



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

South Lorain County Ambulance District
Lorain County
179 East Herrick Avenue
Wellington, Ohio 44090

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of the South Lorain County Ambulance District (the District) on the receipts, disbursements and balances recorded in the District's 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

1. We recalculated the December 31, 2017 and December 31, 2016 bank reconciliations. We found a variance of \$16 between the bank reconciliation and the balance reported in the filed 2017 financial statement. We found a variance of \$23 between the bank reconciliation and the balances reported in the filed 2016 financial statements.
2. We did not agree the January 1, 2016 beginning fund balances recorded in the Bank Account Summary Report to the December 31, 2015 balances in the prior year audited statements. We noted a variance of \$18. We agreed the January 1, 2017 beginning fund balances recorded in the Bank Account Summary Report to the December 31, 2016 balances in the Bank Account Summary Report without exception.
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 Bank Account Summary Report. The amounts agreed.
4. We confirmed the December 31, 2017 bank account balances with the District's financial institutions. We found no exceptions.
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.

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 Transaction Detail by Account for Auditor Report. The amounts agreed.
 - b. We inspected the Transaction Detail by Account for Auditor Report to confirm 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 inspected the Transaction Detail by Account for Auditor Report to confirm whether the receipt was recorded proper year. The receipt was recorded in the proper year.
2. We inspected the Transaction Detail by Account for Auditor Report to determine whether it included two real estate tax receipts for 2017 and 2016. The Transaction Detail by Account for Auditor Report 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 2016.
 - a. We compared the amount from the above report to the amount recorded in the Transaction Detail by Account for Auditor Report. We noted that Homestead and Rollback from property taxes were posted as net instead of gross in 2017 and 2016.
 - b. We inspected the Transaction Detail by Account for Auditor Report to determine that these receipts were allocated to the proper funds. We noted that Homestead and Rollback amounts from mobile homes were improperly classified as a grant in 2017 and as property taxes in 2016.
 - c. We inspected the Transaction Detail by Account for Auditor Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Charges for Services

We confirmed the amounts paid from Ohio Billing, the service organization that performs the emergency medical billings, to the District during 2016 and 2017 with Ohio Billings. We found no exceptions.

- a. We inspected the Transaction Detail by Account for Auditor Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
- b. We inspected the Transaction Detail by Account for Auditor Report to determine 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, 2015.
2. We inquired of management, and inspected the Transaction Detail by Account for Auditor Report for evidence of debt issued during 2017 or 2016 or debt payment activity during 2017 or 2016. There were no new debt issuances or 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 Quarterly Employee Payroll Report and:

- a. We compared the hours and pay rate, or salary recorded in the Paycor for All Employees Report 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 inspected the Quarterly Employee Payroll 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 employee contracts. We also confirmed the payment was posted to the proper year. We found no exceptions.
2. 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 21, 2017	\$17,813	\$17,813
State income taxes	January 31, 2018	December 21, 2017	\$13,516	\$13,516
Local income tax	January 31, 2018	December 21, 2017	\$ 5,307	\$ 5,307
OPERS retirement	January 30, 2018	January 12, 2018	\$14,622	\$14,622

Non-Payroll Cash Disbursements

1. From the Bill Payments for All Vendors Report, we re-footed checks recorded as General Fund disbursements for *security of persons and property*, for 2017. We found no exceptions.
2. We haphazardly selected ten disbursements from the Bill Payments for All Vendors 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 Bill Payments for All Vendors 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 Amended Official Certificate of Estimated Resources, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Year End Financial Report for the General, and Capital Projects funds for the years ended December 31, 2017 and 2016. The amounts agreed.

2. We inspected the appropriation measures adopted for 2017 and 2016 to determine whether, for the General and Capital Project funds, 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 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 Year End Financial Report for 2017 and 2016 for the following funds: General Fund and Capital Projects Funds. The amounts on the appropriation resolutions agreed to the amounts recorded in the Year End Financial 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, and Capital Projects funds for the years ended December 31, 2017 and 2016. There were 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 and Capital Projects funds, as recorded in the Year End Financial Report. There were no funds for which expenditures exceeded appropriations.
6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We inspected the Year End Financial 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 Year End Financial Report for evidence of interfund transfers exceeding \$5,000 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 Court of Common Pleas (effective through June 30, 2017).
9. We inquired of management and inspected the Year End Financial Report 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 their financial information filed in the HINKLE system for the years ended December 31, 2017 and 2016 for negative cash fund balances. Ohio Rev. Code Section 5705.10 (l) 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. 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State

Columbus, Ohio

December 3, 2018

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SOUTH LORAIN COUNTY AMBULANCE DISTRICT

LORAIN 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
DECEMBER 18, 2018**