

TRI-DIVISION AMBULANCE DISTRICT

STARK COUNTY, OHIO

AUDIT REPORT

For the Years Ended December 31, 2015 and 2014





Dave Yost • Auditor of State

Board of Trustees
Tri-Division Ambulance District
PO Box 352
East Sparta, OH 44628

We have reviewed the *Independent Auditor's Report* of the Tri-Division Ambulance District, Stark County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2014 through December 31, 2015. 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 Tri-Division 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 14, 2016

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TRI-DIVISION AMBULANCE DISTRICT
STARK COUNTY, OHIO
Audit Report
For the Years Ended December 31, 2015 and 2014

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INDEPENDENT AUDITOR'S REPORT

Tri-Division Ambulance District
Stark County
P.O. Box 352
East Sparta, Ohio 44628

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts, and disbursements by fund type, and related notes of the Tri-Division Ambulance District, Stark County, (the District) as of and for the years ended December 31, 2015 and 2014.

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 of 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 opinions.

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

As described in Note 1 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 (GAAP), to satisfy these requirements.

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

Though the District does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

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, 2015 and 2014, 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 cash balances of the Tri-Division Ambulance District, Stark County as of December 31, 2015 and 2014, and its 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 1.

Emphasis of Matter

As discussed in Note 10 to the financial statements, during 2014, the District restated its General Fund and Special Revenue cash fund balances for a fund-type reclassification. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2016, 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.



Charles E. Harris & Associates, Inc.

August 31, 2016

**TRI-DIVISION AMBULANCE DISTRICT
STARK COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2015**

	General
Cash Receipts:	
Property and Other Local Taxes	\$399,973
Charges for Services	28,758
Intergovernmental	81,790
Earnings on Investments	117
Miscellaneous	3,715
<i>Total Cash Receipts</i>	<i>514,353</i>
Cash Disbursements:	
Current Disbursements:	
Security of Persons and Property:	
Salaries	287,430
Fringe Benefits	47,600
Materials and Supplies	18,254
Equipment	2,460
Contractual Services	137,540
Capital Outlay	3,777
Debt Service:	
Principal Retirement	58,915
Interest and Fiscal Charges	4,308
<i>Total Cash Disbursements</i>	<i>560,284</i>
<i>Excess Receipts Over (Under) Disbursements</i>	<i>(45,931)</i>
Other Financing Receipts (Disbursements):	
Sale of Assets	17,623
<i>Total Other Financing Receipts (Disbursements)</i>	<i>17,623</i>
<i>Net Change in Fund Cash Balance</i>	<i>(28,308)</i>
<i>Fund Cash Balances, January 1</i>	<i>152,782</i>
Fund Cash Balances, December 31	
Unassigned	124,474
<i>Fund Cash Balances, December 31</i>	<i>\$124,474</i>

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

**TRI-DIVISION AMBULANCE DISTRICT
STARK COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2014**

	General
Cash Receipts:	
Property and Other Local Taxes	\$395,880
Charges for Services	25,935
Intergovernmental	70,767
Earnings on Investments	147
Miscellaneous	6,816
<i>Total Cash Receipts</i>	499,545
Cash Disbursements:	
Current Disbursements:	
Security of Persons and Property:	
Salaries	278,327
Fringe Benefits	47,093
Materials and Supplies	11,904
Equipment	1,500
Contractual Services	81,826
Capital Outlay	444,788
<i>Total Cash Disbursements</i>	865,438
<i>Excess Receipts Over (Under) Disbursements</i>	(365,893)
Other Financing Receipts (Disbursements):	
Proceeds of Debt	115,000
<i>Total Other Financing Receipts (Disbursements)</i>	115,000
<i>Net Change in Fund Cash Balance</i>	(250,893)
<i>Fund Cash Balance, January 1 - Restated</i>	403,675
Fund Cash Balances, December 31	
Unassigned	152,782
<i>Fund Cash Balances, December 31</i>	\$152,782

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

**TRI-DIVISION AMBULANCE DISTRICT
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

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 Tri-Division Ambulance District, Stark County, (the District) as a body corporate and politic. A three-member Board of Trustees governs the District. Each political subdivision within the District appoints one member. Those subdivisions are Pike Township, Sandy Township, and the Village of East Sparta. The District provides ambulance 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 permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

C. Deposits and Investments

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

The District pooled all money into demand deposits.

