



Dave Yost • Auditor of State

**JEFFERSON EMERGENCY RESCUE DISTRICT
ASHTABULA COUNTY**

TABLE OF CONTENTS

TITLE _____ **PAGE**

Independent Accountants' Report on Applying Agreed-Upon Procedures..... 1

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Jefferson Emergency Rescue District
Ashtabula County
PO Box 294
Jefferson, Ohio 44047

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Jefferson Emergency Rescue District (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, 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 Checkbook Summary to the December 31, 2010 balances in the prior year audited statements. We noted a difference of \$246 which is due to outstanding checks from 2008 and 2009 were voided instead of being placed in an unclaimed monies fund. We verified the checks were not on the outstanding check list. We also agreed the January 1, 2012 beginning fund balances recorded in the Checkbook Summary to the December 31, 2011 balances in the Checkbook Summary. 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 Checkbook Summary. The amounts agreed.
4. We confirmed the December 31, 2012 bank account balance with the 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.
5. We selected seventeen reconciling debits (such as outstanding checks) haphazardly from the December 31, 2012 bank reconciliation:

- a. We traced each debit to the subsequent January bank statement. We found no exceptions.
- b. We traced the amounts and dates to the check register, 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 2012 and one from 2011.
 - a. We traced the gross receipts from the *Statement of Semiannual Apportionment of Taxes* to the amount recorded in the Receipt Ledger. We also traced the advances noted on the Statement to the Receipt Ledger. We noted that receipts were posted at net instead of gross.
 - b. We determined whether the receipts were allocated to the proper funds as required by Ohio Rev. 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 receipts were recorded in the proper year.
2. We scanned the Receipt Register Report to determine whether it included two real estate tax receipts plus 1 advance for 2011. We noted the Receipts Register Report included the proper number of tax receipts for each year.
3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2012 and all from 2011. We also selected five receipts from the County Auditor's DTLs from 2012 and five from 2011.
 - a. We compared the amount from the above reports to the amount recorded in the Revenue Ledger. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper funds. 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 First Merit Bank to the District during 2011 with the Receipt Ledger, Bank Statement and the Loan Document. 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.

Charges for Services

1. We confirmed the amounts paid from Lifeforce Management, the service organization that performs the emergency medical billings, to the District during 2012 and 2011. We noted a difference of (\$74) in 2012 and \$58 in 2011 between what was receipted by the Emergency District and what Lifeforce Management showed as being sent.
 - a. We determined whether these receipts were allocated to the proper funds. 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 Revenue Ledger and Vendor History Report for evidence of debt issued during 2012 or 2011 or debt payment activity during 2012 or 2011. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of debt activity for 2012 and 2011 and agreed principal and interest payments from the related debt amortization schedule to general fund payments reported in the Vendor History Report. We also compared the date the debt service payments were due to the date the District made the payments. We found no exceptions.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the General fund per the Receipt Ledger. The amounts agreed.
5. For new debt issued during 2012 and 2011, we inspected the debt legislation, noting the District must use the proceeds to an ambulance. We scanned the Vendor History Report and noted the District purchased an ambulance in January of 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 Employee Detail Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Employee Detail Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. We determined whether the fund and account codes to which the check was posted were reasonable based on the employees' duties as documented in the minutes. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. For one new employees selected in step 1 we determined whether the following information in the minutes 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. Department to which the check should be charged.
 - d. Retirement system participation and payroll withholding
 - e. Federal, State & Local income tax withholding authorization and withholding.
 - f. Any other deduction authorizations (deferred compensation, etc.)

We found no exceptions related to the steps above.

3. 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:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2013	January 2, 2013	\$12,039.99	\$12,039.99
State income taxes	January 31, 2013	January 10, 2013	\$10,050.72	\$10,050.72
Local income tax	January 31, 2013	December 31, 2013	\$5,591.98	\$5,591.98
OPERS retirement	January 30, 2013	January 30, 2013	\$11,591.06	\$11,591.06

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Monthly Recap Report 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 Recap Report 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.
 - d. The fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. 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 Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Checkbook Summary for the General fund for the years ended December 31, 2012 and 2011. The amounts on the *Certificate* did not agree to the amount recorded in the accounting system. The Checkbook Summary recorded budgeted (i.e. certified) resources for the General Fund of \$596,783 for 2012. However, the *Certificate of Estimated Resources* reflected \$594,500. The Checkbook Summary recorded budgeted (i.e. certified) resources for the General Fund of \$717,357 for 2011. However, the *Certificate of Estimated Resources* reflected \$745,250. 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 District may be using inaccurate information for budgeting and monitoring purposes.
2. We scanned the appropriation measures adopted for 2012 and 2011 to determine whether, for the General Fund, 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 could not find any appropriation measures approved in the Minutes. However, there were appropriations prepared and entered in accounting system. The District should approve appropriation measures each year.

3. We compared total appropriations required by Ohio Rev. Code Sections 5705.38 and 5705.40, to the amounts recorded in the Checkbook Summary Report for 2012 and 2011 for the General Fund. The total amount of General Fund appropriations for 2012 and 2011 were of \$790,000 and \$881,500 did not agree to the amounts recorded in the Checkbook Summary Report of \$657,010 and \$865,168 respectively.
4. Ohio Rev. 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 fund for the years ended December 31, 2012 and 2011. We noted the General Fund appropriations for 2011 exceeded certified resources by \$88,351, contrary to Ohio Rev. Code Section 5705.39. The District should not have appropriations exceeding certified resources. Allowing this to occur could cause the District to incur fund balance deficits.
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, 2012 and 2011 for the General fund, as recorded in the Checkbook Summary Report. We noted the General fund expenditures did not exceeded appropriations.
6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We scanned the Receipt Ledger for evidence of new restricted receipts requiring a new fund during December 31, 2012 and 2011. 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 inquired of management and scanned the Appropriation 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.

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, those charged with governance, and others within the District, and is not intended to be, and should not be used by anyone other than these specified parties.



Dave Yost
Auditor of State

October 7, 2013

This page intentionally left blank.



Dave Yost • Auditor of State

JEFFERSON EMERGENCY RESCUE DISTRICT

ASHTABULA 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 7, 2013**