

Sterling Joint Ambulance District
Madison County
Agreed-Upon Procedures
For the Years Ended December 31, 2015 and 2014



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Dave Yost • Auditor of State

Board of Trustees
Sterling Joint Ambulance District
5650 Dyer Road
Mount Sterling, Ohio 43143

We have reviewed the *Independent Accountant's Report on Applying Agreed-Upon Procedures* of the Sterling Joint Ambulance District, Madison County, prepared by Millhuff-Stang, CPA, Inc., for the period January 1, 2014 through December 31, 2015. 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 Sterling Joint 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

July 12, 2016

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Madison County
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Independent Accountant's Report on Applying Agreed-Upon Procedures

Sterling Joint Ambulance District
Madison County
5650 Dyer Road
Mount Sterling, Ohio 43143

We have performed the procedures enumerated below, with which the Board of Trustees (the Board) and the management of Sterling Joint Ambulance District, Madison County (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, 2015 and 2014, 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, 2015 and December 31, 2014 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2014 beginning fund balances recorded in the cash journal to the December 31, 2013 balances in the prior year audited financial statements. We found no exceptions. We also agreed the January 1, 2015 beginning fund balances recorded in the cash journal to the December 31, 2014 balances in the cash journal. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2015 and 2014 fund cash balances reported in the cash journal. The amounts agreed.
4. We confirmed the December 31, 2015 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, 2015 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2015 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 cash journal, 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 2015 and one from 2014:
 - a. We traced the gross receipts from the Statement to the amount recorded in the receipts ledger. The amounts agreed.
 - b. We determined whether the receipt was allocated to the proper fund as required by Ohio Revised 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 receipts ledger to determine whether it included two real estate tax receipts for 2015 and 2014 from Madison County and two from Pickaway County. We noted the receipts ledger included the proper number of tax receipts for each year.
3. We selected five receipts from the State Distribution Transaction Lists (DTL) from 2015 and five from 2014. We also selected five receipts from the County Auditor's Vendor Audit Trail Report from 2015 and five from 2014.
 - a. We compared the amount from the above reports to the amount recorded in the receipts ledger. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper funds. We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.
4. We confirmed the amounts paid from Monroe Township to the District during 2015 and 2014 with Monroe Township. We found no exceptions.
 - a. We determined whether these receipts were allocated to the proper fund(s). We found no exceptions.
 - b. 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 Lifeforce Management, Inc., the service organization that performs the emergency medical billings, to the District during 2015 and 2014 with Lifeforce Management, Inc. We found no exceptions.
 - a. We determined whether these receipts were allocated to the proper funds. We found no exceptions.
 - b. We determined 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, 2013.
2. We inquired of management, and scanned the receipts ledgers, appropriations ledgers, and cash journals for evidence of debt issued during 2015 or 2014 or debt payment activity during 2015 or 2014. We noted no new debt issuances, nor any debt payment activity during 2015 or 2014.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2015 and one payroll check for five employees from 2014 from the payroll register and:
 - a. We compared the hours and pay rate, or salary recorded in the payroll register 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 determined whether 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, minute record or as required by statute. 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) 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, 2015 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 2015. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes and Medicare	January 31, 2016	December 30, 2015	\$3,782.13	\$3,782.13
State income taxes	January 15, 2016	December 30, 2015	2,030.85	2,030.85
Local City taxes	January 31, 2016	December 30, 2015	2,030.58	2,030.58
School District taxes	January 15, 2016	December 30, 2015	82.39	82.39
OPERS retirement	January 31, 2016	December 30, 2015	10,619.84	10,670.94

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As noted above, in addition to the December 2015 OPERS remittance amount due, the District also paid a total of \$51.10 in late payment fees from the October 2015 payment. We recommend the District pay OPERS remittances timely.

4. We haphazardly selected and recomputed one termination payment (unused vacation, etc.) using the following information, and agreed the computation to the amount paid as recorded in the payroll register:
 - a. Accumulated leave records.
 - b. The employee's pay rate in effect as of the termination date.
 - c. The District's payout policy.

The amount paid was consistent with the information recorded in a. through c. above.

Non-Payroll Cash Disbursements

1. From the appropriations ledger, we re-footed checks recorded as General Fund disbursements for public safety, for 2015. We found no exceptions.
2. We haphazardly selected ten disbursements from the cash journal for the year ended December 31, 2015 and ten from the year ended December 31, 2014 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 cash journal 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 Revised 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 Revised Code Section 5705.36(A)(1), to the amounts recorded in the receipts ledger for the years ended December 31, 2015 and 2014. The amounts on the Certificate agreed to the amount recorded in the accounting system, except for the 2015 General Fund. The Receipts Ledger recorded budgeted resources of \$1,390,102 for 2015. However, the final Amended Official Certificate of Estimated Resources reflected \$1,389,706. Furthermore, the accounting system did not reflect a running balance of estimated resources for either year. The Fiscal Officer should maintain a running balance of remaining estimated resources and should periodically compare amounts recorded in the receipts journal 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 2015 and 2014 to determine whether the Trustees appropriated separately for "each office, department, and division, and within each, the amount appropriated for personal services," as is required by Ohio Revised Code Section 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Revised Code Sections 5705.38 and 5705.40, to the amounts recorded in the appropriations ledgers for 2015 and 2014. The amounts on the appropriation resolutions agreed to the amounts recorded in the appropriations ledgers.

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4. Ohio Revised Code Sections 5705.36(A)(5) and 5705.39 prohibit appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the years ended December 31, 2015 and 2014. We noted no funds for which appropriations exceeded certified resources.
5. Ohio Revised 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, 2015 and 2014 as recorded in the appropriations ledgers. We noted no funds for which expenditures exceeded appropriations.
6. Ohio Revised Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We scanned the receipts ledgers for evidence of new restricted receipts requiring a new fund during December 31, 2015 and 2014. We also inquired of management regarding whether the District received new restricted receipts. We noted no evidence of new restricted receipts for which Ohio Revised Code Section 5705.09 would require the District to establish a new fund.
7. We inquired of management and scanned the appropriations ledgers to determine whether the District elected to establish reserve accounts permitted by Ohio Revised Code Section 5705.13. We noted the District did not establish these reserves.
8. We scanned the cash journals for the years ended December 31, 2015 and 2014 for negative cash fund balance. Ohio Revised 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 a negative cash fund balance.

Other Compliance

1. Ohio Revised Code Section 117.38 requires entities to file their financial information in the HINKLE system formerly known as the Annual Financial Data Reporting System (AFDRS) within 60 days after the close of the fiscal year. We reviewed AFDRS to verify the District filed their financial information within the allotted timeframe for the years ended December 31, 2015 and 2014. No exceptions noted.

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.



Natalie Millhuff-Stang, CPA, CITP
President/Owner
Millhuff-Stang, CPA, Inc.
Portsmouth, Ohio

June 30, 2016

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Dave Yost • Auditor of State

STERLING JOINT AMBULANCE DISTRICT

MADISON 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
JULY 26, 2016**