

**LYNCHBURG AREA JOINT FIRE
AND AMBULANCE DISTRICT
HIGHLAND COUNTY
Regular Audit
For the Years Ended December 31, 2013 and 2012**

Perry & Associates
Certified Public Accountants, A.C.



Dave Yost • Auditor of State

Board of Trustees
Lynchburg Area Joint Fire and Ambulance District
P.O. Box 585
8123 State Route 135
Lynchburg, Ohio 45309

We have reviewed the *Independent Auditor's Report* of the Lynchburg Area Joint Fire and Ambulance District, Highland County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2012 through December 31, 2013. 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.

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 Lynchburg Area 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

September 25, 2014

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**LYNCHBURG AREA JOINT FIRE AND AMBULANCE DISTRICT
HIGHLAND COUNTY**

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INDEPENDENT AUDITOR'S REPORT

July 18, 2014

Lynchburg Area Joint Fire and Ambulance District
Highland County
P.O. Box 585 8123 State Route 135
Lynchburg, OH 45309

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of **Lynchburg Area Joint Fire and Ambulance District**, Highland County, (the District) as of and for the years ended December 31, 2013 and 2012.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1B of the financial statements, the District prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1B and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2013 and 2012, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Lynchburg Area Joint Fire and Ambulance District, Highland County as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1B.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2014, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



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

**LYNCHBURG AREA JOINT FIRE AND AMBULANCE DISTRICT
HIGHLAND COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (CASH BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Debt Service	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 279,088	\$ -	\$ 93,621	\$ 372,709
Charges for Services	-	110,273	-	110,273
Intergovernmental	45,638	1,464	14,764	61,866
Earnings on Investments	1,243	-	-	1,243
Miscellaneous	4,739	-	-	4,739
<i>Total Cash Receipts</i>	<u>330,708</u>	<u>111,737</u>	<u>108,385</u>	<u>550,830</u>
Cash Disbursements				
Current:				
General Government	75,646	1,464	3,224	80,334
Public Safety	163,081	98,690	-	261,771
Capital Outlay	48,132	-	-	48,132
Debt Service:				
Principal Retirement	18,143	2,375	74,453	94,971
Interest and Fiscal Charges	5,477	-	27,293	32,770
<i>Total Cash Disbursements</i>	<u>310,479</u>	<u>102,529</u>	<u>104,970</u>	<u>517,978</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>20,229</u>	<u>9,208</u>	<u>3,415</u>	<u>32,852</u>
Other Financing Receipts				
Note Proceeds	47,500	-	-	47,500
<i>Total Other Financing Receipts</i>	<u>47,500</u>	<u>-</u>	<u>-</u>	<u>47,500</u>
<i>Net Change in Fund Cash Balance</i>	67,729	9,208	3,415	80,352
<i>Fund Cash Balance, January 1</i>	<u>220,723</u>	<u>96,870</u>	<u>70,016</u>	<u>387,609</u>
Fund Cash Balance, December 31				
Restricted	-	106,078	73,431	179,509
Assigned	8,750	-	-	8,750
Unassigned	279,702	-	-	279,702
<i>Fund Cash Balance, December 31</i>	<u>\$ 288,452</u>	<u>\$ 106,078</u>	<u>\$ 73,431</u>	<u>\$ 467,961</u>

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

**LYNCHBURG AREA JOINT FIRE AND AMBULANCE DISTRICT
HIGHLAND COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (CASH BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2012**

	General	Special Revenue	Debt Service	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$ 225,694	\$ -	\$ 75,503	\$ 301,197
Charges for Services	-	165,093	-	165,093
Intergovernmental	56,202	-	11,927	68,129
Earnings on Investments	746	-	-	746
Miscellaneous	13,366	-	-	13,366
<i>Total Cash Receipts</i>	<u>296,008</u>	<u>165,093</u>	<u>87,430</u>	<u>548,531</u>
Cash Disbursements				
Current:				
General Government	87,119	4,398	2,613	94,130
Public Safety	187,560	111,304	-	298,864
Capital Outlay	38,351	166,589	-	204,940
Debt Service:				
Principal Retirement	-	-	35,863	35,863
Interest and Fiscal Charges	-	-	28,758	28,758
<i>Total Cash Disbursements</i>	<u>313,030</u>	<u>282,291</u>	<u>67,234</u>	<u>662,555</u>
<i>Net Change in Fund Cash Balance</i>	<u>(17,022)</u>	<u>(117,198)</u>	<u>20,196</u>	<u>(114,024)</u>
Other Financing Receipts				
Note Proceeds	-	142,000	-	142,000
<i>Total Other Financing Receipts</i>	<u>-</u>	<u>142,000</u>	<u>-</u>	<u>142,000</u>
<i>Net Change in Fund Cash Balance</i>	<u>(17,022)</u>	<u>24,802</u>	<u>20,196</u>	<u>27,976</u>
<i>Fund Cash Balance, January 1 (Restated, See Note 8)</i>	<u>237,745</u>	<u>72,068</u>	<u>49,820</u>	<u>359,633</u>
Fund Cash Balance, December 31				
Restricted	-	96,870	70,016	166,886
Assigned	2,823	-	-	2,823
Unassigned	217,900	-	-	217,900
<i>Fund Cash Balance, December 31</i>	<u>\$ 220,723</u>	<u>\$ 96,870</u>	<u>\$ 70,016</u>	<u>\$ 387,609</u>