D. Fund Accounting

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

General Fund

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

**TRI-DIVISION AMBULANCE DISTRICT
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(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 disbursements (that is, disbursements and encumbrances) may not exceed appropriations at the 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 also 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 need not be reappropriated.

A summary of 2015 and 2014 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.

**TRI-DIVISION AMBULANCE DISTRICT
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

1. Summary of Significant Accounting Policies (continued)

F. Fund Balance (continued)

3. Committed

The Board of Trustees can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the Board amends 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.

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 the Board of 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 and investments pool used by the general fund. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2015	2014
Demand deposits	\$ 124,474	\$ 152,782
Total deposits	<u>\$ 124,474</u>	<u>\$ 152,782</u>

**TRI-DIVISION AMBULANCE DISTRICT
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

2. Equity in Pooled Deposits (continued)

Deposits: Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2015 and 2014 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$494,153	\$531,976	\$37,823

2015 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$646,935	\$560,284	\$86,651

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$465,327	\$614,545	\$149,218

2014 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$873,002	\$865,438	\$7,564

4. Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board 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.

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

**TRI-DIVISION AMBULANCE DISTRICT
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

5. Debt

Debt outstanding at December 31, 2015 was as follows:

	Principal	Interest Rate
Magnolia Bank Municipal Bond # 2200268	\$ 56,085	4.25%
Total	\$ 56,085	

In 2014, the District entered into a loan agreement with Magnolia Bank. The loan was used to help with remodeling of the ambulance building. The loan will be repaid semi-annually over two years. The loan is being repaid from the General Fund.

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

	Magnolia Bank Municipal Bond Loan # 2200268
Year ending December 31: 2016	\$ 58,469
Total	\$ 58,469

6. Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2015 and 2014, 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, 2015.

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.

Settled claims have not exceeded coverage in any of the last three years. There have been no significant reductions in insurance coverage from last year.

8. Contingent Liabilities

Management believes there are no pending claims or lawsuits.

**TRI-DIVISION AMBULANCE DISTRICT
STARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

9. Compliance

The District did not encumber all transactions tested during the audit period.

10. Cash Fund Balance Restatements

The financial statements were adjusted to reflect the Ambulance & Emergency Medical Service fund in the General Fund rather than the Special Revenue Fund. The revisions had the following effects on fund balances previously reported:

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Cash Fund Balance, December 31, 2013	\$388,617	\$15,058
Fund Reclassification:		
Ambulance & Emergency Medical	<u>15,058</u>	<u>(15,058)</u>
Cash Fund Balance, January 1, 2014	<u><u>\$403,675</u></u>	<u><u>\$0</u></u>

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

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

Tri-Division Ambulance District
Stark County
P.O. Box 352
East Sparta, Ohio 44628

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Tri-Division Ambulance District, Stark County (the District) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements and have issued our report thereon dated August 31, 2016, 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, and restated its General Fund and Special Revenue Fund cash fund balances.

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 opinions 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.

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 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2015-002 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 matter we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2015-001.


We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated August 31, 2016.

Entity's Responses to Findings

The District's responses to the findings identified in our audit are described in the accompanying schedule of 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.



Charles E. Harris and Associates, Inc.

