

**INDIAN LAKE EMS JOINT AMBULANCE DISTRICT
LOGAN COUNTY
Regular Audit
For the Years Ended December 31, 2011 and 2010**

Perry & Associates
Certified Public Accountants, A.C



Dave Yost • Auditor of State

Board of Trustees
Indian Lake EMS Joint Ambulance District
301 North Oak Street
Lakeview, Ohio 43331

We have reviewed the *Independent Accountants' Report* of the Indian Lake EMS Joint Ambulance District, Logan County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2010 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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 Indian Lake EMS 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

November 27, 2012

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**INDIAN LAKE EMS JOINT AMBULANCE DISTRICT
LOGAN COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT

September 19, 2012

Indian Lake EMS Joint Ambulance District
Logan County
301 North Oak St.
Lakeview, Ohio 43331

To the Board of Trustees:

We have audited the accompanying financial statements of the **Indian Lake EMS Joint Ambulance District**, Logan County, Ohio, (the District) as of and for the years ended December 31, 2011 and 2010. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the District has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the District's larger (i.e. major) funds separately. While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of the State permits, but does not require Districts to reformat their statements. The District has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2011 and 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2011 and 2010 or its changes in financial position for the years then ended.

Indian Lake EMS Joint Ambulance District
Logan County
Independent Accountants' Report
Page 2

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances as of December 31, 2011 and 2010 of Indian Lake EMS Joint Ambulance District, Logan County, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 1F, during 2011, the Indian Lake EMS Joint Ambulance District, Logan County, adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2012, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Respectfully Submitted,

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C." in a cursive script.

Perry and Associates
Certified Public Accountants, A.C.

**INDIAN LAKE JOINT EMS AMBULANCE DISTRICT
LOGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

Cash Receipts:	
Property and Other Local Taxes	\$ 274,632
Intergovernmental	48,068
Payment in Lieu of Taxes	4,558
Charges for Services	243,175
Earnings on Investments	<u>8,255</u>
 Total Cash Receipts	 <u>578,688</u>
 Cash Disbursements:	
Current:	
Salaries	209,702
Fringe Benefits	166,943
Materials and Supplies	35,361
Equipment	39,914
Other	59,582
Capital Outlay	<u>126,541</u>
 Total Cash Disbursements	 <u>638,043</u>
 Excess Receipts Over (Under) Disbursements	 <u>(59,355)</u>
 Fund Cash Balance, January 1	 <u>896,498</u>
 Fund Cash Balance, December 31	
Unassigned	<u>837,143</u>
 Fund Cash Balance, December 31	 <u><u>\$ 837,143</u></u>

The notes to the financial statements are an integral part of this statement.

**INDIAN LAKE JOINT EMS AMBULANCE DISTRICT
LOGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

Cash Receipts:	
Property and Other Local Taxes	\$ 292,729
Intergovernmental	49,942
Payment in Lieu of Taxes	4,479
Charges for Services	235,409
Earnings on Investments	<u>4,408</u>
 Total Cash Receipts	 <u>586,967</u>
 Cash Disbursements:	
Current:	
Salaries	191,097
Fringe Benefits	149,797
Materials and Supplies	20,756
Equipment	19,607
Other	<u>52,856</u>
 Total Cash Disbursements	 <u>434,113</u>
 Excess of Receipts Over (Under) Disbursements	 <u>152,854</u>
 Fund Cash Balance, January 1 (Restated - See Note 2)	 <u>743,644</u>
 Fund Cash Balance, December 31	 <u><u>\$ 896,498</u></u>

The notes to the financial statements are an integral part of this statement.

**INDIAN LAKE EMS JOINT AMBULANCE DISTRICT
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Indian Lake EMS Joint Ambulance District, Logan County (the District), as a body corporate and politic. A four-member Board of Trustees governs the District. Each political subdivision within the District appoints one member. Those subdivisions are Stokes Township, Washington Township, the Village of Lakeview, and the Village of Russells Point. The District provides emergency medical and ambulance services within the District.

The District's management believes these financial statements present all activities for which the District is financially accountable.

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits and Investments

The District's accounting basis includes investments as assets. This basis of accounting does not record disbursements for investments purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The District values certificates of deposit at cost.

D. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its fund into the following type:

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

**INDIAN LAKE EMS JOINT AMBULANCE DISTRICT
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year-end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The District did not use the encumbrance method of accounting.

