



**bhm cpa group, inc.**  
CERTIFIED PUBLIC ACCOUNTANTS

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HIGHLAND COUNTY NORTH JOINT FIRE AND AMBULANCE DISTRICT  
HIGHLAND COUNTY

AGREED-UPON PROCEDURES

For the Years Ended December 31, 2017 and 2016





# Dave Yost • Auditor of State

Board of Trustees  
Highland County North Joint Fire and Ambulance District  
200 South Street  
Leesburg, Ohio 45135

We have reviewed the *Independent Accountant's Report on Applying Agreed-Upon Procedures* of Highland County North Joint Fire and Ambulance District, prepared by BHM CPA Group, Inc., for the period January 1, 2016 through December 31, 2017. Based upon this review, we have accepted this report 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. Highland County North Joint Fire and Ambulance 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

August 1, 2018

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**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

Highland County North Joint Fire and Ambulance District  
Highland County  
200 South Street  
Leesburg, Ohio 45135

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Highland County North Joint Fire and Ambulance District (the District) and the Auditor of State, on the receipts, disbursements and balances recorded in the Districts cash basis accounting records for the years ended December 31, 2017 and 2016 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the District. The District is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2017 and 2016 and certain compliance requirements related to these transactions and balances included in the information provided to us by the District. 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 recalculated the December 31, 2017 and December 31, 2016 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2016 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2015 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2017 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2016 balances in the Fund Ledger Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2017 and 2016 fund cash balances reported in the Fund Status Report. The amounts agreed.
4. We confirmed the December 31, 2017 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, 2017 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2017 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. There were no exceptions.
6. We inspected investments held at December 31, 2017 and December 31, 2016 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. There were no exceptions.

### **Property Taxes and Intergovernmental Cash Receipts**

1. We haphazardly selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2017 and one from 2016:
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Detail Report. The amounts agreed.
  - b. We inspected the Receipt Detail Report to confirm the receipt was allocated to the proper funds as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. We found no exceptions.
  - c. We inspected the Receipt Detail Report to confirm whether the receipt was recorded proper year. The receipt was recorded in the proper year.
2. We inspected the Receipt Detail Report to determine whether it included two real estate tax receipts for 2017 and 2016. The Receipt Detail Report included the proper number of tax receipts for each year.
3. We haphazardly selected five receipts from the State Distribution Transaction Lists (DTL) from 2017 and five from 2016. We also haphazardly selected five receipts from the County Auditor's Cross Reference Report from 2017 and five from 2016.
  - a. We compared the amount from the above reports to the amount recorded in the Receipt Detail Report. The amounts agreed.
  - b. We inspected the Receipt Detail Report to determine that these receipts were allocated to the proper funds. We found no exceptions.
  - c. We inspected the Receipt Detail Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

### **Charges for Services**

1. We confirmed the amounts paid from the Medicount, the service organization that performs the ambulance/emergency medical and fire/rescue billings, to the District during 2016 and 2017 with the Revenue Status Report. We found no exceptions.
  - a. We inspected the Receipt Detail Report to determine whether these receipts were allocated to the proper funds. We found no exceptions.
  - b. We inspected the Receipt Detail Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

**Debt**

1. From the prior audit documentation, we observed the following lease and bond outstanding as of December 31, 2015. These amounts agreed to the District's January 1, 2016 balances on the summary we used in procedure 3.

<b>Issue</b>	<b>Principal outstanding as of December 31, 2015:</b>
Fire & Ambulance Station Bonds	\$455,000
Fire Truck Lease	\$20,932

2. We inquired of management, and inspected the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2017 or 2016 or debt payment activity during 2017 or 2016. All debt agreed to the summary we used in procedure 3
3. We obtained a summary of lease and bond debt activity for 2017 and 2016 and agreed principal and interest payments from the related debt amortization schedules to the general fund (lease) and debt service fund (bond) 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.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2017 and one payroll check for five employees from 2016 from the Employee Detail Adjustment Report and:
  - a. 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 found no exceptions.
  - b. We inspected the Payment Register Detail Report to determine the fund and account codes to which the check was posted were reasonable based on the employees' duties as documented in the employees' personnel files and/or minute record. We also confirmed the payment was posted to the proper year. We found no exceptions.
2. For any new employees selected in procedure 1 we compared the following information contained 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. Departments and funds 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.)
  - g. Fund to which the check should be charged.

