



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Northwest Ambulance District
Ashtabula County
1480 S. Broadway
Geneva, Ohio 44041

We have performed the procedures enumerated below, which were agreed to by the Board of Directors and the management of Northwest Ambulance District (the District), 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 Checkbook Reconciliation 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 Checkbook Reconciliation Report to the December 31, 2016 balances in the Checkbook Reconciliation 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 Cash Journal. The amounts agreed.
4. We confirmed the December 31, 2017 bank account balances with the District's financial institution. 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.

Cash and Investments (Continued)

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, Intergovernmental and Other Confirmable 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 Receipts Ledger. We found 2016 and 2017 real estate homestead and rollback taxes were posted at net rather than gross. We recommend the District post the gross amount of revenue and memo expense the fees charged.
 - b. We inspected the Receipts Ledger to confirm the receipt was allocated to the proper fund as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. The amounts agreed, except there was no receipt number written in Receipt Ledger. For the February 2017 manufactured homes rollback tax receipts. We recommend the receipt number be recorded in Receipt ledger for all postings.
 - c. We inspected the Receipts Ledger to confirm whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We inspected the Receipts Ledger to determine whether it included two real estate tax receipts for 2017 and 2016. The Receipts Ledger included the proper number of tax receipts for each year.
3. We haphazardly selected all receipts from the State Distribution Transaction Lists (DTL) from 2017 and all from 2016. We also haphazardly selected all receipts from the County Auditor's Payment Register from 2017 and five from 2016.
 - a. We compared the amount from the above reports to the amount recorded in the Receipts Ledger. The amounts agreed.
 - b. We inspected the Receipts Ledger to determine that these receipts were allocated to the proper fund. We found no exceptions.
 - c. We inspected the Receipts Ledger to determine whether the receipts were recorded in the proper year. We found no exceptions.

Charges for Services

1. We inspected the Billing Receivables Report.
 - a. This report listed \$159,383 and \$138,391 of accounts receivable as of December 31, 2017 and 2016, respectively.
 - b. Of the total receivables reported in the preceding procedure, \$159,383 and \$138,391 were recorded as more than 90 days delinquent.
2. We inspected the Bad Debt Write Off Report
 - a. This report listed a total of \$2,426 and \$5,360 non-cash receipts adjustments for the years ended December 31, 2017 and 2016, respectively.
 - b. We haphazardly selected five non-cash adjustments from 2017 and five non-cash adjustments from 2016, and observed that the Administrator approved each adjustment.

Charges for Services (Continued)

3. We haphazardly selected five run sheets, and agreed the patient name and service date to the related amounts billed, and the amount debited to accounts receivable, from the year ended December 31, 2017; and five from the year ended December 31, 2016. Per the table below, there were no exceptions.

2017		
	Amount Billed per the Billing / Run Report, 2017	Amount Debited to Accounts Receivable
1	\$446	\$446
2	\$395	\$395
3	\$384	\$384
4	\$384	\$384
5	\$544	\$544

2016		
	Amount Billed per the Billing / Run Report, 2016	Amount Debited to Accounts Receivable
1	\$450	\$450
2	\$391	\$391
3	\$435	\$435
4	\$442	\$442
5	\$442	\$442

We also agreed the amounts billed above to the rates in force as of the service date. There were no exceptions.

4. We haphazardly selected five receipts recorded in the cash receipts records from the year ended December 31, 2017 and five from the year ended December 31, 2016. We compared the receipt to the amount credited to accounts receivable records and credited in the bank statement. We also compared the date the payment was recorded in the cash receipts records to the date deposited per the bank statement. Per the table below, the amounts agreed, however one receipt in 2017 and one receipt in 2016 were not deposited timely. Additionally, a duplicate receipt was not written for a Medicare deposit received by EFT

Charges for Services (Continued)