A summary of 2011 and 2010 budgetary activity appears in Note 3.

F. Fund Balance

For December 31, 2011, fund balance is divided into five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

The District classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or it is imposed by law through constitutional provisions.

3. Committed

Trustees can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**INDIAN LAKE EMS JOINT AMBULANCE DISTRICT
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Balance (Continued)

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by District Trustees or a District official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. Property, Plant and Equipment

The District records disbursements for acquisitions of property, plant and equipment when paid. The accompanying financial statements do not report these items as assets.

2. RESTATEMENT OF BEGINNING FUND CASH BALANCE

The District included two outstanding checks at improper amounts in the prior audit period, which negatively affected the December 31, 2009 ending balance of the General Fund. The District also improperly included four outstanding checks that were voided when a bank account was closed. These variances had the following effect on the previously reported balance:

Fund Balance December 31, 2009	\$ 739,140
Outstanding Checks Removed	<u>4,504</u>
Restated January 1, 2010 Balance	<u><u>\$ 743,644</u></u>

**INDIAN LAKE EMS JOINT AMBULANCE DISTRICT
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(Continued)**

3. EQUITY IN POOLED DEPOSITS

The District maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2011	2010
Demand Deposits	\$ 354,973	\$ 422,210
Certificates of Deposit	482,170	474,288
Total Deposits	\$ 837,143	\$ 896,498

Deposits are either (1) insured by the Federal Deposit Insurance Corporation or (2) collateralized by securities specifically pledged by the financial institution to the District, or (3) collateralized by the financial institution's public entity deposit pool.

4. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2011 and 2010 follows:

2011 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ -	\$ 578,688	\$ 578,688
Total	\$ -	\$ 578,688	\$ 578,688

2011 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ -	\$ 638,043	\$ (638,043)
Total	\$ -	\$ 638,043	\$ (638,043)

2010 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ -	\$ 586,967	\$ 586,967
Total	\$ -	\$ 586,967	\$ 586,967

2010 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 678,300	\$ 434,113	\$ 244,187
Total	\$ 678,300	\$ 434,113	\$ 244,187

**INDIAN LAKE EMS JOINT AMBULANCE DISTRICT
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(Continued)**

4. BUDGETARY ACTIVITY (Continued)

The District did not certify the total amount from all sources which is available for expenditure from each fund in the tax budget along with any balances that existed at the end of the preceding year for 2011 and 2010. This violated the requirements of Ohio Revised Code Section 5705.36(A)(1).

The District did not pass an appropriation measure in 2011. This violated the requirements of Ohio Revised Code Section 5705.38.

Contrary to Ohio Law, budgetary expenditures exceeded appropriation authority in the General Fund by \$638,043 for the year ended December 31, 2011. This violated the requirements of Ohio Revised Code Section 5705.41(B).

The District did not either obtain prior certification before obligating funds or utilize the "Then and Now" certification option after the obligation was made. This violated the requirements of Ohio Revised Code Section 5705.41(D).

5. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the District.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the District.

6. RETIREMENT SYSTEMS

The District's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multi-employer plan. The Ohio Revised Code prescribes the plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2011 and 2010, OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2011.

**INDIAN LAKE EMS JOINT AMBULANCE DISTRICT
LOGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(Continued)**

7. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Ambulance Package
- Ambulance Management
- Commercial Auto
- Commercial Property
- General Liability

8. RELATED PARTY TRANSACTIONS

The District Clerk's husband processes ambulance billings for the District for a fee of 6% of the ambulance run receipts. Total fees paid were \$10,932 in 2011 and \$15,278 in 2010.

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**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

September 19, 2012

Indian Lake EMS Joint Ambulance District
Logan County
301 North Oak St.
Lakeview, Ohio 43331

To the Board of Trustees:

We have audited the financial statements of the **Indian Lake EMS Joint Ambulance District**, Logan County, Ohio, (the District) as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated September 19, 2012, wherein we noted the District followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America and has adopted Governmental Accounting Standards Board Statement No. 54. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of audit findings we identified certain deficiencies in internal control over financial reporting, that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider findings 2011-001 through 2011-005 described in the accompanying schedule of audit findings to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters that we must report under *Government Auditing Standards* which is described in the accompanying schedule of audit findings as item 2011-002.

We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated September 19, 2012.