We found no exceptions related to the procedures above.

3. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2017 to confirm 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 2017. We observed the following:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2018	December 27, 2017	\$1,407	\$1,407
State income taxes	January 15, 2018	December 29, 2017	\$233	\$233
Local income tax	January 31, 2018	December 27, 2017	\$455	\$455
OPERS retirement	January 30, 2018	December 28, 2017	\$3,327	\$3,327

**Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2017 and ten from the year ended 2016 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 Payment Register Detail 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 twelve instances where disbursements requiring certification were not certified and four 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. 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 inspect 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 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 Revenue Status Report for the General, Fire and Emergency and General Bond Retirement funds for the years ended December 31, 2017 and 2016. The amounts on the *Certificate* agreed to the amount recorded in the accounting system, except for the General Fund. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General fund of \$359,735 for 2017. However, the final *Amended Official Certificate of Estimated Resources* reflected \$310,235. 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.

2. We inspected the appropriation measures adopted for 2017 and 2016 to determine whether, for the General, Fire and Emergency and General Bond Retirement funds, the Council 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 Appropriation Status Report for 2017 and 2016 for the following funds: General, Fire and Emergency, and General Bond Retirement funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status Report, except for the General and General Bond Retirement funds. The Appropriation Status Report recorded appropriations for the General fund of \$512,344.41 for 2017 and for the General Bond Retirement fund of \$79,006.76 and \$81,062.58 for 2017 and 2016 respectively. However, the appropriations resolutions reflected \$462,844.41 for the General fund for 2017 and \$78,637.50 and \$76, 037.50 for the General Bond Retirement fund for 2017 and 2016, 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, Fire and Emergency and General Bond Retirement funds for the years ended December 31, 2017 and 2016. We observed no funds for which appropriations exceeded 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, 2017 and 2016 for the General, Fire and Emergency and General Bond Retirement fund, as recorded in the Appropriation Status Report. We observed that General and General Bond Retirement Fund expenditures for 2017 exceeded total appropriations by \$34,769 and \$369, respectively, 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 Treasurer may request the Council to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary, and if resources are available.
6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We inspected the Receipt Register Report for evidence of new restricted receipts requiring a new fund during December 31, 2017 and 2016. We also inquired of management regarding whether the District received new restricted receipts. We observed no evidence of new restricted receipts for which Ohio Rev. Code Section 5705.09 would require the District to establish a new fund.
7. For funds existing in prior years, inspect the fund activity to determine whether the fund is still being used for the statutorily approved purpose and that all the required funds were established. All the required funds were established and no funds for which the statutorily approved purpose was no longer valid were included on the accounting records.
8. We inspected the 2017 and 2016 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers exceeding \$10,000 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.
9. We inquired of management and inspected the Appropriation Status Reports to determine whether the District elected to establish reserve accounts permitted by Ohio Rev. Code Section 5705.13. The District did not establish these reserves.

10. We inspected the Cash Summary by Fund Report for the years ended December 31, 2017 and 2016 for negative cash fund balances. 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. There were no funds having negative cash fund balances.

### Other Compliance

Ohio Rev. Code Section 117.38 requires Districts to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies, in addition to filing extensions granted for extenuating circumstances, allow for refiling complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System for December 31, 2017 and 2016 fiscal year ends included in 2015-2016 or 2016-2017 agreed up on procedure engagements, subsequent to the District's deadline where the initial filing was filed on time but incomplete. We confirmed the District filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy, within the allotted timeframe for the years ended December 31, 2017 and 2016 in the Hinkle system. Financial information was filed on May 9, 2018 which was not within the allotted timeframe.

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*. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the District's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is to provide assistance in it's the evaluation of the District's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2017 and 2016, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



BHM CPA Group, Inc.  
Piketon, Ohio  
June 15, 2018



# Dave Yost • Auditor of State

HIGHLAND COUNTY NORTH JOINT FIRE AND AMBULANCE DISTRICT

HIGHLAND 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  
AUGUST 14, 2018