August 31, 2016

**TRI-DIVISION AMBULANCE DISTRICT
STARK COUNTY**

**SCHEDULE OF FINDINGS
December 31, 2015 and 2014**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number: 2015-001 – Noncompliance

Fiscal Officer’s Certification of Expenditures

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making a contract or ordering any expenditure of money unless a certificate signed by a fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a fiscal officer’s certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving expenditure of money. The main exceptions are: “then and now” certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. “Then and Now Certificates” – If the fiscal officer can certify that both at the time that contract or order was made (“then”) and at the time that the fiscal officer was completing the certification (“now”), that sufficient funds were available or in the process of collection, to credit of a proper fund, properly appropriated and free from any previous encumbrance, the District can authorize the drawing of a warrant for payment of the amount due. The District has thirty days from the receipt of the “then and now” certificate to approve payment by resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution upon completion of the “then and now” certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the District.

2. Blanket Certificates - Fiscal officers may prepare “blanket” certificates for a certain sum of money not in excess of an amount established by resolution adopted by a majority of members of the legislative authority against any specific line item amount over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. Super Blanket Certificates – The District may also make expenditures and contracts for any amount for a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most profession services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

During fiscal years 2015 and 2014, 38% of purchase orders tested were not certified by the District Finance Officer prior to incurring the obligation. The transactions had no evidence of the above mentioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

**TRI-DIVISION AMBULANCE DISTRICT
STARK COUNTY**

**SCHEDULE OF FINDINGS - continued
December 31, 2015 and 2014**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - continued
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Finding Number: 2015-001 – Noncompliance (continued)

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the District's expenditures exceeding budgetary spending limitations, we recommend that the District certify expenditures prior to incurring the liability.

Management Response:

These findings were caused by the previous administration. They will be corrected going forward. In addition, the Board will review the procedures in place to certify expenditures prior to incurring liabilities to ensure that these are adequate in the future.

Finding Number 2015-002 - Material Weakness

During 2015 and 2014, the District erroneously recorded numerous transactions. The more significant adjustments are as follows:

- Homestead and rollback and personal property tax reimbursement receipts of \$76,337 in 2015 and \$66,017 in 2014 were improperly recorded as property and other local taxes rather than intergovernmental receipts.
- EMS grants receipts of \$5,453 in 2015 and \$4,750 in 2014 were improperly recorded as Miscellaneous receipts instead of Intergovernmental revenue.
- Refunds of \$2,955 in 2015 and \$5,645 in 2014 were recorded as Other Financing Sources instead of Miscellaneous revenue.
- Fund balances were not reported in accordance with GASB 54 in both 2015 and 2014.
- During 2015, principal and interest payment totaling \$63,223 were recorded as capital outlay in the General Fund.
- During 2015, the proceeds from the sale of a land were recorded as miscellaneous instead of other financing sources.
- During 2014 the proceeds of a loan totaling \$115,000 was recorded as miscellaneous receipt instead of Proceeds of Loans.
- The Ambulance & Emergency Medical Service Fund, a fund with no restrictions, was reported as a Special Revenue fund rather than in the General fund.

Adjustments were made in the financial statements and the District's records to reflect the proper presentation.

To help ensure accuracy and reliability in the financial reporting process, we recommend management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues and disbursements are properly identified and classified on the financial statements. In addition, the District should review Auditor of State Bulletin 2011-004 which addresses reporting of governmental type fund balances in accordance with GASB 54.

**TRI-DIVISION AMBULANCE DISTRICT
STARK COUNTY**

**SCHEDULE OF FINDINGS - continued
December 31, 2015 and 2014**

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - continued</p>

Finding Number 2015-002 - Material Weakness (continued)

Management Response:

These findings were caused by the previous administration. The Board and Fiscal Officer will review the Auditor of State Bulletin 2011-004 and determine if additional processes are needed. These issues will be corrected going forward.

**TRI-DIVISION AMBULANCE DISTRICT
STARK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2015 AND 2014**

FINDING NUMBER	FUNDING SUMMARY	FULLY CORRECTED?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2013-001	Material Weakness: Improper recording of transactions and financial statement presentation	No	Repeated as 2015-002



Dave Yost • Auditor of State

TRI DIVISION AMBULANCE SERVICE

STARK 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
NOVEMBER 29, 2016**