

**SOUTH LORAIN COUNTY AMBULANCE DISTRICT
LORAIN COUNTY
Agreed-Upon Procedures
For the Years Ended December 31, 2013 and 2012**

Perry & Associates
Certified Public Accountants, A.C.



Dave Yost • Auditor of State

Board of Trustees
South Lorain County Ambulance District
179 East Herrick Avenue
Wellington, OH 44090

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the South Lorain County Ambulance District, Lorain County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the period January 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 South Lorain County 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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**SOUTH LORAIN COUNTY AMBULANCE DISTRICT
LORAIN COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

April 30, 2014

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

To the Board of Trustees:

We have performed the procedures enumerated below, with which the Board of Trustees and the management of the **South Lorain County Ambulance District**, Lorain County, Ohio (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 balance recorded in the QuickBooks Balance Sheet Report to the December 31, 2011 balance 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 balance recorded in the QuickBooks Balance Sheet Report to the December 31, 2012 balance in the QuickBooks Balance Sheet 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 QuickBooks Balance Sheet Reports. We noted the QuickBooks Balance Sheet Report showed \$883,021 for the First Merit general checking account at 12/31/12, while the bank reconciliation reported \$1,007,773. The QuickBooks Balance Sheet Report showed \$203,335 for the Lorain National Bank checking account at 12/31/13, while the bank reconciliation reported \$203,310. We also noted the reconciliation for the Farmers Bank savings account was done at 12/7/13 as well as the bank statement printed at 12/7/13. This resulted in a \$250,000 variance between the 12/7/13 bank reconciliation and the QuickBooks Balance Sheet Report at 12/31/13. All other amounts agreed.

Cash and Investments (Continued)

4. We confirmed the December 31, 2013 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, 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 check register, to determine the debits were dated prior to December 31. We noted no exceptions.
6. We tested interbank account transfers occurring in December of 2013 and 2012 to determine if they were properly recorded in the accounting records and on each bank statement. We found no exceptions.
7. We tested investments held and 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, Intergovernmental and Other Confirmable 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 Ledger. The amounts agreed.
 - b. We determined whether 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 determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We scanned the Receipt Ledger to determine whether it included two real estate tax receipts for 2013 and 2012. We noted the Receipt Ledger included the proper number of tax receipts for each year.
3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2013 and all from 2012. We also selected five receipts from the County's Supplier Payment History Report from 2013 and five from 2012.
 - a. We compared the amount from the above reports to the amount recorded in the Receipt Ledger. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper fund. We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Charges for Services

1. We confirmed the amounts received from Ohio Billing, the service organization that performs the emergency medical billings, to the District during 2013 and 2012 with Ohio Billing. We found no exceptions.
 - a. We determined whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. The prior Agreed-Upon Procedures documentation disclosed no debt outstanding as of December 31, 2011.
2. We inquired of management, and scanned the Receipt Ledger and Expense Ledger for evidence of debt issued during 2013 or 2012 or debt payment activity during 2013 or 2012. We noted no new debt issuances, nor any debt payment activity during 2013 or 2012.

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 Paychecks for All Employees Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Paychecks for All Employees Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). 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 or as required by statute. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2013 to determine whether the remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employers share, where applicable, during the final withholding period of 2013.

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, 2014	December 26, 2013	\$ 4,761.91	\$ 4,761.91
State income taxes	January 15, 2014	January 15, 2014	\$ 1,436.37	\$ 1,436.37
School district taxes	January 31, 2014	January 15, 2014	\$ 493.59	\$ 493.59
OPERS retirement	January 30, 2014	January 14, 2014	\$ 11,436.99	\$ 12,159.43

As noted above, the District overpaid OPERS by \$722.44 for December 2013. This amount has not been credited back to the District. The amount the District paid OPERS included the annual salary for its board members; however OPERS informed the District that was no longer allowable. Other entities in the state of Ohio have filed suit against OPERS regarding this matter. The District's attorney has advised them not to repay the board members or to request payment from OPERS until the situation is fully resolved.

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Expense Ledger 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 Expense Ledger and to the names and amounts on the supporting invoices. We found no exceptions.

Non-Payroll Cash Disbursements (Continued)

- 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 *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 Fund and Capital Projects Fund for the years ended December 31, 2013 and General Fund for 2012. The amounts on the *Certificate* did not agree to the amounts recorded in the accounting system. The Year End Financial Report recorded budgeted (i.e. certified) resources for the General Fund of \$1,066,838 for 2012 and \$1,010,000 for 2013. However, the final *Amended Official Certificate of Estimated Resources* reflected \$1,026,904 for 2012 and \$984,348 for 2013. The Year End Financial Report recorded budgeted (i.e. certified) resources for the Capital Projects Fund of \$299,653 for 2013. However, the final *Amended Official Certificate of Estimated Resources* reflected \$339,653. The fiscal officer should periodically compare amounts recorded in the Year End Financial Report to amounts recorded on the *Amended Official Certificate of Estimated Resources* to assure they agree. If they 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 and Capital Projects 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 Section 5705.38 and 5705.40, to the amounts recorded in the Year End Financial Report for 2013 and 2012 for the following funds: General and Capital Projects. The amounts on the appropriation resolutions agreed to the amounts recorded in the Year End Financial Report, except for 2013. The Year End Financial Report recorded appropriations for the General Fund of \$1,094,947 and appropriations for the Capital Projects Fund of \$299,653. However, the appropriation resolution reflected \$1,434,600 for the General Fund and \$0 for the Capital Projects Fund. The fiscal officer should periodically compare amounts recorded in the Year End Financial Report to the amounts recorded on the appropriation resolution to assure they agree. If the amounts do not agree, the Trustees may be using inaccurate information for budgeting and monitoring purposes.
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, 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 and Capital Projects Funds as recorded in the Year End Financial Report. We noted that Capital Projects Fund expenditures for 2013 exceeded total appropriations by \$254,653, 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 Trustees to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary, and if resources are available.

Compliance – Budgetary (Continued)

6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We scanned the Receipt Ledger 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 Year End Financial Report for evidence of interfund transfers 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 Year End Financial Report 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(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. We noted no funds having a negative cash fund balance.

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, 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.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio



Dave Yost • Auditor of State

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
JUNE 24, 2014**