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

**LYNCHBURG AREA JOINT FIRE AND AMBULANCE DISTRICT
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

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 Lynchburg Area Joint Fire and Ambulance District, Highland County, (the District) as a body corporate and politic. A six-member Board of Trustees governs the District. The six member board is composed of one representative from each District with one member appointed at large by the majority of the other members. Those subdivisions are Union District, Salem District, Dodson District, Hamer District, and the Village of Lynchburg. The District provides fire protection, emergency medical services, and rescue services within the District and by contract to areas outside 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

All Deposits are maintained in checking accounts.

D. Fund Accounting

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

2. Special Revenue Funds

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District had the following significant Special Revenue Fund:

Fire and Rescue Ambulance EMS – This Fund receives fire and ambulance money for providing emergency medical services.

3. Debt Service Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The District had the following significant Debt Service Fund:

Miscellaneous Debt Service – This Fund receives property tax money for building bonds.

**LYNCHBURG AREA JOINT FIRE AND AMBULANCE DISTRICT
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(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. Unencumbered appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and do not need to be reappropriated.

A summary of 2013 and 2012 budgetary activity appears in Note 3.

F. Fund Balance

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 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.

**LYNCHBURG AREA JOINT FIRE AND AMBULANCE DISTRICT
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(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. 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 at December 31 was as follows:

	2013	2012
Demand Deposits	\$ 467,961	\$ 387,609

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; collateralized by securities specifically pledged by the financial institution to the District; or collateralized by the financial institution's public entity deposit pool.

**LYNCHBURG AREA JOINT FIRE AND AMBULANCE DISTRICT
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2013 and 2012 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$339,870	\$378,208	\$38,338
Special Revenue	111,043	111,737	694
Debt Service	98,220	108,385	10,165
Total	\$549,133	\$598,330	\$49,197

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$366,206	\$319,229	\$46,977
Special Revenue	156,794	102,529	54,265
Debt Service	106,000	104,970	1,030
Total	\$629,000	\$526,728	\$102,272

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$235,285	\$296,008	\$60,723
Special Revenue	156,082	307,093	151,011
Debt Service	78,760	87,430	8,670
Total	\$470,127	\$690,531	\$220,404

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$473,000	\$315,853	\$157,147
Special Revenue	204,000	282,291	(78,291)
Debt Service	110,000	67,234	42,766
Total	\$787,000	\$665,378	\$121,622

**LYNCHBURG AREA JOINT FIRE AND AMBULANCE DISTRICT
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)**

4. 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 pay semiannually, 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.

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

5. DEBT

Debt outstanding at December 31, 2013 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$609,386	4.05%
General Obligation Note	45,125	0.00%
Ambulance Loan	123,857	3.99%
Total	\$778,368	

The District issued a general obligation bond to finance part of the cost of new construction of a fire and ambulance station in 2005 for \$900,000. Payments of principal and interest are made semi-annually. In 2013, the District made an additional principal payment of \$34,000. The general bonds are collateralized by the taxing authority of the District.

The Ohio Department of Commerce issued a loan to the District to finance the purchase of chassis to replace the Rescue Chassis and a Tanker Chassis in 2013 for \$47,500. Payments are made quarterly. The general obligation note is collateralized by the chassis.

Republic First National bank issued a loan to the District to finance an ambulance in 2012 for \$142,000. Payments are made annually. The loan is collateralized by the ambulance.