2017

	Amount Recorded in Cash Receipts Records, 2017	Amount Credited to Accounts Receivable	Amount Deposited per Bank Statement	Date Recorded in Cash Receipts Records	Date Deposited per Bank Statement
1	\$7,718	\$7,718	\$7,718	3/6/2017	3/6/2017
2	\$7,698	\$7,698	\$7,698	7/5/2017	7/5/2017
3	\$6,654	\$6,654	\$6,654	9/6/2017	9/6/2017
4	\$11,473	\$11,473	\$11,473	11/6/2017	11/6/2017
5	\$4,677	\$4,677	\$4,677	12/8/2017	12/29/2017

2016

	Amount Recorded in Cash Receipts Records, 2016	Amount Credited to Accounts Receivable	Amount Deposited per Bank Statement	Date Recorded in Cash Receipts Records	Date Deposited per Bank Statement
1	\$5,723	\$5,723	\$5,723	1/12/2016	1/12/2016
2	\$6,276	\$6,276	\$6,276	2/16/2016	2/17/2016
3	\$13,486	\$13,486	\$13,486	4/20/2016	4/26/2016
4	\$7,994	\$7,994	\$7,994	8/15/2016	8/15/2016
5	\$5,980	\$5,980	\$5,980	12/7/2016	12/7/2016

Debt

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2015.
2. We inquired of management, and inspected the Receipts Ledger and Appropriation Ledger for evidence of debt issued during 2017 or 2016 or debt payment activity during 2017 or 2016. There were no new debt issuances, nor any debt payment activity during 2017 or 2016.

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 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 inspected the Appropriation Ledger 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.

Payroll Cash Disbursements (Continued)

2. For any new employees selected in procedure 1 we compared the following information contained in the employees' personnel files and/or 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. 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 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:

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, 2018	December 24, 2017	\$4,740.63	\$4,740.63
State income taxes	January 31, 2018	February 28, 2018	\$1,727.65	\$1,727.65
Geneva City	January 15, 2018	December 27, 2017	\$827.96	\$827.96
OPERS retirement	January 30, 2018	December 27, 2017	\$57.44	\$57.44

As indicated above, the District made a late payment of State income taxes for which the payment included a penalty less than \$10.

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Appropriation Ledger 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 Appropriation Ledger and to the names and amounts on the supporting invoices. We found no exceptions.
 - c. 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 Official Certificate of Estimated Resources, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Checkbook Reconciliation Report for the General Fund for the years ended December 31, 2017 and 2016. The amounts on the Certificate did not agree to the amount recorded in the accounting system. The Checkbook Reconciliation Report recorded budgeted (i.e. certified) resources of \$ 1,375,400

Compliance – Budgetary (Continued)

for 2016. However, the final Official Certificate of Estimated Resources reflected \$1,840,674. In 2017, the Checkbook Reconciliation Report recorded budgeted (i.e. certified) resources of \$1,377,400 and the final Official Certificate of Estimated Resources reflected \$1,924,894. The fiscal officer should periodically compare amounts recorded in the Checkbook Reconciliation Report to amounts recorded on the Official Certificate of Estimated Resources to assure they agree. If the amounts do not agree, the Board of Directors 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 Funds 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 Checkbook Reconciliation Report for 2017 and 2016 for the General Fund: The amounts on the appropriation resolutions agreed to the amounts recorded in the Checkbook Reconciliation Report.
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, 2017 and 2016. 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, 2017 and 2016 for the General Fund, as recorded in the Checkbook Reconciliation Report. Expenditures for 2017 exceeded total appropriations by \$18,643 and by \$5,988 in 2016, 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 Directors 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 Receipts Journal 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 Receipts Journal and Appropriation Ledger for evidence of interfund transfers exceeding \$500 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 or Court of Common Pleas.

Compliance – Budgetary (Continued)

9. We inquired of management and inspected the Appropriation Ledger 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

1. 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. There were no exceptions.

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.



Dave Yost
Auditor of State
Columbus, Ohio

August 23, 2018

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NORTHWEST AMBULANCE 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
SEPTEMBER, 18 2018**