compliance-Budgetary (continued)

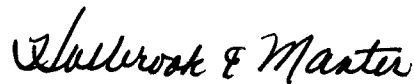
8. We inquired of management and scanned the Appropriation Status Reports to determine whether the District elected to establish reserve accounts permitted by Ohio Rev. Code Section 5705.13.
 - We noted the District did not establish these reserves; therefore, no exceptions were noted.

Compliance-Contracts & Expenditures

1. We inquired of management and scanned the Payment Register Detail report for the years ended December 31, 2011 and 2010 for procurements requiring competitive bidding under the following statutes:
 - 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 \$50,000.
 - We identified the purchase of a fire truck exceeding \$50,000, subject to Ohio Rev. Code Section 5549.21. For this project, we noted that the truck was purchased through a state purchasing agency; therefore, the District was exempt from the competitive bidding process.

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 preformed 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, the Auditor of State, and others within the District, and is not intended to be, and should not be used by anyone other than these specified parties.



Certified Public Accountants

May 31, 2012

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Dave Yost • Auditor of State

SCIOTO VALLEY FIRE DISTRICT

MARION 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
NOVEMBER 8, 2012**