Amortization of the above debt, including interest, is scheduled as follows:

	General Obligation Bond	General Obligation Note	Ambulance Loan
Year ending December 31:			
2014	\$67,622	\$4,750	\$23,620
2015	67,622	4,750	23,620
2016	67,622	4,750	23,620
2017	67,622	4,750	23,620
2018	67,622	4,750	23,620
2019-2023	338,110	21,375	23,618
2024-2028	105,615	-	-
Total	\$781,835	\$45,125	\$141,718

**LYNCHBURG AREA JOINT FIRE AND AMBULANCE DISTRICT
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)**

6. RETIREMENT SYSTEMS

The District’s full-time certified Fire Fighters belong to the Police and Fire Pension Fund (OP&F). The clerk belongs to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans’ benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. From January 1, 2012 to June 30, 2013, OP&F participants contributed 10% of their wages. From June 30, 2013 to December 30, 2013, OP&F participants contributed 10.75% of their wages. For 2012 and 2013, the District contributed to OP&F an amount equal to 24% of full-time fire fighters’ wages.

For 2012 and 2013, OPERS members contributed 10% of their gross salaries and the District contributed an amount equaling 14%, respectively, of participants’ gross salaries. The District has paid all contributions required through December 31, 2013.

7. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

8. RESTATEMENT OF FUND BALANCE

The restatement is due to the fund structure of the District. The District changed to the UAN accounting system. Based on this and the implementation of GASB 54 the fund structure was reevaluated and it was determined that the District would keep a separate fund designated as a special revenue fund and appropriated and administered by the board for ambulance and emergency services. Also, the debt service activity was determined to be a proper debt service fund type and this balance was classified accordingly.

	General Fund	Special Revenue Fund	Debt Service Fund	Total
Fund Balance at December 31, 2011	\$ 359,633	\$ -	\$ -	\$ 359,633
Change in Fund Balance	(121,888)	72,068	49,820	-
Adjusted Fund Balance at January 1, 2012	\$ 237,745	\$ 72,068	\$ 49,820	\$ 359,633

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

July 18, 2014

Lynchburg Area Joint Fire and Ambulance District
Highland County
P.O. Box 585 8123 State Route 135
Lynchburg, OH 45309

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United State and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of **Lynchburg Area Joint Fire and Ambulance District**, Highland County, (the District) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements and have issued our report thereon dated July 18, 2014, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

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

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 internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2013-001 described in the accompanying schedule of audit findings to be a material weakness.

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, opining 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 we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2013-002.

We noted a certain matter not requiring inclusion in this report that we reported to the District's management in a separate letter dated July 18, 2014.

Entity's Response to Findings

The District's responses to the findings identified in our audit are described in the accompanying schedule of audit findings. We did not audit the District's responses and, accordingly, we express no opinion on them.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

**LYNCHBURG AREA JOINT FIRE AND AMBULANCE DISTRICT
HIGHLAND COUNTY**

**SCHEDULE OF AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2013-001

Material Weakness

Posting of Receipts, Disbursements and Fund Balances

Receipts and disbursements should be posted to the fund and line item accounts as established by Ohio Administrative Code. Fund balances should be properly classified based on Governmental Accounting Standards Statement No. 54.

During 2013 and 2012, receipts, disbursements and fund balances were not always posted or classified correctly. The following errors were noted:

- In 2012, the receipt of the ambulance note proceeds and the corresponding capital outlay expense for the purchase of the ambulance were not posted to the district accounting system.
- In 2013 and 2012, fund balances were classified as unassigned when they should have been classified as assigned.

Not posting receipts and disbursements or classifying fund balances accurately resulted in the financial statements requiring adjustments and reclassifications. The District has made all adjustments to its accounting system. The financial statements reflect all adjustments and reclassifications.

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 are properly identified and classified on the financial statements.

We also recommend the Clerk-Treasurer refer to Ohio Administrative Code Section 117-7-01 and/or the UAN manual for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements. The Clerk-Treasurer should refer to Auditor of State Bulletin 2011-004 for assistance in properly classifying fund balances.

Officials' Response – Finding is due to prior fiscal officer not recording debt receipt or corresponding capital outlay.

FINDING NUMBER 2013-002

Noncompliance

Ohio Rev. Code Section 5705.41 (B) states that no subdivision or taxing unit shall make any expenditure of money unless the same has been properly appropriated.

Actual disbursements exceeded appropriations in 2012 in the Special Revenue Fund.

We recommend the District Clerk modify appropriations with the Board Members and County Budget Commission before incurring obligations that would cause expenditures to exceed appropriations. The District Clerk should deny any payments until the legislative authority has passed the necessary changes to the appropriation measure.

Officials' Response – Finding is due to prior fiscal officer not recording debt receipt or corresponding capital outlay..

**LYNCHBURG AREA FIRE AND AMBULANCE DISTRICT
HIGHLAND COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2011-001	Posting Receipts/Disbursements	No	2013-001



Dave Yost • Auditor of State

LYNCHBURG AREA 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
OCTOBER 7, 2014**