



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

North Central Ambulance District
Preble County
130 East Main Cross Street
Eldorado, Ohio 45321

We have performed the procedures enumerated below, with which the Board of Trustees and the management of North Central Ambulance 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, 2015 and 2014, 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, 2015 and December 31, 2014 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2014 beginning fund balance recorded in the Annual Financial Report to the December 31, 2013 balance in the prior year audited statement. We found no exceptions. We also agreed the January 1, 2015 beginning fund balance recorded in the Annual Financial Report to the December 31, 2014 balance in the Annual Financial Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2015 and 2014 fund cash balances reported in the Cash Journals. There was a \$20 unexplained variance on the December 31, 2014 and December 31, 2015 bank reconciliations.
4. We confirmed the December 31, 2015 bank account balances with the District's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2015 bank reconciliation with one exception. The Treasurer did not post \$86.12 of interest earned on the certificate of deposit to the Cash Journal.
5. We selected all reconciling debits (such as outstanding checks) from the December 31, 2015 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. One debit did not clear the bank until the April bank statement; one debit did not clear the bank until the June bank statement. The outstanding checklist also included several old oldstanding checks.
 - 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.

6. We selected the reconciling credit (such as deposit in transit) from the December 31, 2015 bank reconciliation:
 - a. We traced the credit to the subsequent January bank statement. We found no exceptions.
 - b. We agreed the credit amount to the Cash Journal. The credit was recorded as a December receipt for the same amount recorded in the reconciliation.
7. We tested investments held at December 31, 2015 and December 31, 2014 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We found no exceptions.
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. 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 2015 and one from 2014.
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Cash Journal. We noted that property tax receipts for 2014 and 2015 were posted at the net amount rather than the gross amount. For the property tax settlement received in 2014 receipts and County Auditor fees in the amount of \$900.52 were not posted to the accounting system. For the property tax settlement received in 2015 receipts and County Auditor fees in the amount of \$681.27 were not posted to the accounting system.
 - b. We determined whether the receipt was allocated to the proper fund 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 receipt was recorded in the proper year.
2. We scanned the Cash Journal to determine whether it included two real estate tax receipts for 2015 and 2014. We noted the Cash Journal included the proper number of tax receipts for each year.
3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2015 and 2014.
 - a. We compared the amount from the above reports to the amount recorded in the Cash Journal. Two homestead and rollback receipts were incorrectly posted at net instead of gross in 2014 [receipts and County Auditor fees of \$114.33 were not posted to the accounting system]. The District failed to receive the homestead and rollback receipts in 2015 because they did not properly set up their bank account information for direct deposit [total receipts of \$6,572.34].
 - 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.

Charges for Services

1. We confirmed the amounts paid from Medical Claims Assistance (MCA), the service organization that performs the emergency medical billings, to the District during 2014 and 2015 with MCA. 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, 2013.
2. We inquired of management, and scanned the Cash Journal for evidence of debt issued during 2015 or 2014 or debt payment activity during 2015 or 2014. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of loan debt activity for 2015 and 2014 and agreed principal and interest payments from the related debt amortization schedule to debt service fund payments reported in the Cash Journal. We also compared the date the debt service payments were due to the date the District made the payments. We found no exceptions.
4. The District did not post the loan proceeds and corresponding expenditure of \$70,190 to the Cash Journal in 2014. The loan proceeds were used to help purchase an ambulance.
5. For new debt issued during 2014, we inspected the debt legislation, noting the District must use the proceeds to purchase an ambulance. We scanned the Cash Journal and noted the District purchased an ambulance in January of 2014.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2015 and one payroll check for five employees from 2014 from the Appropriations Journal – Salaries and:
 - a. We compared the hours and pay rate, or salary recorded in the Appropriations Journal - Salaries 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 to which the check was posted were reasonable based on the employees' duties as documented in the minute record and prior year work papers. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. For any new employees selected in step 1 we 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. Federal, State & Local income tax withholding authorization and withholding
 - e. 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, 2015 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 2015. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2016	January 30, 2016	\$714.10	\$714.10
State income taxes	January 31, 2016	February 1, 2016	\$161.26	\$161.26
OPERS retirement	January 30, 2016	January 2, 2016	\$1,199.54	\$1,199.54
SDIT	January 31, 2016	February 1, 2016	\$261.39	\$261.39

Non-Payroll Cash Disbursements

1. We re-footed the Cash Journal and Annual Financial Report for 2015 and 2014. We found no exceptions.
2. We haphazardly selected ten disbursements from the Cash Journal for the year ended December 31, 2015 and ten from the year ended 2014 and determined whether:
 - a. The disbursements were for a proper public purpose. During 2014 the District had \$550 of expenditures for the purchase of gift certificates. These types of expenditures would not normally be considered expenditures for a proper public purpose. The Board should establish a policy related to such expenditures. The policy should state why and how the Board has determined such expenditures to be proper use of public funds. Failure to identify expenditures of this nature as being for a proper public purpose could lead to possible improper use of public funds, which may result in possible future findings for recovery.
 - 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 Cash Journal and to the names and amounts on the supporting invoices. We found two exceptions where the District did not have supporting invoices for the checks [in the amounts of \$115.59 and \$16.80]. Check number 4367 was incorrectly identified as check number 4364 on the cash journal.
 - c. We found five instances where the certification date was after the vendor invoice date, and there was also no evidence that a *Then and Now Certificate* was issued. We could not determine the certification date for two instances because the District did not maintain supporting invoices. 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.

Compliance – Budgetary

1. We compared the total estimated receipts from the *Amended Official Certificate of Estimated Resources* required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Annual Financial Report for the years ended December 31, 2015 and 2014. The amounts agreed.
2. We scanned the appropriation measures adopted for 2015 and 2014 to determine whether 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 Sections 5705.38 and 5705.40, to the amounts recorded in the Annual Financial Report for 2015 and 2014. The amounts on the appropriation resolutions agreed to the amounts recorded in the Annual Financial Reports except for 2014 [difference of \$50,500].
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 years ended December 31, 2015 and 2014. Appropriations did not exceed 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, 2015 and 2014 as recorded in the Appropriation Measures and the Annual Financial Reports. We noted no funds for which expenditures exceeded appropriations.
6. Ohio Rev. 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, 2015 and 2014. 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 Annual Financial 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.
8. We scanned the Cash Journal for the years ended December 31, 2015 and 2014 for negative cash fund balance. Ohio Rev. Code Section 5705.10 (I) provides that money paid into a fund must be used for the purposes for which such fund is established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another. We noted no negative cash fund balance.

Other Compliance

Ohio Rev. Code Section 117.38 requires entities to file their financial information in the HINKLE system formerly known as the Annual Financial Data Reporting System (AFDRS) within 60 days after the close of the fiscal year. We reviewed AFDRS to verify the Entity filed their financial information within the allotted timeframe for the years ended December 31, 2015 and 2014. No exceptions noted.

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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D" and a long, sweeping tail on the "t".

Dave Yost
Auditor of State

Columbus, Ohio

September 15, 2016



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NORTH CENTRAL AMBULANCE DISTRICT

PREBLE 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
OCTOBER 4, 2016**