



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Joint Emergency Medical Services Ambulance District
Warren County
201 East Sixth Street
Franklin, OH 45005

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Joint Emergency Medical Services Ambulance District (the District), 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, 2012 and 2011, 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

1. We tested the mathematical accuracy of the December 31, 2012 and December 31, 2011 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2011 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2010 balances in the prior year audited statements. The ending cash balance in the 2010 audited report was \$374,584. The beginning cash balance in the accounting system was \$374,949.82. This includes a fund balance adjustment of \$150 for a voided check. The total exception was \$215.82 (taking the \$150 fund balance adjustment into consideration). We also agreed the January 1, 2012 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2011 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, 2012 and 2011 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2012 bank account balance with the District's financial institution. We found no exceptions.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2012 bank reconciliation:
 - a. We traced each debit to the subsequent January and February bank statements. Check number 20565 did not clear on either of subsequent bank statements.

- 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.

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 2012 and one from 2011.
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Register Report. The amounts agreed.
 - b. We determined whether the receipt was allocated to the proper fund(s) as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. In 2011, \$64,515.38 of rollback taxes was posted as property tax receipts instead of intergovernmental revenues. In 2012, \$65,665.32 of rollback taxes was posted as property tax receipts instead of intergovernmental revenue.
 - c. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We scanned the Receipt Register Report to determine whether it included two real estate tax receipts for 2012 and 2011 for Warren and Montgomery Counties. We noted the Receipts Register Report included both tax settlements for each year, for each county.
3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2012 and five from 2011.
 - a. We compared the amount from the above report to the amount recorded in the Receipt Register Report. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper fund.
 - 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 MBI Solutions, the service organization that performs the emergency medical billings, to the District during 2012 and 2011. The amounts reported deposited by MBI were \$54,763.46 lower than what was posted to UAN in 2011 and \$2,489.98 higher than what was posted to UAN in 2012. We recommend that the District monitor and reconcile the MBI deposit report with amounts actually deposited and recored in UAN, and immediately investigate any discrepancies. We determined whether these receipts were allocated to the proper fund. The District allocates all receipts for Charges for Services to the General Fund. These receipts are properly allocable, per Ohio Revised Code §505.721, to a special revenue Ambulance and Emergency Medical Services Fund. The District should establish an Ambulance and Emergency Medical Services Fund in accordance with 505.721.
 - a. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. From the prior audit documentation, we noted the following loans outstanding as of December 31, 2010. These amounts agreed to the Districts January 1, 2011 balances on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2010:
Ambulance Loan	\$69,382

2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2012 or 2011 or debt payment activity during 2012 or 2011. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of debt activity for 2012 and 2011 and agreed principal and interest payments from the related debt amortization schedule(s) to general fund 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. Debt expenditures were recorded as capital outlays instead of principal and interest expenditures. The exception was \$29,775.82 in 2011 and the exception in 2012 was \$37,478.52.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the general fund per the Receipt Register Report. The District did not record the receipt of the full amount (\$84,099.75) of the new ambulance loan. Only the portion directly received by the District (\$41,000.87) was recorded in the accounting records. The District did not record the receipt of \$37,885.55 from MBI Solutions for computer equipment.
5. For new debt issued during 2012 and 2011, we inspected the debt legislation, noting the District must use the proceeds to refinance an ambulance loan and finance the purchase of a new ambulance. We scanned the Payment Register Detail Report and noted the District purchased an ambulance for \$41,000.87 in November of 2011. The extinguishment of the old loan balance of \$42,783.88 was not recorded. The origination fee of \$300 was not recorded. The title lien fee of \$15 was not recorded. The District did not record the capital outlay for the computer system from MBI of \$37,885.55.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2012 and one payroll check for five employees from 2011 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 determined whether the fund and account code(s) to which the check was posted were reasonable based on the employees' duties as documented in the employees' personnel files. 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 employees' personnel files 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 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 steps above.

3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2012 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 2012. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2013	December 28, 2012	\$3,526.37	\$3,526.37
State income taxes	January 15, 2013	December 31, 2012	\$1,753.23	\$1,753.23
City of Franklin income tax	January 31, 2013	December 31, 2012	\$1,285.88	\$1,285.88
School District Income Tax	January 31, 2013	December 31, 2012	\$92.21	\$92.21
OPERS retirement	January 30, 2013	January 23, 2012	\$23,740.48	\$23,740.48

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2012 and ten from the year ended 2011 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 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 thirteen instances where 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 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 Revenue Status Report for the General Fund for the years ended December 31, 2012 and 2011. The amounts agreed.
2. We scanned the appropriation measures adopted for 2012 and 2011 to determine whether for the General Fund 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 Appropriation Status Report for 2012 and 2011 for the General Fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status 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, 2012 and 2011. We noted 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 General Fund for the years ended December 31, 2012 and 2011 as recorded in the Appropriation Status Report. 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 Receipt Register Report for evidence of new restricted receipts requiring a new fund during December 31, 2012 and 2011. We also inquired of management regarding whether the District received new restricted receipts. While there were no new sources of receipts requiring the establishment of a new fund, ambulance receipts should be paid into a special revenue fund per ORC 505.721.
7. We inquired of management and scanned the Appropriation Status 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.

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 "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

August 6, 2013



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JOINT EMERGENCY MEDICAL SERVICES

WARREN 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 22, 2013