We intend this report solely for the information and use of management, the Board of Trustees and others within the District. We intend it for no one other than these specified parties.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

Perry and Associates
Certified Public Accountants, A.C.

**INDIAN LAKE EMS JOINT AMBULANCE DISTRICT
LOGAN COUNTY**

**SCHEDULE OF AUDIT FINDINGS
DECEMBER 31, 2011 AND 2010**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2011-001

Material Weakness

Posting Receipts and Disbursements

Receipts and disbursements should be posted to the fund and line item accounts as established by Ohio Administrative Code.

Receipts and disbursements were not always posted correctly. The following posting errors were noted:

- Property and Other Local Taxes receipts were recorded at the net amount instead of the gross amount in the General Fund in 2011 and 2010.
- Intergovernmental receipts were improperly recorded as Property and Other Local Taxes receipts in the General Fund in 2011 and 2010.
- Charges for Services receipts were improperly recorded as Property and Other Local Taxes receipts in the General Fund in 2011 and 2010.
- Payments in Lieu of Taxes receipts were improperly recorded as Property and Other Local Taxes receipts in the General Fund in 2011 and 2010.
- Salary expense was not always recorded or was recorded at improper amounts.
- Bank fees were not always being recorded.
- Interest income was not always being recorded.

Monitoring controls are procedures and supervisory activities performed by management to help ensure that management's objectives are being achieved, including the objective of assuring accurate and reliable financial reports for external reporting purposes. Effective monitoring controls should enable management to identify misclassifications, errors, and omissions in financial reports.

This resulted in several adjustments and reclassifications being made to the District's financial statements. The financial statements reflect all adjustments and reclassifications and all adjustments have been made to the client's manual accounting system.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues and expenditures are properly identified and classified on the financial statements. We also recommend the Fiscal Officer refer to Ohio Administrative Code Section 117-7-01 for guidance to determine the proper establishment of receipt and expenditure accounts and posting of receipts and expenditures.

Management's Response – We did not receive a response from officials to this finding.

FINDING NUMBER 2011-002

Noncompliance/Material Weakness

Ohio Revised Code § 117.38 states that cash-basis entities must file annual reports with the Auditor of State within 60 days of the fiscal year end. The Auditor of State may prescribe by rule or guidelines the forms for these reports. However, if the Auditor of State has not prescribed a reporting form, the public office shall submit its report on the form used by the public office. Also, the public office must publish notice in a local newspaper stating the financial report is available for public inspection at the office of the chief fiscal officer.

**INDIAN LAKE EMS JOINT AMBULANCE DISTRICT
LOGAN COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2011-002 (Continued)

Noncompliance/Material Weakness (Continued)

The District did not file a financial report with the Auditor of State's office for the years ending December 31, 2011 or December 31, 2010. In addition, the District did not publish notice in a local newspaper stating the financial report is available for public inspection at the District's office. Publication of this notice provides the citizens of the District information regarding these records.

The Board of Trustees should monitor the completion of the annual financial reports to help assure timely filing, accuracy, and publication and to prevent possible penalties.

Management's Response – We did not receive a response from officials to this finding.

FINDING NUMBER 2011-003

Material Weakness

Budgetary Controls

The budget is an instrument of public policy: A governing Board of Trustees expresses its desires for using a government's limited resources through its appropriations. Ohio Rev. Code Section 5705 deals with a variety of budgetary requirements that all subdivisions must comply with in order to ensure fiscal responsibility.

In performing the audit we noted several violations of budgetary law which, although they do not in and of themselves, result in errors in financial reporting, may lead to the District making financial decisions based on incorrect or incomplete information. We noted the following:

- Violations of 5705.36 relating to certification of estimated resources and beginning balances;
- Violations of 5705.38 relating to adopting appropriations for each year;
- Violations of 5705.39 indicating appropriations cannot exceed estimated resources;
- Violations of 5705.41(B) stating no subdivision is to expend money unless it has been appropriated (expenditures exceeded appropriations);
- Violations of 5705.41(D) relating to expenditures having prior certification of availability of funds.

In addition, The District did not ensure that appropriations and estimated receipts were authorized by the District Board of Trustees and approved by the County Budget Commission. We recommend the District implement procedures to ensure appropriations and estimated receipts are accurately posted to the accounting system and reconciled to the amounts approved by the budget commission after each amendment.

