



# Balestra, Harr & Scherer, CPAs, Inc.

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Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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HIGHLAND COUNTY NORTH JOINT FIRE AND AMBULANCE DISTRICT  
HIGHLAND COUNTY

AGREED UPON PROCEDURES

For the Years Ended December 31, 2013 and 2012





# 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 the Highland County North Joint Fire and Ambulance District, Highland County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the period July 1, 2012 through December 31, 2013. 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. The 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

June 10, 2014

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# Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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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, with which the Board of Trustees and the management of Highland County North Joint Fire and Ambulance District (the District) and the Auditor of State 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, 2013 and 2012 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 and Investments

1. We tested the mathematical accuracy of the December 31, 2013 and December 31, 2012 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2012 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2011 balances in the documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2013 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2012 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, 2013 and 2012 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2013 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, 2013 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2013 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 payment register detail report, to determine the debits were dated prior to December 31. We noted no exceptions.

6. We tested investments held at December 31, 2013 and December 31, 2012 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. We noted no exceptions.

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

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2013 and one from 2012.
  - 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 funds as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. We found no exceptions.
  - 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 2013 and 2012 plus 1 advance for 2012. We noted the Receipts Register Report included the proper number of tax receipts for each year.
3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2013 and all from 2012. We also selected five receipts from the County Auditor's Cross Reference Report from 2013 and five from 2012.
  - a. We compared the amount from the above reports to the amount recorded in the Receipt Register Report. The amounts agreed.
  - b. We determined whether these receipts were allocated to the proper fund(s). We found no exceptions. However, we noted that two training grant receipts were posted to a charges for services account code instead of an intergovernmental account code.
  - 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 ambulance/emergency medical and fire/rescue billings, to the District during 2013 and 2012 with the Revenue Status Report. We noted that the Revenue Status Report contained two receipts for a total of \$5,469.05 that were recorded as charges for services that should have been recorded as intergovernmental revenues.
  - a. We determined whether these receipts were allocated to the proper fund. We found no exceptions. However,
  - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

## Debt

1. From the prior agreed-upon procedures documentation, we noted the following lease and bond outstanding as of December 31, 2011. These amounts agreed to the Districts January 1, 2012 balances on the summary we used in step 3.

<b>Issue</b>	<b>Principal outstanding as of December 31, 2011:</b>
Fire & Ambulance Station Bond	\$685,000
Fire Truck Lease	\$95,406

2. We inquired of management, and scanned the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2013 or 2012 or debt payment activity during 2013 or 2012. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of the lease and bonded debt activity for 2013 and 2012 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 2013 and one payroll check for five employees from 2012 from the Employee Detail Adjustment Report (2012) and the Payment Register Detail Report (2013) and:
  - a. We compared the hours and pay rate, or salary recorded in the Employee Detail Adjustment Report (2012) and the Payment Register Detail Report (2013) to supporting documentation (timecard and approved rate or salary in the minutes). We found no exceptions.
  - b. We determined whether the fund and account codes to which the check was posted were reasonable based on the employees' duties as documented in the minute record. 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 and 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(s) and fund(s) 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 steps above.

3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2013 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 2013. We noted 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, 2014	December 27, 2013	\$1,416	\$1,416
State income taxes	January 15, 2014	January 1, 2014	\$241	\$241
Local income tax-Village of Leesburg	January 31, 2014	January 1, 2014	\$363	\$363
OPERS retirement	January 30, 2014	January 2, 2014	\$4,282	\$4,282

**Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the Payment Register Detail Report for the year ended December 31, 2013 and ten from the year ended 2012 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 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 Revenue Status Report for the General, EMS and Bond funds for the years ended December 31, 2013 and 2012.  
 The amounts on the Certificate did not agree to the amounts recorded in the accounting system. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General, EMS and Bond funds of \$294,785, \$177,726 and \$96,749 respectively for 2012. However, the final Amended Official Certificate of Estimated Resources reflected \$260,315, \$170,000 and \$95,135 respectively. The Board approved the changes to the budgeted receipts in their meeting dated December 27, 2012 but the new certificate was never filed with the County Auditor's office.

The amounts on the Certificate for the General and Bond funds did not agree to the amounts recorded in the accounting system. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General and Bond funds of \$264,195 and \$95,293 respectively for 2013. However, the final Amended Official Certificate of Estimated Resources reflected \$263,215 and \$86,495 respectively. 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 scanned the appropriation measures adopted for 2013 and 2012 to determine whether, for the General, EMS and Bond 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 Appropriation Status Report for 2013 and 2012 for the following funds: General, EMS and Bond. 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, EMS and Bond funds for the years ended December 31, 2013 and 2012. 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 years ended December 31, 2013 and 2012 for the General, EMS and Bond fund, 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, 2013 and 2012. We also inquired of management regarding whether the District received new restricted receipts. We noted no evidence of new restricted receipts for which Ohio Rev. Code Section 5705.09 would require the District to establish a new fund.
7. We scanned the 2013 and 2012 Revenue Status Reports and Appropriation Status Reports 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 Tax Commissioner and Court of Common Pleas.
8. 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.
9. We scanned the Cash Summary by Fund Report for the years ended December 31, 2013 and 2012 for negative cash fund balance. 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. We noted no funds having negative cash fund balances.

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.

Highland County North Joint Fire and Ambulance District  
Highland County  
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This report is intended solely for the information and use of management, those charged with governance the Auditor of State, and others within the District, and is not intended to be, and should not be used by anyone other than these specified parties.

*Balestra, Harr & Scherer, CPAs*  
Balestra, Harr, & Scherer, CPAs  
Piketon, Ohio  
April 21, 2014

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# 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  
JUNE 24, 2014