



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Northwest Ohio Educational Council
Self-Insurance Pool Program
Lucas County
716 Askin Street
Maumee, Ohio 43537

We have performed the procedures enumerated below, with which the management of the Northwest Ohio Educational Council Self-Insurance Pool Program, Lucas County, Ohio (the SIPP) agreed, solely to assist management in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the year ended June 30, 2015 and the period July 1, 2015 through September 30, 2015, 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.

Cash

1. We tested the mathematical accuracy of the June 30, 2015 and September 30, 2015 bank reconciliations. We found no exceptions.
2. We agreed the July 1, 2014 beginning fund balances recorded in the General Ledger to the June 30, 2014 balances in the prior year audited statements. We also agreed the July 1, 2015 beginning balances recorded in the General Ledger to the June 30, 2015 General Ledger. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the June 30, 2015 and September 30, 2015 fund cash balances reported in the General Ledger. The amounts agreed.
4. We confirmed the September 30, 2015 bank account balance with the SIPP's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the September 30, 2015 bank reconciliation without exception.

Revenue – Redemption of Investments

We obtained the investment account statements for the year ended June 30, 2015 and identified the accounts were closed and the balances in those accounts were transferred to the SIPP's checking account.

Disbursements

We selected all nine expenditures, excluding bank fees for the year ended June 30, 2015 and all five expenditures, excluding bank fees for the three month period ended September 30, 2015 from the Check Register and determined whether:

- a. The disbursements were for a proper purpose of the SIPP. 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 Check Register and to the names and amounts on the supporting invoices. We found no exceptions.

Distribution of Assets

We reviewed the SIPP's Bylaws, the Ohio Revised Code, and/or opinion from the SIPP's Legal Counsel regarding the distribution of the SIPP's assets. We inquired with management and reviewed documentation of the distribution of the remaining assets of the SIPP to determine if the assets were properly distributed. No exceptions were noted. The SIPP distributed the remaining cash balance on March 21, 2017, to the Districts who participated in the pool at the time it ceased operations.

Compliance

1. Ohio Rev. Code § 2744.081 requires joint self-insurance programs insuring against judgments, settlement of claims, expense, loss and damages that arise, or are claimed to have arisen, from an act or omission of the subdivision or any of its employees and to indemnify or hold harmless the subdivision's employees, to reserve amounts to cover potential costs. It also requires the program to prepare a report, reflecting those reserves (i.e., liabilities) and the aggregate of disbursements made to pay self-insured claims, legal and consultant costs during the preceding fiscal year. An actuary must certify that the amounts reserved are fairly stated in accordance with sound loss reserving principles. The actuary must be a member of the American Academy of Actuaries. We obtained the actuarial estimate of the loss reserve as of June 30, 2015 to determine that the requirements of Ohio Rev. Code § 2744.081 were met. The SIPP did not obtain an actuarial estimate of the loss reserve as of June 30, 2015 or September 30, 2015. However, the SIPP officially ceased operations on July 1, 2012 and on September 1, 2015, they entered into an agreement with a reinsurer to assume the liability for any outstanding known or unknown claims.
2. Ohio Rev. Code Section 117.38 requires Self Insurance pools to file their financial information in the HINKLE system formerly known as the Annual Financial Data Reporting System (AFDRS) within 150 days after the close of the fiscal year for GAAP entities and 60 days for Cash Basis entities. We reviewed AFDRS to verify the SIPP filed their financial information within the allotted timeframe for the year ended June 30, 2015. Financial information was filed on October 4, 2016, which was not within the allotted timeframe.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the SIPP'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 SIPP, and is not intended to be, and should not be used by anyone other than these specified parties.

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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 "y".

Dave Yost
Auditor of State

Columbus, Ohio

March 23, 2017

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NORTHWEST OHIO EDUCATIONAL SELF INSURANCE POOL

LUCAS 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
APRIL 6, 2017**