The Board of Trustees does not monitor for budgetary compliance. It does not ensure budgetary forms are properly completed or submitted to the County Budget Commission. The Board of Trustees also has not assured that the accounting system is adequate to incorporate budgetary requirements.

**INDIAN LAKE EMS JOINT AMBULANCE DISTRICT
LOGAN COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2011-003 (Continued)

Material Weakness (Continued)

Budgetary Controls (Continued)

The Board of Trustees should review the requirements of ORC section 5705 to be familiar with these laws and to make sure the District is complying with applicable sections. We recommend the District establish a procedure that ensures budgetary forms are submitted to the County accurately and timely. This could include a checklist of forms and due dates. Board of Trustees should also consider the need to move from a manual system to a computerized system that will incorporate budgetary requirements. If the Board of Trustees does not consider this necessary steps should be taken to make sure amounts are encumbered (purchase orders are used and assigned to each purchase prior to ordering), certifications of available funds are done by the Fiscal Officer prior to purchasing and unencumbered balances are tracked for each line item.

Management's Response – We did not receive a response from officials to this finding.

FINDING NUMBER 2011-004

Material Weakness

Billing Service Reconciliations

The District should establish a formal reconciliation for charges for service transactions being billed and collected by the independent contractor. There was no evidence presented for audit that any type of reconciliation was being performed to the billings and receipts reported by the independent contractor. Without a formal reconciliation process, the probability of detecting unrecorded receipts or uncollected revenues is reduced. A formal reconciling procedure should be established that would check that all billable squad runs have been billed, that the billing rates are correct, and that proper collections are being made and turned over to the District.

In order to help assure that all ambulance runs have been processed and submitted for payment(insurance, Medicare/Medicaid, private pay), the District should have procedures in place to account for all claim forms and for matching the claim forms back to the run sheets. In addition, records should be maintained to show the status on each claim and the reason for considering an account paid in full when the amount due is not collected. The District did not utilize pre-numbered claim forms and there was no evidence that the claim forms were matched to the corresponding ambulance run sheets. In addition, the records did not explain why an amount less than the approved rate were collected and the account was considered paid in full, such as when the patient resides in the District.

The failure to use pre-numbered claim forms inhibited management's ability to determine the completeness and accountability of the claim forms. . The failure to agree each claim form to a run sheet increased the risk that all eligible runs may not be submitted for payment. In addition, the failure to document in the records, why amounts less than owed are accepted as paid in full, increased the risk that incorrect fees may have been charged to some patients.

**INDIAN LAKE EMS JOINT AMBULANCE DISTRICT
LOGAN COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2011-004 (Continued)

Material Weakness (Continued)

Billing Service Reconciliations (Continued)

The District should implement procedures which require the use of pre-numbered claim forms and the reconciliation of the claim forms back to the run sheets. The District should also require explanations for each account that is considered paid in full when the amount owed is not paid. The Board should approve all write-offs to accounts. The Board should periodically review the records to help assure these procedures have been implemented by District personnel.

Management's Response – We did not receive a response from officials to this finding.

FINDING NUMBER 2011-005

Material Weakness

Bank Reconciliations

The Fiscal Officer did not prepare accurate monthly reconciliations of bank balances to book balances for all bank accounts. There were significant numbers of reconciling items that were not identified. The lack of proper reconciliations among the bank statements, cashbook and ledgers resulted in numerous errors which remained undetected and/or uncorrected until the audit. The extensive problems with these reconciliations resulted in the need for the District to obtain detailed proofs of cash for each month for the entire audit period.

We recommend the Fiscal Officer prepare detailed bank reconciliations that include all bank account balances being reconciled to total fund balances. Copies of bank reconciliations should be presented to the Board of Trustees for Trustee review and use in managing the District.

Management's Response – We did not receive a response from officials to this finding.

**INDIAN LAKE EMS JOINT AMBULANCE DISTRICT
LOGAN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2009-001	Financial Reporting	No	Repeated as 2011-001
2009-002	Ohio Rev. Code Section 117.38 – Publishing Financial Report	No	Repeated as 2011-002
2009-003	Ohio Rev. Code 5705.36(A)(1) – Budgetary not certified.	No	Repeated as 2011-003
2009-004	Ohio Rev. Code 5705.41(D) – Not properly encumbering.	No	Repeated as 2011-003

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Dave Yost • Auditor of State

INDIAN LAKE EMS JOINT AMBULANCE DISTRICT

LOGAN 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 11, 2012**